

Investment Incentives in the Slovak Republic

Eligible Projects and Forms of Aid

Under the Slovak Act on Investment Aid the following four types of projects may be granted investment aid:

- industry
- technology centers
- shared services centers
- tourism

Typically, there are four applicable forms of investment incentives: tax relief, cash grant, contributions for the newly created jobs and transfer of state/municipal property for a discounted price. There is no legal entitlement to the granting of investment aid.

Eligible Costs

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

- » costs of land acquisition
- » costs of buildings acquisition
- » costs of technology equipment and machinery acquisition
- » intangible assets – licences, patents, etc.

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 the start of its operation.

Technological Centres and Shared Services Centres

The minimum investment amounts for technology centres and shared services centres are the same in all Slovak districts. The basic conditions are the following:

Technological centres	Shared services centres
minimum investment of 500 ths. EUR on the fixed assets	minimum investment of 400 ths. EUR on the fixed assets acquirement
at least 250 ths. EUR must be covered by own equity	at least 200 ths. EUR must be covered by own equity
the company must employ at least 70% of employees having university education	the company must employ at least 60% of employees having university education
min. 40 newly created jobs	min. 40 newly created jobs

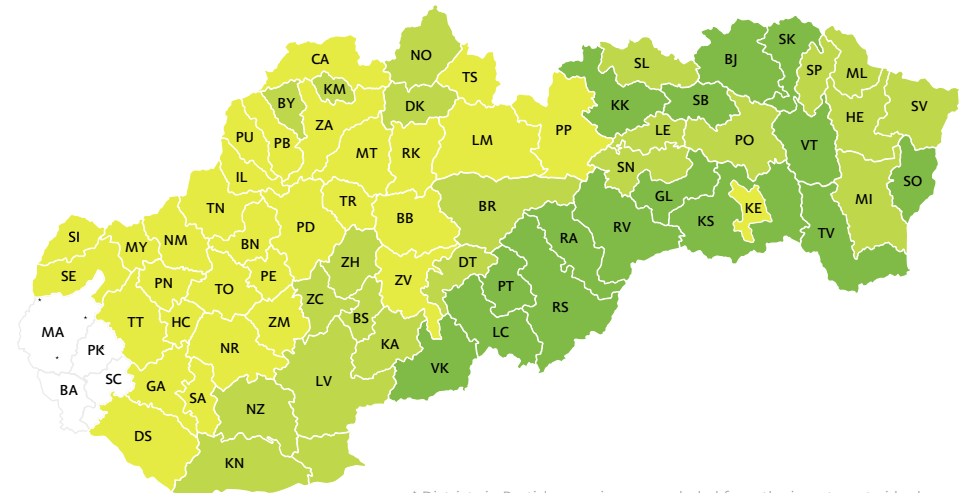
Industry

Minimum amount of investment for industry is subject to the unemployment rate in the selected district. Industrial investment projects must also lead to the creation of at least 40 new jobs.

In case of expansions of existing establishments, there shall be an increase in the number of employees by at least 10% (nominally always at least by 40 new jobs) and an increase in the production volume or turnover by at least 15%.

	Minimum investment amount		Amount of new machinery and equipment	Own equity	
	Large enterprises	SMEs		Large enterprises	SMEs
Lower than Slovak average	10 mil. EUR	5 mil. EUR	60%	5 mil. EUR	2,5 mil. EUR
Higher than Slovak average	5 mil. EUR	2,5 mil. EUR	50%	2,5 mil. EUR	1,25 mil. EUR
At least by 50% higher than Slovak average	3 mil. EUR	1,5 mil. EUR	40%	1,5 mil. EUR	0,75 mil. EUR

Minimum Amounts of Investment / Classification by Districts (valid in 2013)

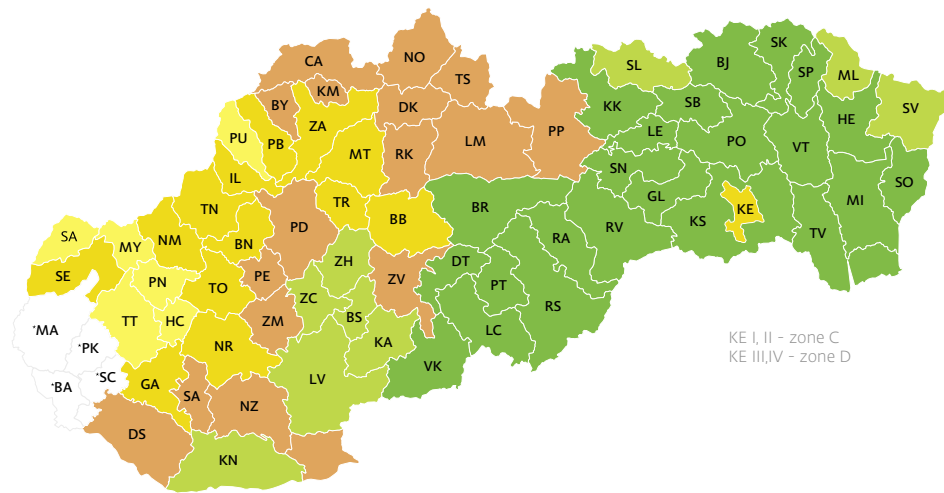


* Districts in Bratislava region are excluded from the investment aid scheme

Aid Intensity

Maximum aid intensity means the maximum amount of investment incentives calculated as a portion from the eligible costs. For this purpose, the territory of Slovakia is classified into five zones (A to E), the available maximum intensity is higher in districts with higher unemployment rates.

Maximum Intensities of Investment Aid / Classification by Districts (valid in 2013)



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Maximum Intensity of Incentives for Industry

	Zone A	Zone B	Zone C	Zone D	Zone E
Maximum intensity	40% / 50%	35% / 44%	25% / 31%	10% / 12%	10%
Cash grant	15% / 19%	13% / 16%	-	-	-
Income tax relief	40% / 50%	35% / 44%	25% / 31%	10% / 12%	10%
Contributions for new jobs	8000 EUR – 10000 EUR	6000 EUR – 8000 EUR	4000 EUR – 5000 EUR	-	-

Maximum Intensity of Incentives for Shared Services Centres

	Zone A	Zone B	Zone C	Zone D	Zone E
Maximum intensity	40% / 50%	40% / 50%	30% / 38%	15% / 19%	10% / 12%
Cash grant	-	-	-	-	-
Income tax relief	40% / 50%	40% / 50%	30% / 38%	-	-
Contributions for new jobs	10 500 – 13 100 EUR	10 500 – 13 100 EUR	10 500 – 11 800 EUR	9 100 – 10 500 EUR	7 800 – 9 100 EUR

Maximum Intensity of Incentives for Technological Centres

	Zone A	Zone B	Zone C	Zone D	Zone E
Maximum intensity	40% / 50%	40% / 50%	35% / 44%	35% / 44%	30% / 38%
Cash grant	25%	25%	25%	25%	25%
Income tax relief	40% / 50%	40% / 50%	30% / 38%	15% / 19%	10% / 15%
Contributions for new jobs	12 000 – 14 600 EUR	12 000 – 14 600 EUR	12 000 – 13 100 EUR	10 500 – 11 600 EUR	8 760 – 10 200 EUR

This material is provided for informational purposes only. It is not an comprehensive analysis of investment incentives in Slovakia. For more detailed information please visit our website www.sario.sk. You may also contact us via invest@sario.sk

S A R I O

Slovak Investment
and Trade Development Agency