

RESEARCH AGENCY

De minimis aid scheme for supporting business development and innovation

Source of funding:	European Economic Area Financial Mechanism and Norway Financial Mechanism 2014-2021
Programme area:	Business Development, Innovation and Small and Medium Sized Enterprises
Focus areas:	a) Green Industry Innovation b) Welfare Technology and Ambient Assisted Living

Scheme DM - 14/2020

Bratislava, October 2020

CONTENT

A)	PREAMBULE	3
B)	LEGAL BASIS	Chyba! Záložka nie je definovaná.
C)	DEFINITION OF TERMS	Chyba! Záložka nie je definovaná.
D)	AID PURPOSE	Chyba! Záložka nie je definovaná.
E)	AID PROVIDER AND IMPLEMENTATOR OF THE SCHEME	6
F)	BENEFICIARY	Chyba! Záložka nie je definovaná.
G)	SCOPE	Chyba! Záložka nie je definovaná.
H)	ELIGIBLE PROJECTS	Chyba! Záložka nie je definovaná.
I)	ELIGIBLE EXPENSES	Chyba! Záložka nie je definovaná.
J)	AID FORM	11
K)	AID AMOUNT AND INTENSITY	Chyba! Záložka nie je definovaná.
L)	CONDITIONS FOR AID PROVISION	Chyba! Záložka nie je definovaná.
M)	AID CUMULATION	Chyba! Záložka nie je definovaná.
N)	AID PROVISION MECHANISM	Chyba! Záložka nie je definovaná.
O)	BUDGET	Chyba! Záložka nie je definovaná.
P)	TRANSPARENCY AND MONITORING	Chyba! Záložka nie je definovaná.
Q)	CONTROL AND AUDIT	Chyba! Záložka nie je definovaná.
R)	VALIDITY AND EFFECTIVENESS OF THE SCHEME	Chyba! Záložka nie je definovaná.
S)	ANNEXES	Chyba! Záložka nie je definovaná.

A. PREAMBULE

The subject of the Scheme for the support of business development and innovation (hereinafter referred to as „scheme“) is to provide de minimis aid within *Business Development, Innovation and SMEs Programme* (hereinafter referred to as „Programme“) in accordance with the Commission Regulation (EU) No. 1407/2013 of December 18, 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid as amended, in form of the contribution from the European Economic Area Financial Mechanism (EEA FM) and Norwegian Financial Mechanism (NFM) 2014-2021 in order to increase the competitiveness of Slovak enterprises on the market within two main focus areas.

- a) Green Industry Innovation and
- b) Welfare Technology and Ambient Assisted Living.

The aid provided through this de minimis scheme will be in respective cases combined with state aid provided within the State aid scheme for support of business development and innovation according to terms and conditions defined in the respective call for proposals. The aim is to create efficient tool that will support increase of competitiveness and profitability of Slovak enterprises in two above mentioned focus areas, whereas the aid cumulation rules will be respected.

B. LEGAL BASIS

The legal basis for the provision of the aid are the following legal standards:

- Commission Regulation (EU) no. 1407/2013 of December 18, 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid¹ as amended (hereinafter referred to as „Regulation de minimis“),
- Annex I of the EU Commission Regulation (EC) no. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market pursuant to Articles 107 and 108 of the Treaty as amended (hereinafter referred to as „Annex I, Commission Regulation no. 651/2014“),
- Act no. 358/2015 Coll. on the regulation of certain relations in the field of state aid and de minimis aid and on amendments to certain acts (State Aid Act) (hereinafter referred to as „State Aid Act“),
- Act no. 290/2016 Coll. on the support of small and medium-sized enterprises and on amendment of Act no. 71/2013 Coll. on the provision of subsidies within the competence of the Ministry of Economy of the Slovak Republic, as amended,
- Act no. 523/2004 Coll. on budgetary rules of public administration and on amendments to certain acts, as amended (hereinafter referred to as “Act No. 523/2004 Coll.”),
- Act no. 575/2001 Coll. on the Organization of Government Activities and Organizations of the Central State Administration, as amended,

¹ O. J. EU L 352, 24.12.2013

- Act no. 431/2002 Coll. on Accounting as amended (hereinafter referred to as the "Act on Accounting"),
- Act no. 357/2015 Coll. on Financial Control and Audit and on Amendments to Certain Acts (hereinafter referred to as "Act No. 357/2015 Coll."),
- Act no. 122/2013 Coll. on the protection of personal data and on amendments to certain acts, as amended,
- Act no. 211/2000 Coll. on Free Access to Information and on Amendments to Certain Acts, as amended (hereinafter referred to as "Freedom of Information Act"),
- Act no. 324/2014 Amending and supplementing Act of the National Council of the Slovak Republic no. 278/1993 Coll. on the administration of state property, as amended, and amending and supplementing certain laws.

