

INVESTMENT INCENTIVES IN SLOVAKIA

ELIGIBLE PROJECTS

Investment incentives can be granted for new or established companies in the following types of projects:

- industrial production
- technology centers
- combined project of industrial production and technology center
- shared services centers

There is no legal entitlement to the granting of investment aid and each application is evaluated individually.

ELIGIBLE COSTS

For the purposes of investment aid, the following long-term assets shall be considered as eligible costs

- purchase of land and buildings acquisition
- rent of new land and buildings
- purchase of new technology and machinery equipment
- purchase of intangible assets - patents, licenses, know-how etc.
or
- wage costs of new employees for the period of 2 years

All production and technology equipment which is to be included in the eligible costs must be new (never depreciated), acquired under market conditions and manufactured not more than two years prior to its acquisition.

TIME FRAME

The investor has a maximum of 3 years for the project implementation (5 years for large scale projects). In the case of job creation, the investor has a maximum of 6 years to create the new positions. Work on the project can begin at the earliest after submitting the application of the investment aid to the Ministry of Economy.

FORMS OF INVESTMENT AID

Investment aid is provided in the following forms (provided ex-post):

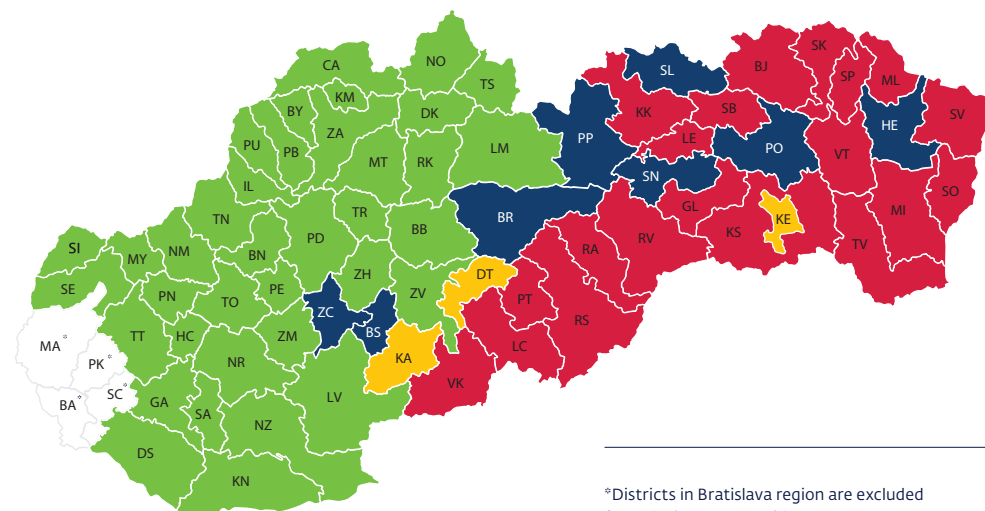
- income tax relief
- cash grant for tangible and intangible fixed assets
- contribution for newly created jobs
- rent/sale of real estate at a discounted price

INDUSTRIAL PRODUCTION

In the case of industrial production projects, there are conditions of minimum investment amount, the share of new technological equipment in eligible costs and the creation of new jobs depending on the unemployment rate in the district, the applied form of investment aid, and the priority of the project sectoral specification.

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In the case of expansion, there is an obligation to increase production volume or production turnover by at least 15%.

Categorization of Slovakian districts based on the unemployment rate (november 2018)



	Minimum share of new technologies on the investment	Min. investment amount	Min. investment amount	Min. investment amount/ no. of newly created jobs	Min. investment amount
		Cash grant**	Income tax relief	Contribution for newly created jobs	Rent/sale of real estate at a discounted price
A	60%	only priority areas	6 mil. €	n/a	6 mil. €
B	50%	30 mil. €	3 mil. €	3 mil. €/200	3 mil. €
C	40%	20 mil. €	1,5 mil. €	1,5 mil. €/100	1,5 mil. €
D	30%	1 mil. €	0,2 mil. €	0,2 mil. €/20	0,2 mil. €

*If the investment incentives recipient is a small and medium-sized enterprise (SME), the minimum investment amount and the number of newly created jobs is reduced to at least 1/2.

