

## RESEARCH AGENCY

# De minimis aid scheme for supporting newly established businesses (start-ups)

as amended by Addendum No. 1

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

Scheme DM - 15/2019

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## A) PREAMBLE

The subject of a scheme for the support of newly established businesses (start-ups) as amended by Addendum No. 1 in development of their business activities is to provide de minimis aid (hereinafter referred to as „aid“) in accordance with the Commission Regulation (EU) Nr. 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 in form of the contribution from the Norwegian Financial Mechanism (NFM) 2014-2021.

The aim of the programme *Business Development, Innovation and Small and Medium Enterprises* (SME), which also includes support for the start-ups, is 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.

In addition to increased employment, the program's output is, in particular, the development and application of innovative technologies, solutions and processes and commercially available new products or services on the market. The support will be directed mainly to small and medium-sized enterprises, priority being given to young and female entrepreneurs.

The purpose of this scheme is to support start-up entrepreneurs in the development of their ambitious plans and initiatives, thus strengthening the innovation capacity of the Slovak economy. *The analysis of start-ups in Slovakia*<sup>1</sup> shows that up to 90% of start-ups usually fail at an early stage of business and only a small number of them can survive through new technological or managerial innovations. At the start of the business start-ups face many challenges and obstacles that complicate their entry into the business and subsequent development. In addition to the big bureaucracy and often changing legislation, there is a lack of experience with the business environment, lack of practical skills, funding problems, as well as a small start-up community and excessive concentration of start-ups in the capital.

Based on the results of the survey, which is an integral part of the Analysis, the direct impact of start-ups on the Slovak economy is low. Start-ups directly created about 900 to 3000 new jobs and contributed 0,016 percent to GDP. Therefore, one of the recommendations is to continue in the support of the start-up community with potential for further growth. Examples from abroad show that a viable start-up scene has the potential to strengthen the innovative capacity of the economy and increase its competitiveness and create new jobs in high value-added sectors. Thus, the start-up support provided by this scheme not only copies examples of good practice from abroad, but will also contribute to the achievement of the programme's main objective of increased value creation and sustainable growth.

## B) LEGAL BASIS

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<sup>1</sup> Analysis was elaborated by the Slovak Business Agency in 2018  
[http://www.sbagency.sk/sites/default/files/5\\_analyza\\_start-upov\\_na\\_slovensku.pdf](http://www.sbagency.sk/sites/default/files/5_analyza_start-upov_na_slovensku.pdf)

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 aid<sup>2</sup> (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 (hereinafter referred to as „Commission Regulation no. 651/2014“),
- Act no. 358/2015 Coll. on the regulation of certain relations in the field of state aid and minimum 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. 343/2015 Coll. on Public Procurement and on amendments to certain acts (hereinafter the “Public Procurement Act“),
- Act no. 575/2001 Coll. on the Organization of Government Activities and Organizations of the Central State Administration, as amended,
- 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 (Freedom of Information Act), as amended,
- 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 Norwegian Financial Mechanism 2014-2021, in particular:

- Agreement on the Norwegian Financial Mechanism 2014-2021 between the Kingdom of Norway and the European Union (hereinafter referred to as "the Agreement"),
- 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,
- Program Agreement between the Ministry of Foreign Affairs of the Kingdom of Norway and the Office of the Government of the Slovak Republic on the financing of the

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<sup>2</sup> O. J. EU L 352, 24.12.2013

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 venturers' 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.

A number of separate legal entities having controlling interests and other functional, economic and organizational links may be regarded as constituting a single economic unit for the purposes of applying this scheme. This economic entity is thus considered as relevant enterprise, i.e. Beneficiary.

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

SME – an enterprise which meets the definition of one of the size classes of enterprises referred to in Article. 2 of Annex I to Commission Regulation No. 651/2014.

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

Start-up (starting business) – for the purposes of this scheme, a start-up is a technology-oriented SME that has the potential to grow rapidly, has a high degree of innovation and has been operating on the market<sup>3</sup> for at least one, but a maximum of five fiscal years to the date of project application submission. The start-up is considered to be exclusively commercial company, which is obliged to create capital and which shareholders are legally obliged to contribute to the capital by means of a deposit (i.e. a joint stock company, a limited liability company and a simple company for shares). It is not a publicly owned company, limited partnership or a natural person authorized to do business.