The provision of aid must comply with the regulations of the relevant legislation governing the provision of assistance from the EEA Financial Mechanism and Norwegian Financial Mechanism 2014-2021, in particular:

- Regulation on the implementation of the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the "NFM Regulation") issued by the Kingdom of Norway in accordance with Article 10.5 of the Agreement,
- Regulation on the implementation of the EEA Financial Mechanism 2014-2021 (hereinafter referred to as the "EEA FM Regulation") issued by EEA Financial Mechanism Committee in accordance with Article 10.5 of the Agreement of Protocol 38c,
- Program Agreement between the EEA Financial Mechanism Committee, Ministry of Foreign Affairs of the Kingdom of Norway and the Office of the Government of the Slovak Republic on the financing of the Business Development, Innovation and Small and Medium Enterprises (hereinafter referred to as the "Program Agreement").

Non-legislative documents:

- Small Business Act, European Union initiative to promote small and medium-sized enterprises (COM (2008) 394).

C. DEFINITION OF TERMS

Economic activity – an activity consisting in offering goods and/or services on the market.

Single undertaking - for the purposes of this scheme, according to Art. 2 par. 2 of the de minimis Regulation, the single undertaking means all entities engaged in an economic activity, including at least one of the following relationships:

- a) one entity engaged in an economic activity has a majority of the shareholders' or ventures' voting rights in another entity engaged in an economic activity;
- b) one entity engaged in an economic activity has the right to appoint or call off a majority of the members of the administrative, management or supervisory body of another entity engaged in an economic activity;

- c) one entity engaged in an economic activity has the right of dominant influence over another entity engaged in an economic activity based on the contract concluded between them or based on a regulation in the founding document or in the company's statutes;
- d) one entity engaged in an economic activity, that is a shareholder or venturer of another entity engaged in an economic activity, has itself control over the majority of voting rights of shareholders or venturers in this entity engaged in an economic activity under a contract with other shareholders or venturers of the entity engaged in an economic activity.

Entities engaged in an economic activity, including the types of relationships referred to in points a) through d), through one or more other entities engaged in an economic activity, shall also be considered as a single undertaking.

ICT – Information and communication technologies

The EU single market – the EU internal market ensuring the free movement of goods, services, capital and people.

SME – micro, small and medium-sized enterprise according to in Article. 2 Annex I to Commission Regulation No. 651/2014.

National Focal Point (NFP) – national public authority designated by the Beneficiary state having overall responsibility for achieving the objectives of the European Economic Area Financial Mechanism and Norwegian Financial Mechanism and implementing Memoranda of Understandings for both financial mechanisms. The role of the NFP in the Slovak Republic is performed by the Government Office of the Slovak Republic.

Partner – private entity selected by recipient (applicant) before submission of Project application who will enter into Partnership agreement with the recipient after approval of Project application. Partner is actively involved in, and effectively contributing to, the implementation of the project. It shares with the applicant a common economic and social goal which is to be realized through the implementation of that project.

Enterprise – every entity engaged in an economic activity regardless its legal form or the form of financing.

Enterprise with less than 25% of public ownership – the share of public law entities (defined in § 261, par. 3-5 of the Commercial Code) individually or jointly in the registered capital and voting rights of the enterprise must be less than 25% and at the same time to fulfill cumulatively the following conditions:

- a) the right to appoint or remove a majority of the members of the administrative, management or supervisory body of this enterprise does not belong to the body or bodies governed by public law;
- b) the body or bodies under public law do not have the right to exercise dominant influence over this enterprise on the basis of a contract concluded with this enterprise or on the basis of a provision in its articles of association or articles of association;
- c) the body or bodies governed by public law which are shareholders of this enterprise do not control, by contract with other shareholders of this enterprise or members of this

enterprise, a majority of the voting rights of the shareholders or members in this enterprise.

Recipient – applicant who is eligible under respective call for proposals and this scheme and who has signed grant agreement with the aid provider. Recipient is responsible for project implementation. Recipient is a private entity established as legal person in Slovakia with less than 25% of public ownership and established for at least three fiscal years at the deadline for submission of the respective call for project proposals.

Donor states - Iceland, Liechtenstein and Norway. In case of Norwegian Financial Mechanisms, the only Donor state is Norway.

Third countries' markets – markets of those countries which are not part of the EU single market.

Applicant – private enterprise, who submitted Project application and who is in charge of initiating, preparing and implementing a project.

D. AID PURPOSE

Aid purpose within this scheme is to increase the competitiveness of Slovak enterprises in two main focus areas:

- 1) **Green Industry Innovation** – supported will be projects focused on application, development and commercialization of green technologies, processes and solutions in enterprises and greening their business operations.
- 2) **Welfare Technologies and Ambient Assisted Living** - funding will be provided for projects focused on development, application and commercialization of innovate welfare and ambient assisted living technologies, solutions and processes.

The main aim of the EEA FM and NFM is the reduction of regional disparities within the European Economic Area (EEA) and strengthening bilateral cooperation between the Slovak Republic, the Kingdom of Norway, Iceland Republic and/or Principality of Liechtenstein.

