



ESSENTIALS 2017

REGIONAL INVESTMENT AID

MINISTRY OF ECONOMY OF THE SLOVAK
REPUBLIC

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REGIONAL INVESTMENT AID

THE INVESTMENTS AND NEW JOBS CREATION SUPPORT

The investment aid may be granted to a business entity registered in Slovakia, whose investment project meets the general conditions under the Act on Investment Aid.

The investment plan shall successfully pass the examination and approval of the investment aid.

There is no legal entitlement to the granting of the investment aid.

OBLIGATIONS OF THE BENEFICIARY

- works on the investment plan cannot be initiated before the day of its submission;
- fulfil the conditions within three years following the approval of the investment aid / 5 years in the case of large investment project (more than 50 mil. Eur of eligible costs);
- the jobs created in direct relation to the initial investment shall be staffed within three years after the investment plan completion;
- the beneficiary is obliged to keep the non-current tangible assets and non-current intangible assets at least for five tax periods following the tax period, in which the applicant completed the investment plan.

ELIGIBLE PROJECTS

INDUSTRIAL PRODUCTION

Establishment of a new enterprise, production expansion, production diversification or principal change of production program of an existing enterprise.

TECHNOLOGICAL CENTERS

Establishment of a new technological center or expansion of the existing one.

STRATEGIC SERVICES CENTERS

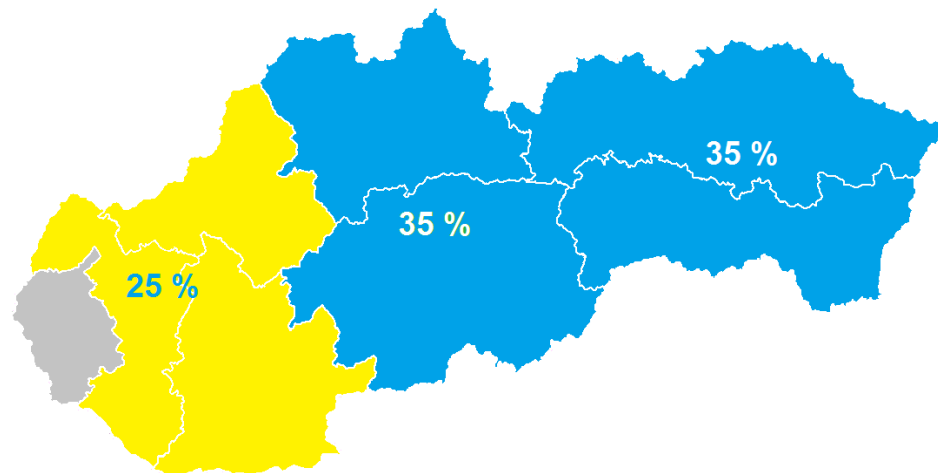
Establishment of a new shared service center or expansion of the existing one.

ELIGIBLE COSTS

- tangible fixed assets in the form of land, buildings, machinery and technological equipment and intangible assets in the form of patents, licenses, rights, know-how or non-patented technical knowledge
- or
- total wage costs of new employees for the period of 2 years.

MAXIMUM INVESTMENT AID INTENSITY

The aid intensity shall not exceed following values (according to the region of the Slovak Republic). Bratislava region is excluded from the investment aid.



Map 1: Maximum investment aid intensity

For SME it is possible to increase the maximum intensity by 20% (small business), or 10% (medium-sized).

INVESTMENT AID FORMS

- ✓ **SUBSIDY FOR THE ACQUISITION OF TANGIBLE ASSETS AND INTANGIBLE ASSETS**
- ✓ **INCOME TAX RELIEF**
- ✓ **CONTRIBUTION FOR NEW JOBS**

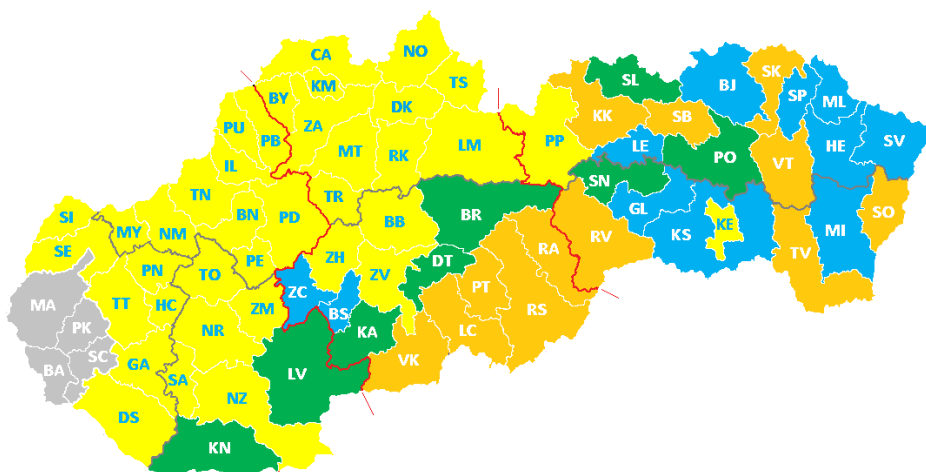
INDUSTRIAL PRODUCTION

GENERAL CONDITIONS

General conditions for industry is subject to the unemployment rate in the selected district. A special regime is applied in the least developed regions (LDR).