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

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.

## D) AID PURPOSE

1. Aid purpose is to support newly established businesses (start-ups) and the development of innovative companies and thereby increasing the competitiveness of SMEs in the regions. Another goal is the development and application of innovative products and services in the area of green innovations in industry and welfare technology and ambient assisted living in Slovakia.
2. The Norwegian Financial Mechanism will contribute to reduction of regional disparities within the European Economic Area (EEA) and to strengthening bilateral cooperation between the Slovak Republic and the Kingdom of Norway.

## 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

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<sup>3</sup> Market operation means the period from the start of business (registration of a company in the Commercial Register) until the submission of the project application. The fiscal year is the accounting period, which is a calendar year or so-called financial year according to §3 par. 4 of the Act on Accounting. In the case of undertakings formed by merger or division, for the purposes of assessing of duration on the market operation, the duration of the market operation of the longest-running company whose capital or part of it has passed to the successor company is also included.

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## F) BENEFICIARY

1. The Beneficiary of this scheme could be:
  - a) Recipient, i.e. the start-up, submitting the project application met the conditions set out in the relevant call and in this scheme and the provider concluded the Project Agreement with it; recipient is responsible for initiating, preparation and implementation of the project;
  - b) The Partner, i.e. company selected by the recipient (applicant), with which the beneficiary concludes a partnership agreement after approval of the project application, the Partner is actively involved in the project implementation, with the recipient shares common economic or social goal which should be achieved by project implementation.
2. A single undertaking as referred to in Article 2 (1) shall be considered to be the beneficiary of the aid. 2, de minimis regulations.
3. The beneficiary's assets must not be subject to bankruptcy or restructuring proceedings, bankruptcy proceedings have not been closed due to lack of assets, bankruptcy has not been declared, restructuring has not been authorized and bankruptcy has not been canceled due to lack of assets.
4. The beneficiary can not be an undertaking which is subject to an outstanding recovery order following a previous Commission decision declaring an aid illegal and incompatible with the internal market<sup>4</sup>.
5. The beneficiary must not be an undertaking in difficulty<sup>5</sup>.

## 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

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<sup>4</sup> Judgment ECJ C-188/92 in „Deggendorf“.

<sup>5</sup> A company in difficulty is defined in the Commission Notice – Guidelines on State aid for rescuing and restructuring non-financial firms in difficulty (2014 / C 249/01).

- 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), 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, 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 INITIATIVES

The aid is intended for the implementation of projects aiming at the growth and development of a start-up enterprise and which are aimed at one of the following areas:

- Green Industry Innovation,
- Welfare Technology and Ambient Assisted Living.

The project must result in a direct contribution to the development, application, testing and commercialization of an innovative product/service/process within the above mentioned areas.

## I) ELIGIBLE EXPENSES

1. Eligible expenses for a project are expenses incurred within implementation of eligible projects under the Article H) of the Scheme, except for expenditures referred to in point 5 of this Article, unless particular call for applications defines specific rules for expenses eligibility.
2. Eligible expenses are explicitly those expenses incurred by the beneficiary connected to and aimed at achieving the objectives of the project under the project agreement.



3. For the purpose of this scheme, the figures before deduction of taxes and other charges shall be used to calculate eligible expenses.
4. The expenses are eligible if they were incurred at the earliest on the date of commencement of the activities of the project referred to in the project agreement or from the date of entry into force of this agreement. Beneficiary is not eligible to start with implementation of the activities prior to submission of the project application.
5. As eligible expenses can not be considered:
  - interest on loans and credits, fees for credit 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 loss;
  - expenses on purchase of land and real estate;
  - 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;
  - expenses for marketing out of the scheme;
  - provisions for losses or possible future liabilities;
  - expenses paid from other sources;
  - excessive or unnecessary expenses.
6. Detailed eligibility conditions are set out in the particular call which complies with this scheme.