E. AID PROVIDER AND IMPLEMENTOR OF THE SCHEME

Aid provider and implementor of this scheme (hereinafter referred to as the "Provider") is the Programme Operator, i.e. the Research Agency.

Provider:

The Research Agency
Department of Other Supporting Programmes
Office of the Director General
Sliačska 1
831 02 Bratislava

Slovak Republic

Phone: +421 2 2101 3810

E-mail: norskegranty@vyskumnaagentura.sk

web site: www.vyskumnaagentura.sk

F. BENEFICIARY

1. The aid beneficiary of this scheme could be:
 - a) Recipient; and
 - b) Partner (according to definition under Article C) of this scheme, if he takes active part in implementation of the project and fulfils terms and conditions of this scheme)
which is an enterprise pursuant to Articles 107 of the Treaty on functioning of the EU (regardless of their size, i.e. SME as well as large enterprise) and fulfils terms and conditions of this scheme and respective call for proposals.
2. A single undertaking as referred to in Article 2 (2) of the Regulation de minimis shall be considered to be the beneficiary.
3. Beneficiary of the aid under this scheme cannot be and enterprise which:
 - a) is an undertaking against which recovery of the aid is claimed on the basis of a previous Commission decision granting the aid declared to be unlawful and incompatible with the internal market²,
 - b) is an undertaking in difficulty³.
 - c) does have tax liabilities, health insurance, social insurance and retirement savings liabilities,
 - d) assets are subject to bankruptcy or restructuring proceedings, is in bankruptcy or restructuring, or against which a petition for bankruptcy has been rejected due to lack of assets;
 - e) is a subject of execution of a judgement,
 - f) violated the prohibition on illegal employment in the previous 3 years,
 - g) has been lawfully convicted pursuant to Act No. 91/2016 Coll. on Criminal Liability of Legal Entities and on Amendments to Certain Acts, as amended,
4. Several divided legal entities, which have common control shares and other functional, economic and organizational connections, may be considered as forming one

² Judgement ESD C-188/92 in case „*Deggendorf*“.

³ Undertaking in difficulty – within the meaning of point 20 of Communication from the Commission - Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty (2014/C 249 /01).

economic unit for the purposes of applying this scheme. This economic unit is then considered to be the relevant undertaking, i.e. the beneficiary of the aid.

G. SCOPE

1. The aid covers the whole territory of the Slovak Republic and all economic sectors except for:
 - a) aid to undertakings active in the fisheries and aquaculture sector, covered by the Regulation (EU) No 1379/2013 of the European Parliament and of the Council of 11 December 2013 on the common organization of the markets in fishery and aquaculture products, amending Council Regulations (EC) No 1184/2006 and (EC) No 1224/2009 and repealing Council Regulation (EC) No 104/2000;
 - b) aid provided to undertakings active in the primary production of agricultural products;
 - c) aid provided to undertakings active in the processing and marketing of agricultural products, in these cases:
 - where the amount of aid is determined on the basis of the price or quantity of such products purchased from primary producers or products placed on the market by the undertakings concerned,
 - if the aid is conditional on being partially or totally transferred to primary producers,
 - d) aid for road freight transport activities,
 - e) aid for export-related activities to third countries or Member States, namely aid directly related to the quantities exported, for the establishment and operation of a distribution network or other current expenditures relating to the export activity,
 - f) aid contingent upon the use of domestic in preference to imported goods.
2. If the undertaking operates in one of the sectors referred to in point (a) through (d) of the previous paragraph, while operating in one or more other sectors or engaging in other activities falling within the scope of this scheme, this scheme shall apply to aid provided in respect of those other sectors or to such other activities, under the condition that the beneficiary shall ensure, by appropriate means, such as segregation of activities or cost differentiation (e.g. analytical records), that activities carried out in the sectors excluded from the scope of this Regulation are not supported by de minimis aid provided under this scheme.

H. ELIGIBLE PROJECTS

1. The aid is intended for innovative projects focusing on:
 - a) application, development and commercialization of green technologies, processes and solutions in enterprises,
 - b) greening their business operations and

- c) development, application and commercialization of welfare technologies, solutions, processes and ambient assisted living.
2. In the area of green innovation activities may focus on fields such as the circular economy, green ICT; new innovative products/technologies/services that will lower environmental burden thanks to lower material/energy consumption or lower emissions during production; new solutions; smart society; clean/renewable energy; new smart construction technologies/solutions and innovation.
 3. Support in the area of Welfare technology and ambient assisted living may focus on fields such as telemedicine, biotechnologies, robotics and automated technologies, product development and innovation helping people with different disabilities; products for monitoring of vital functions applicable in domestic conditions; systems for medical treatment of chronically ill or those with various disabilities applicable in domestic conditions; technologies for smart homes, smart fabrics or ICT systems.
 4. The aid is focused on:
 - application of innovative technologies/solutions/processes already developed and available on the market that are being adjusted to one's needs. This type of projects will often include research and development connected to transformation of material, process etc.
 - development of innovative technologies/solutions/processes where main activities consist of user-oriented research and development, i.e. validation and demonstration of technologies in the relevant environment, prototypes demonstrated in the operational environment, complex and qualified system.
 - commercialization of innovative products and services, i.e. process by which a new product or service is placed on the general market.
 5. An eligible project for the granting of aid under this scheme is a project fulfilling the conditions of the respective call and scheme, in compliance with the rules of cumulation of aid.
 6. Project implementation shall not exceed 36 months and must be completed by latest April 30, 2024.