** The minimum investment amount in case of applying for cash grant varies in each district based on the priority of the project sectoral specification.

TECHNOLOGY CENTERS

In the case of technology center projects, there are conditions of minimum investment amount, creation of new jobs and minimum fold of average salary in the district depending on the applied form of investment aid, and the priority of the project sectoral specification.

Minimum conditions for technology center projects

Project sectoral specification	Min. number of newly created jobs	Min. fold of average salary in district	Minimum investment amount			
			Cash grant	Income tax relief	Contribution for newly created jobs	Rent/sale of real estate at a discounted price
Priority areas	10	2,0	200 000 €	100 000 €	100 000 €	100 000 €
Other areas	20	1,7	400 000 €	200 000 €	200 000 €	200 000 €

BUSINESS SERVICE CENTERS

In the case of business service centers projects, there are conditions of minimum investment amount, creation of new jobs and minimum fold of average salary in the district depending on the applied form of investment aid, and the priority of the project sectoral specification.

Minimum conditions for business service centers projects

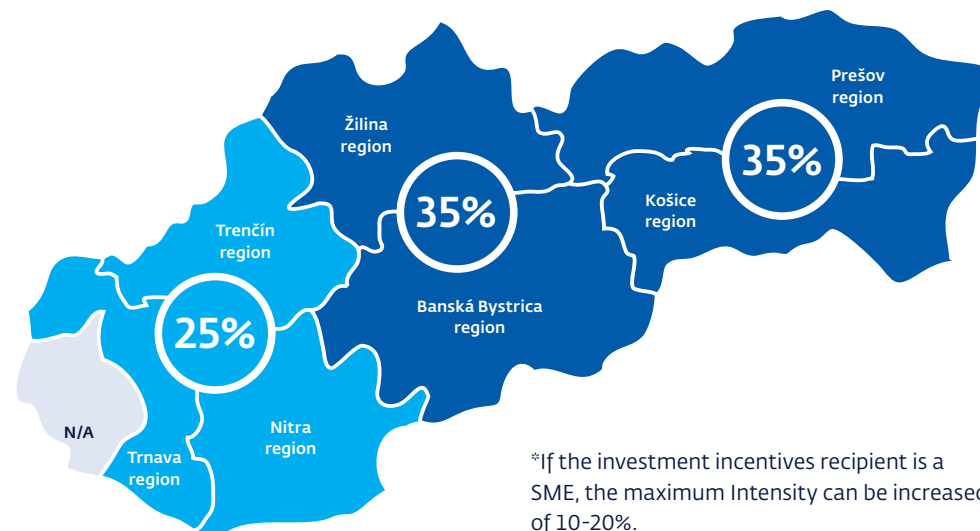
Project sectoral specification	Min. number of newly created jobs	Min. násobok priemernej mzdy v okrese	Minimum investment amount			
			Cash grant	Income tax relief	Contribution for newly created jobs	Rent/sale of real estate at a discounted price
Priority areas	20	1,8	200 000 €	0 €	0 €	0 €
Other areas	50	1,5	n/a	0 €	0 €	0 €

AID INTENSITY

Maximum aid intensity in all eligible projects means the maximum amount of investment incentives calculated as a portion from the eligible costs.

Districts in Bratislava region are excluded from the investment aid scheme.

Maximum investment aid intensity*



*If the investment incentives recipient is a SME, the maximum Intensity can be increased of 10-20%.

PRIORITY AREAS IN PROJECTS OF INDUSTRIAL PRODUCTION AND TECHNOLOGY CENTER PROJECTS

- manufacture of food products
- manufacture of chemicals and chemical products
- manufacture of basic pharmaceutical products and pharmaceutical preparations
- manufacture of computer, electronic and optical products
- manufacture of electrical equipment
- manufacture of machinery and equipment
- manufacture of motor vehicles, trailers and semi-trailers
- manufacture of other transport equipment

PRIORITY AREAS IN BUSINESS SERVICE CENTER PROJECTS

- company management
- finance
- information technology (IT)

This material is provided for informational purposes only. It is not a comprehensive analysis of investment incentives in Slovakia. In case of question, please contact SARIO via e-mail at invest@sario.sk.