	UR* ≤ 100 %	100 % < UR* < 135 %	135 % ≤ UR*	LDR
Minimum investment for the acquisition of assets	10 000 000 €	5 000 000 €	3 000 000 €	200 000 €
For "small and medium enterprises"	5 000 000 €	2 500 000 €	1 500 000 €	100 000 €
The minimum value of new technologies for the production	60%	50%	40%	30%

*UR – Unemployment rate – 100% = 9,49 %



Map 2: General conditions for granting investment aid by region in the field of "industrial production"

Other conditions:

- **At least 50 %** of acquired assets has to be covered by **own equity**;
- investment project must lead to the creation of **40 new jobs**, for **LDR 10 new jobs**.
- investment project should be implemented at one place;
- investment project should comply with the environmental protection conditions.

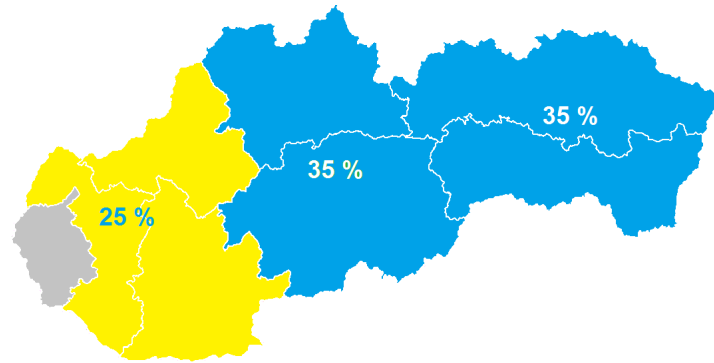
MAXIMUM INVESTMENT AID INTENSITY

Subsidy for the acquisition of tangible assets and intangible assets

Up to 35% of the investment costs.

Income tax relief

Up to 35% of the eligible (investment/wage costs) costs.



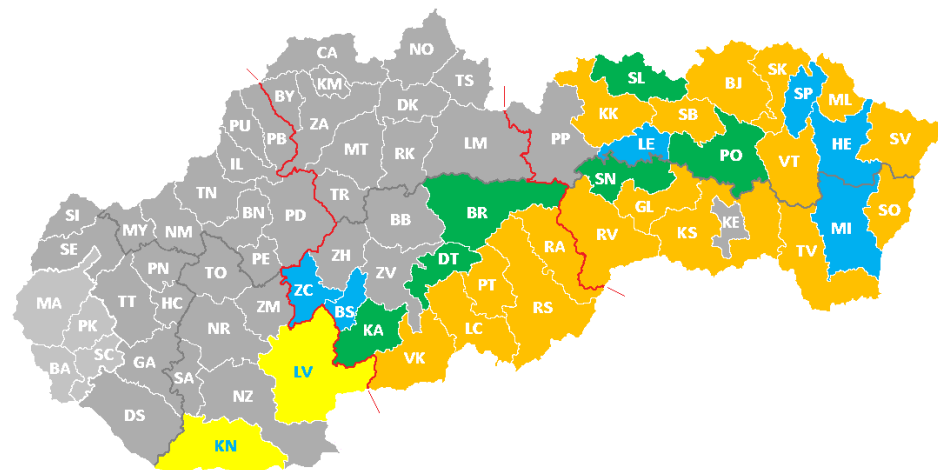
Map 3: Maximum investment aid rates

CONTRIBUTION FOR NEW JOBS

Up to 30 000 Eur. (depending on region)

$UR^* \leq 100\%$	$100\% < UR^* < 135\%$ západné Slovensko	$100\% < UR^* < 135\%$	$135\% \leq UR^* \leq 160\%$	$160\% < UR^*$
not provided	5 000 €	9 000 €	10 000 €	30 000 €

* UR – Unemployment rate – $100\% = 9,49\%$



Map 4: Maximum amount of investment aid in the form of "contributions" on the job

TECHNOLOGICAL CENTERS

GENERAL CONDITIONS

Minimum investment of **500 000 €** on the fixed assets;

at least 50 % of acquired assets has to be covered by **own equity**;

investment project must lead to the creation of **30 new jobs**;

at least 70 % of new employees must have **university degree**.