I. ELIGIBLE EXPENSES

1. Only expenditure incurred by the beneficiary (recipient and partner/s) that is reasonable and necessary for the implementation of the project under the Article H) of this scheme and incurred solely to achieve the objective(s) of the project and its expected output(s) may be considered eligible, in accordance with the principles of economy, efficiency and effectiveness.
2. Expenditures are considered to have been incurred when the cost has been invoiced, paid and the subject matter delivered (in case of goods) or performed (in case of services and works). Exceptionally, costs in respect of which an invoice has been issued in the final

- month of eligibility are also deemed to be incurred within the dates of eligibility if the costs are paid within 30 days of the final date for eligibility. Overheads and depreciation of equipment are considered to have been incurred when they are recorded on the accounts of the recipient and/or project partner.
3. Expenditures are eligible if they were incurred at the earliest on the day of commencement of the implementation of the project activities which is specified in the project agreement or from the day of entry into force of the project agreement. Beneficiary is not eligible to start with implementation of the activities prior to submission of the project application.
 4. Where new or second hand equipment is purchased, only the portion of the depreciation corresponding to the duration of the project and the rate of actual use for the purposes of the project may be considered eligible expenditure.
 5. In connection with the implementation of eligible projects under the Article H) of this scheme, mainly the following expenses, resp. costs are considered to be eligible:
 - a) cost of staff (salary together with social security contributions and other statutory costs included in the remuneration, provided that this corresponds to the beneficiary's usual salary policy),
 - b) travel⁴ and subsistence allowances for staff taking part in the project,
 - c) cost of new or used equipment (where equipment is an integral and necessary component of achieving the project results, by way of derogation from paragraph 4 of this Article, the total purchase price of the equipment may be justified);
 - d) purchase of land and real estate in an amount not exceeding 10% of the total eligible expenditure;
 - e) costs of procuring materials and supplies;
 - f) indirect costs incurred in direct relationship to the eligible direct costs and representing a reasonable proportion to the total overheads of the aid beneficiary, the method for determining the indirect costs will be set out in respective call for proposals.
 6. As eligible expenditures cannot be considered:
 - interest on debts and loans, fees for debt services and interest on late payments;
 - insurance paid at home and abroad, paid interest, fines and penalties, and litigation expenses;
 - bank service fees, custom duties and taxes;
 - exchange rate losses;
 - remunerations and their various forms, other salary expenses not explicitly related to the scheme;
 - value added tax paid if the beneficiary is a VAT payer under Act No. 222/2004 Coll. on Value Added Tax, as amended;

⁴ Travel costs, including travel allowance may be calculated as a lump sum according to the rules set out in the relevant call.

- expenditures for marketing not related to the scheme;
 - excessive or unnecessary expenditures.
7. In case where aid provided under this scheme is combined with state aid under the State aid scheme for support of business development and innovation, the eligible expenditure covered by this scheme must not overlap with eligible expenditure supported by the State aid scheme and the rules on aid cumulation according to Article M) of this scheme must be respected.

J. AID FORM

1. Aid under this scheme is implemented in form of the project grant, which is preceded by the conclusion of the project agreement between the Provider and the recipient.
2. The grant is provided in the form of an advance payment, interim payments and a final payment. If the beneficiary of the aid is also the project partner, the recipient is obliged based on the project agreement to transfer part of the relevant payment to the partner in the amount and within the time limit specified in the project agreement.

K. AID AMOUNT

1. The total amount of de minimis aid to a single undertaking⁵ may not exceed EUR 200,000 over a period of three fiscal years, including from other providers or under other de minimis aid schemes. The three-year de minimis period shall be the period of the current fiscal year and the two preceding fiscal years and shall be determined on the basis of the beneficiary's accounting period. Under the Act of Accounting, it is a calendar year or a business year according to decision of the entrepreneur.
2. If an undertaking carries out the freight transport in the lease or for reimbursement and at the same time other activities subject to a maximum amount of EUR 200,000, the maximum amount of EUR 200,000 shall apply to that undertaking, provided that the beneficiary ensures (and Provider verifies) by appropriate means such as separation of activities or the differentiation of costs (e.g. analytical records) that de minimis aid used for freight transport activities does not exceed EUR 100,000 and that no de minimis aid is used for the purchase of freight transport vehicles.
3. According to Art. 3 par. 7 of the Regulation de minimis, if the granting of new de minimis aid would exceed the relevant ceiling set out in paragraphs 1 and 2 of this Article, no part of such new aid shall benefit from the Regulation de minimis, including that part which does not exceed the ceiling.
4. According to Art. 3 par. 8 of the Regulation de minimis, in the case of mergers or acquisitions, any de minimis aid previously granted to any of the merging undertakings shall be taken into account in determining whether any new de minimis aid to that new or

⁵ Pursuant to Art. 2 par. 2 of the Regulation de minimis

acquiring undertaking exceeds the relevant ceiling. De minimis aid lawfully granted before a merger or acquisition remains lawful.

5. According Art. 3 par. 9 of the Regulation de minimis, in the case of the division of one undertaking into two or more separate undertakings, the de minimis aid provided prior to the division is allocated to the undertaking benefiting from it, that is basically the undertaking which takes over the activities for which the de minimis aid has been used. If such an allocation is not possible, the de minimis aid shall be allocated proportionately based on the book value of the net assets of the new enterprises on the day on which the division of the enterprise takes effect.
6. Under this scheme, transparent aid is provided as defined in the Article 4 par. 1 of the Regulation de minimis.

L. CONDITIONS FOR AID PROVISION

1. The Provider will provide aid to the beneficiary in the form of a grant only if all the criteria and conditions set out in this scheme and in the respective call for proposals are met.
2. The aid may be provided only if the applicant submits an application, based on the call, including mandatory annexes and:
 - The Provider shall grant the aid only after obtaining a declaration from the applicant and declaration from each partner (annex of the respective call), confirming that the total amount of de minimis aid to be granted to each of them under this scheme, together with the de minimis aid granted so far during the period of the current fiscal year and the two preceding fiscal years, will not exceed the maximum amount laid down in Article K) of this scheme and that they comply with the cumulative rules under the Article M) of this scheme and upon proving that all the conditions of the scheme and the respective call have been met.
 - If the applicant/partner, belongs to a group of enterprises, forming a single enterprise with them, submits data on the de minimis aid received in the reference period of three fiscal years for all members of the enterprise group.
 - Submits a declaration (including declaration from each partner to be granted aid under this scheme), that:
 - a) does not have unpaid tax levies, recorded arrears of health and social insurance contributions and old-age pension savings contributions,
 - b) is not subject to bankruptcy or restructuring proceedings, is not in bankruptcy or restructuring and has not been refused bankruptcy due for lack of assets, and has not been rejected for a declaration of bankruptcy for lack of assets,
 - c) enforcement of a decision is not made against him,
 - d) has not violated the prohibition of illegal employment within previous three years,

- e) is not recovered from state aid pursuant to a previous decision of the European Commission declaring such aid to be unlawful and incompatible with the internal market,
 - f) does not meet the definition of a undertaking in difficulty. The Provider verifies the fulfillment of this condition by checking the approved financial statements of the undertaking, which form a mandatory annex to the call,
 - g) has not been lawfully convicted under Act no. 91/2016 Coll. on Criminal Liability of Legal Entities and on Amendments to Certain Acts, as amended
- Proves the fulfillment of other conditions defined by the Provider in the call (these conditions will not conflict with this scheme).
3. The aid provider before providing aid verifies in accordance with § 13, par. 3, letter a) of the State Aid Act in the Central Register (IS SEMP) that the amount of the proposed aid together with the aid provided so far does not exceed the minimum aid ceiling for a single undertaking (for the applicant and each partner separately).
 4. In case it is proved that the information provided in the declarations does not correspond to the facts, the Provider will require the beneficiary to pay financial compensation equal to the amount of aid provided to which the declaration was linked.
 5. In case of a breach of the terms of the scheme, including contractual relations and based on decision of the competent control authority, this shall be deemed to be a breach of budgetary discipline under Act No. 523/2004 Coll.
 6. There is no legal entitlement to aid under this scheme. The provision of aid and its amount is decided by the Provider under the terms of the scheme and the relevant call

M. AID CUMULATION

1. Aid cumulation is tied to a specific beneficiary (taking into account a single undertaking under Art. 2 par. 2 of the Regulation de minimis).
2. De minimis aid provided under this scheme may be cumulated with de minimis aid granted in accordance with Commission Regulation (EU) No 360/2012⁶ up to the maximum amount set in that Regulation. It may be cumulated with de minimis aid provided in accordance with other de minimis aid rules up to the applicable maximum amount set out in Article K) of this scheme.
3. De minimis aid shall not be cumulated with the state aid in relation to the same eligible costs or state aid for the same risk finance measure, if such cumulation would exceed the

⁶ Commission Regulation (EU) No 360/2012 of 25 April 2012 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid to undertakings providing services of general economic interest (OJ L 114, 26.4.2012, p. 8)

maximum aid intensity concerned or the amount set in relation to the specific circumstances of the individual cases in regulations or the decisions on block exemptions adopted by the Commission. De minimis aid that is not provided or cannot be attributed to specific eligible costs, may be cumulated with other state aid provided under the block exemption regulation or a decision adopted by the Commission.