Technological centre is place, where receiver operates development or production processes. The manufacturing process is not considered an activity of the technology center

MAXIMUM INVESTMENT AID INTENSITY

Subsidy for the acquisition of tangible assets and intangible assets

Up to 35% of the investment costs.

Income tax relief

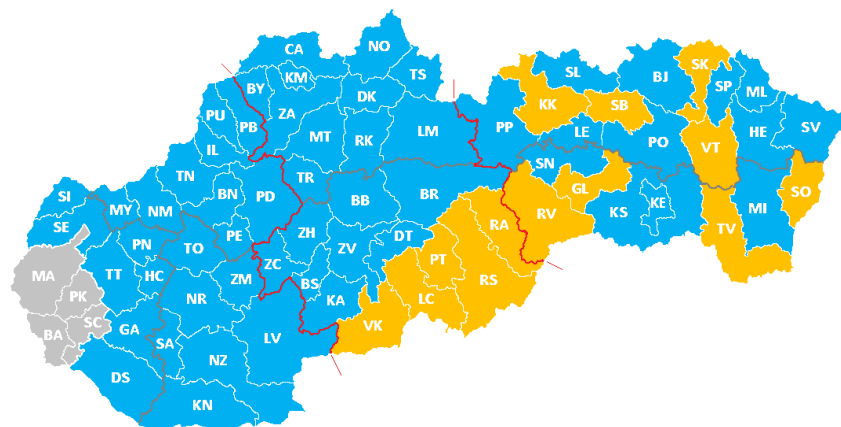
Up to 35% of the eligible (investment/wage costs) costs.

Contribution for new jobs

The maximum contribution per new jobs created:

UR* ≤ 160 %	160 % < UR*
10 000 €	30 000 €

*UR – Unemployment rate – 100% = 9,49 %



Map 5: Maximum amount of investment aid in the form of "contributions" on the job.

STRATEGIC SERVICES CENTERS

GENERAL CONDITIONS

Minimum investment of **400 000 €** on the fixed assets;

at least 50 % of acquired assets has to be covered by **own equity**;

investment project must lead to the creation of **40 new jobs**;

at **least 60 %** of new employees must have **university degree**.

Strategic services center is the place where the recipient provides services with high added value supporting the employment of qualified experts.

MAXIMUM INVESTMENT AID INTENSITY

Subsidy for the acquisition of tangible assets and intangible assets

Up to 35% of the investment costs.

Income tax relief

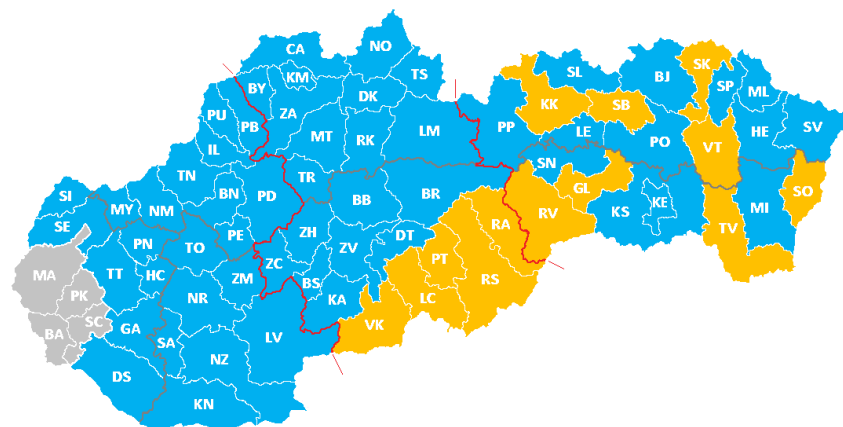
Up to 35% of the eligible (investment/wage costs) costs.

Contribution for new jobs

The maximum contribution per new jobs created:

UR* ≤ 160 %	160 % < UR*
6 000 €	30 000 €

*UR – Unemployment rate – 100% = 9,49 %



Map 6 Maximum amount of investment aid in the form of "contributions" on the job

AID INTENSITY FOR BIG INVESTMENT PLANS

Max. value of investment aid (adjusted value) for aid to the investment project with eligible costs above 50 million € is calculated by the formula:

$$R \times (50 + 0,5 \times B + 0,34 \times C).$$

- *R - max. intensity applicable in the area with no increase for SMEs;*
- *B - part of eligible costs for sum from 50 mil. € to 100 mil. €;*
- *C - part of eligible costs for sum higher than 100 mil. €;*

Example:

The investment plan is being implemented in the region with a maximum aid intensity of 35%. Eligible costs are 140 mil. €.

$$R = 35 \%$$

$$B = 50$$

$$C = 40$$

$$\text{Max. value IP} = 35\% (50 + 0,5 \times 50 + 0,34 \times 40) = \mathbf{31,01 \text{ mil. €.}}$$