N. AID PROVISION MECHANISM

1. The Provider shall publish the call at least two months before the deadline for the submission of project applications (hereinafter referred to as the "Call"), stating in particular the sources of funding and the program, reference to this aid scheme, nature of activities, geographical scope, maximum project implementation time, call allocation, maximum and minimum aid amounts, conditions for submitting project application, criteria and mechanism for evaluation of applications and selection of projects, information provision mechanism.
2. The call including mandatory annexes will be published on the website of the Provider (<http://www.vyskumnaagentura.sk/en/calls/calls>).
3. The applicant elaborates and submits the project application in accordance with instructions stated in the call. If the project is to be implemented in a partnership, the project partner is indicated in the application, as well as the applicant demonstrates that the conditions of the scheme are met.
4. The application is evaluated by the Provider, independent experts and the selection committee through the formal and content based criteria published in the call.
5. The compliance of the project application with the aid scheme will be assessed by the Provider before the aid is granted.
6. The project application is approved on the day of the entry into force of the Provider's decision on the approval of the project application, unless a later date is specified in the project agreement. Provider announces this decision to the recipient in the grant offer letter. The offer specifies basic conditions which are going to be an integral part of the project agreement.
7. The recipient shall submit to the Provider a statement within the deadline set out whether it accepts the offer for a grant. If the statement is not delivered within the deadline, the provider shall send the grant offer to the applicant whose application is ranked first in the reserve list. Depending on the available allocation, the Provider may also send the offer to several entities from the reserve list.
8. On the day of sending the grant offer, the applicant becomes a preliminary recipient, while this status is confirmed by concluding the project agreement.
9. The project agreement is a legal act under which the aid is considered to have been granted, the date of its entry into force being considered to be the day on which the aid is

granted (this applies to both the recipient and the partner(s)). Expenditure will be eligible until 30 April 2024.

10. The project agreement will specify the basic conditions for granting the aid, the estimated amount of aid for both the recipient and each partner (if relevant), information that it is de minimis aid and a reference to the Regulation de minimis (title of the regulation and publication in the Official Journal of the European Union).
11. The project agreement is an obligatory published agreement and it is publicly available in the Central Register of Contracts on the website www.crz.gov.sk.

O. BUDGET

The indicative amount of funding for the implementation of this scheme is

- EUR 11 578 235 (sources from the Norwegian Financial Mechanism and the state budget of the SR)
and
- EUR 5 415 883 (sources from the EEA Financial Mechanism and the state budget of the SR)

for the entire programming period 2014-2021, whereas those funds are also tied to the state aid scheme to support the business development and innovation, as both schemes constitute one aid instrument. The specific amount of de minimis aid granted under this scheme depends on the composition of the projects submitted and approved under the respective call.

When launching the call for proposals, the Provider shall publish on its website the amount allocated to the respective call.

P. TRANSPARENCY AND MONITORING

1. After the entry into force and effectiveness of the scheme, resp. its amendment, the Provider ensures its publication and availability of full text of the scheme on its website for at least the duration of its effectiveness.
2. The Provider ensures transparency of the scheme and publishing all concluded agreements in accordance with the Freedom of Information Act.
3. In accordance with the § 13 par. 1, 2 and 5 of the State Aid Act, the Provider is obliged to record in the Central Register data on minimum aid provided and data on beneficiary within five working days from the aid provision.
4. The Provider shall check compliance with all conditions stated in this scheme and with the maximum amount of the aid intensity according to the Article K) of this scheme.
5. The Provider shall keep records of the aid provided, which contain full information on any aid provided under this scheme.

6. The Provider shall keep the documents relating to each aid provided for 10 fiscal years from the date on which it was provided and the records relating to the scheme for 10 fiscal years from the date on which the last individual aid was provided under the scheme.

Q. CONTROL AND AUDIT

1. The Provider and other state administration bodies are authorized entitled to carry out a control of the public funds spent in accordance with Act no. 357/2015 Coll. The control, government audit and internal audit of the use of these funds, imposition, enforcement of the sanctions for misconduct of the financial discipline are subject of the regime governed by the EU and SR legislation.
2. The persons authorized for the financial control and audit are in particular:
 - a) Provider and/or persons authorized by him;
 - b) National Focal Point and/or person authorized by him;
 - c) Government Audit Office and/or person authorized by him;
 - d) National Audit Office of the Slovak Republic, Certifying Authority and/or persons authorized by them;
 - e) Audit Authority, its cooperating authorities and persons authorized by them;
 - f) Irregularities body and/or person authorized by him;
 - g) Tax Office of the Slovak Republic and/or person authorized by him;
 - h) Authorized representatives of the European Commission and the European Court of Auditors and/or person authorized by them;
 - i) Authorized representatives of the Ministry of Foreign Affairs of the Kingdom of Norway, the Financial Mechanism Office and the Financial Mechanism Committee and/or persons authorized by them;
 - j) The Antimonopoly Office of the Slovak Republic;
 - k) Persons invited by the above mentioned bodies in accordance with the relevant legislation of the Slovak Republic and the EU.
3. The beneficiary will enable the performance of financial control/audit by authorized persons in accordance with the relevant Slovak legislation and EU legal acts.
4. The beneficiary will demonstrate, in particular, the eligibility of the expenses incurred and compliance with the conditions for the aid provision.
5. The beneficiary shall create adequate conditions for the proper and timely financial control/ audit to be carried out by the staff of the control bodies and shall provide them with the necessary cooperation and any requested information and documents relating in particular to the implementation of the project.
6. The beneficiary shall ensure the presence of persons responsible for implementation the initiative's activities and shall refrain from any action which might jeopardize the initiation and proper conduct of the control/audit.

7. The beneficiary shall take immediate action to remedy the identified deficiencies identified in the control/audit report within the time limit set by the persons authorized to carry out the control/audit. The beneficiary shall send a written report to the persons authorized to carry out the control/audit on the fulfillment of the measures taken to remedy the identified deficiencies immediately after their fulfillment as well as measures of the causes of their occurrence.
8. The Antimonopoly Office of the Slovak Republic as the aid coordinator is, according to § 14 par. 2 of the State Aid Act, entitled to check with the Provider the provision of this aid. For this purpose, the Antimonopoly Office of the Slovak Republic is entitled to verify the necessary facts also with the beneficiary of the aid. The beneficiary of the aid is obliged to allow the Antimonopoly Office of the Slovak Republic to carry out control.

R. VALIDITY AND EFFECTIVENESS OF THE SCHEME

1. The Scheme shall enter into force and effect on the date of its publication in the Commercial Journal. The scheme shall be published by the Provider in the Commercial Journal. Subsequently, the Provider shall ensure its publication on its website within 10 working days of its publication in the Commercial Journal.
2. Changes to the scheme can be made in the form of written amendments to the scheme; whereby the validity and effectiveness of each amendment shall take effect on the date of publication of the scheme as amended by the supplement to the Commercial Journal.
3. Changes in the European and Slovak legislation according to Article B) or any relating legislation concerning the provisions of the scheme must be reflected in the scheme within six months of their entry into force.
4. The scheme shall expire on 31 December 2023.
5. Aid under this scheme may be granted, i.e. the project agreement must enter into force no later than 31 December 2023.
6. A change in the provider's entity resulting from a generally binding legal regulation shall not be deemed to be a change in the scheme to be made in the form of a written amendment to the scheme, unless this change requires other adjustments to the scheme.

S. ANNEXES

The following annex is an integral part of the scheme:

- | | |
|---------|--|
| Annex 1 | Definition of SME according to Annex I of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market pursuant to Articles 107 and 108 of the Treaty, as amended. |
|---------|--|

SME DEFINITION

Article 1

Enterprise

An enterprise is considered to be any entity engaged in an economic activity, irrespective of its legal form. This includes, in particular, self-employed persons and family businesses engaged in craft or other activities, and partnerships or associations regularly engaged in an economic activity.

Article 2

Staff headcount and financial thresholds determining enterprise categories

1. The category of micro, small and medium-sized enterprises ('SMEs') is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.
2. Within the SME category, a small enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million.
3. Within the SME category, a micro-enterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million.

Article 3

Types of enterprise taken into consideration in calculating staff numbers and financial amounts

1. An 'autonomous enterprise' is any enterprise which is not classified as a partner enterprise within the meaning of paragraph 2 or as a linked enterprise within the meaning of paragraph 3.
2. 'Partner enterprises' are all enterprises which are not classified as linked enterprises within the meaning of paragraph 3 and between which there is the following relationship: an enterprise (upstream enterprise) holds, either solely or jointly with one or more linked enterprises within the meaning of paragraph 3, 25 % or more of the capital or voting rights of another enterprise (downstream enterprise).

However, an enterprise may be ranked as autonomous, and thus as not having any partner enterprises, even if this 25 % threshold is reached or exceeded by the following investors, provided that those investors are not linked, within the meaning of paragraph 3, either individually or jointly to the enterprise in question:

- (a) public investment corporations, venture capital companies, individuals or groups of individuals with a regular venture capital investment activity who invest equity capital in unquoted businesses (business angels), provided the total investment of those business angels in the same enterprise is less than EUR 1 250 000;

- (b) universities or non-profit research centres;
 - (c) institutional investors, including regional development funds;
 - (d) autonomous local authorities with an annual budget of less than EUR 10 million and less than 5 000 inhabitants.
3. 'Linked enterprises' are enterprises which have any of the following relationships with each other:
- (a) an enterprise has a majority of the shareholders' or members' voting rights in another enterprise;
 - (b) an enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;
 - (c) an enterprise has the right to exercise a dominant influence over another enterprise pursuant to a contract entered into with that enterprise or to a provision in its memorandum or articles of association;
 - (d) an enterprise, which is a shareholder in or member of another enterprise, controls alone, pursuant to an agreement with other shareholders in or members of that enterprise, a majority of shareholders' or members' voting rights in that enterprise.