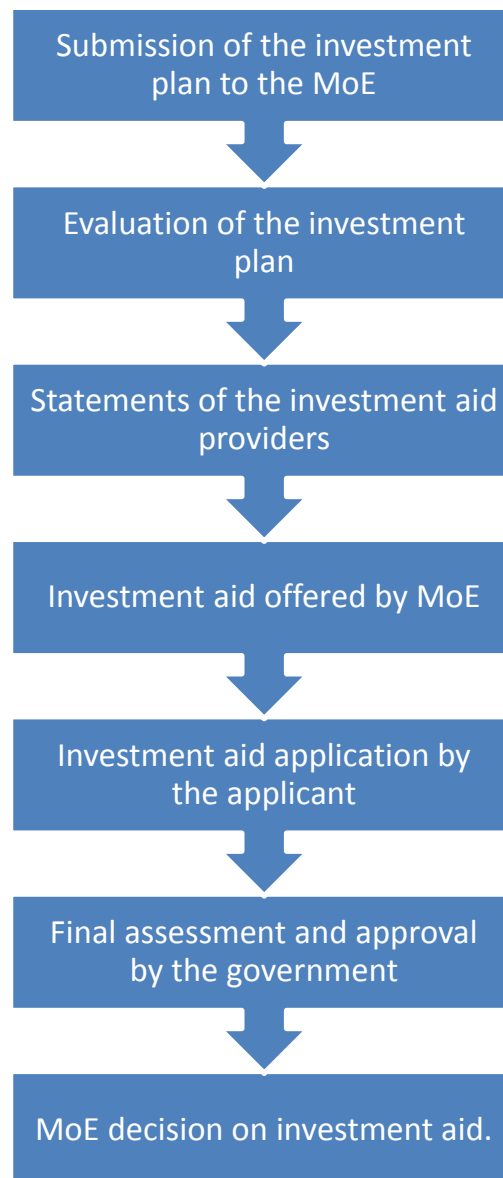
The maximum value of investment is 31.01 million €.

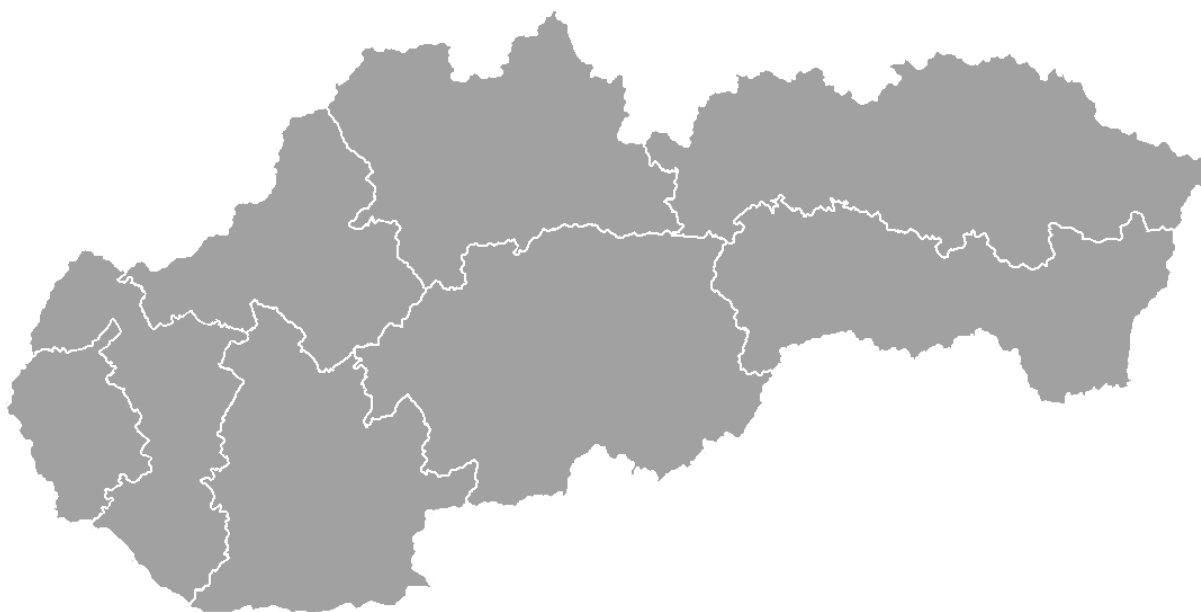
NOTIFICATION THRESHOLD

If the aid is exceeding a notification threshold, the investment aid shall be approved by the EC.

Aid intensity	Notification threshold
25%	18,75 mil. €
35%	26,25 mil. €

ASSESSMENT PROCESS AND APPROVAL OF THE INVESTMENT AID





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