There is a presumption that no dominant influence exists if the investors listed in the second subparagraph of paragraph 2 are not involving themselves directly or indirectly in the management of the enterprise in question, without prejudice to their rights as shareholders.

Enterprises having any of the relationships described in the first subparagraph through one or more other enterprises, or any one of the investors mentioned in paragraph 2, are also considered to be linked.

Enterprises which have one or other of such relationships through a natural person or group of natural persons acting jointly are also considered linked enterprises if they engage in their activity or in part of their activity in the same relevant market or in adjacent markets.

An 'adjacent market' is considered to be the market for a product or service situated directly upstream or downstream of the relevant market.

4. Except in the cases set out in paragraph 2, second subparagraph, an enterprise cannot be considered an SME if 25 % or more of the capital or voting rights are directly or indirectly controlled, jointly or individually, by one or more public bodies.

5. Enterprises may make a declaration of status as an autonomous enterprise, partner enterprise or linked enterprise, including the data regarding the thresholds set out in Article 2. The declaration may be made even if the capital is spread in such a way that it is not possible to determine exactly by whom it is held, in which case the enterprise may declare in good faith that it can legitimately presume that it is not owned as to 25 % or more by one enterprise or jointly by enterprises linked to one another. Such declarations are made without prejudice to the checks and investigations provided for by national or Union rules.

Article 4

Data used for the staff headcount and the financial amounts and reference period

1. The data to apply to the headcount of staff and the financial amounts are those relating to the latest approved accounting period and calculated on an annual basis. They are taken into account from the date of closure of the accounts. The amount selected for the turnover is calculated excluding value added tax (VAT) and other indirect taxes.
2. Where, at the date of closure of the accounts, an enterprise finds that, on an annual basis, it has exceeded or fallen below the headcount or financial thresholds stated in Article 2, this will not result in the loss or acquisition of the status of medium-sized, small or micro-enterprise unless those thresholds are exceeded over two consecutive accounting periods.
3. In the case of newly-established enterprises whose accounts have not yet been approved, the data to apply is to be derived from a bona fide estimate made in the course of the financial year.

Article 5

Staff headcount

The headcount corresponds to the number of annual work units (AWU), i.e. the number of persons who worked full-time within the enterprise in question or on its behalf during the entire reference year under consideration. The work of persons who have not worked the full year, the work of those who have worked part-time, regardless of duration, and the work of seasonal workers are counted as fractions of AWU. The staff consists of:

- (a) employees;
- (b) persons working for the enterprise being subordinated to it and deemed to be employees under national law;
- (c) owner-managers;
- (d) partners engaging in a regular activity in the enterprise and benefiting from financial advantages from the enterprise.

Apprentices or students engaged in vocational training with an apprenticeship or vocational training contract are not included as staff. The duration of maternity or parental leaves is not counted.

Article 6

Establishing the data of an enterprise

1. In the case of an autonomous enterprise, the data, including the number of staff, are determined exclusively on the basis of the accounts of that enterprise.
2. The data, including the headcount, of an enterprise having partner enterprises or linked enterprises are determined on the basis of the accounts and other data of the enterprise or, where they exist, the consolidated accounts of the enterprise, or the consolidated accounts in which the enterprise is included through consolidation.

To the data referred to in the first subparagraph are added the data of any partner enterprise of the enterprise in question situated immediately upstream or downstream from it. Aggregation is proportional to the percentage interest in the capital or voting rights (whichever is greater). In the case of cross-holdings, the greater percentage applies.

To the data referred to in the first and second subparagraph are added 100 % of the data of any enterprise, which is linked directly or indirectly to the enterprise in question, where the data were not already included through consolidation in the accounts.

3. For the application of paragraph 2, the data of the partner enterprises of the enterprise in question are derived from their accounts and their other data, consolidated if they exist. To these are added 100 % of the data of enterprises which are linked to these partner enterprises, unless their accounts data are already included through consolidation.

For the application of the same paragraph 2, the data of the enterprises which are linked to the enterprise in question are to be derived from their accounts and their other data, consolidated if they exist. To these are added, pro rata, the data of any possible partner enterprise of that linked enterprise, situated immediately upstream or downstream from it, unless it has already been included in the consolidated accounts with a percentage at least proportional to the percentage identified under the second subparagraph of paragraph 2.

4. Where in the consolidated accounts no staff data appear for a given enterprise, staff figures are calculated by aggregating proportionally the data from its partner enterprises and by adding the data from the enterprises to which the enterprise in question is linked.