## J) AID FORM

1. Aid under this scheme is implemented in form of the project grant, which is preceded by the conclusion of a 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 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 AND INTENSITY

1. The total amount of aid is the sum of the individual payments provided to the beneficiary.
2. The total amount of de minimis aid to a single undertaking<sup>6</sup> 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

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<sup>6</sup> Under the de minimis Regulation

fiscal year and the two preceding fiscal years and shall be determined on the basis of the beneficiary's accounting period. Under the Accounting Act, it is a calendar year or a business year according to decision of the entrepreneur.

3. Should the granting of new de minimis aid exceed the relevant ceiling laid down in paragraph 2 of this Article, no part of such new aid shall benefit from the de minimis Regulation.
4. In the case of mergers or acquisitions, any de minimis aid provided previously to any of the merging undertakings shall be taken into account in determining whether any new de minimis aid to that new or acquiring undertaking exceeds the applicable maximum amount. De minimis aid lawfully provided before a merger or acquisition remains legal.
5. 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 attributed 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 attribution is not possible, de minimis aid shall be allocated proportionately based on the carrying value of the net assets of the new enterprises on the date on which the division of the enterprise takes effect.
6. 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 that no de minimis aid is used for freight transport activities.
7. Minimum amount of the aid for the initiative is EUR 100,000. Maximum amount of the aid for the project submitted within this scheme must not exceed EUR 200,000.
8. Within one call, the aid can be provided to the beneficiary only once.
9. Aid intensity is the gross aid amount expressed as a percentage of eligible expenses of the project. The aid is expressed as a cash grant and all figures used are gross, i.e. before deduction of tax or other charges.
10. Maximum aid intensity provided to beneficiary under this scheme is 100% and minimum 90% provided that maximum amounts are adhered in accordance with the par. 2 of this Article.
11. Under this scheme, transparent aid is provided as defined in the Article 4 par. 1 of the de minimis Regulation.

## **L) CONDITIONS FOR AID PROVISION**

1. The provider will provide aid to the beneficiary only if all the criteria and conditions set out in this scheme and in the call for proposals are met.

2. The aid may be provided only if applicant based on the call submits the application including mandatory annexes and:
  - Demonstrates that it complies with the SME definition and is competent to carry on a business,
  - Proves arranging financial sources for co-financing of:
    - i. eligible project expenses in the amount of the grant's share of the total eligible expenses set out by the Program Agreement from its own resources or through external financing,
    - ii. not eligible project expenses.
  - Submits a declaration (including a declaration for a partner, if relevant) that it has not been lawfully convicted under Act no. 9/2016 Coll. on Criminal Liability of Legal Entities and on Amendments to Certain Acts, as amended,
  - The applicant (including the partner) does not meet the definition of a company in difficulty,
  - The provider shall grant the aid only after obtaining a declaration from the applicant and partner confirming, if relevant (Annex 1 of this scheme), that the total amount of de minimis aid to be granted under this scheme, together with the de minimis aid granted so far, will not exceed the maximum amount laid down in Article K) of this scheme (and according to § 13 of the State Aid Act, the provider also verifies this fact in the central register) and that they comply with the cumulative rules under the Article (M) of the scheme and upon proving that all the conditions of the scheme have been met.
  - If the applicant, resp. the partner, belongs to a group of enterprises, submits data on the de minimis aid received for all members of the group of enterprises forming a single enterprise with them,
  - Submits the declaration (including declaration for the partner, if relevant), that:
    - i. Does not have unpaid tax levies, recorded arrears of health and social insurance contributions and old-age pension savings contributions,
    - ii. He is not subject to bankruptcy or restructuring proceedings, is not in bankruptcy or restructuring and has not been refused bankruptcy due to lack of assets,
    - iii. Enforcement of a decision is not made against him and at the same time, has not violated the prohibition of illegal work and illegal employment within previous three years,
    - iv. The recovery of state aid on the basis of a previous EC decision declaring this aid illegal and incompatible with the internal market is not applied against him.
  - He proceeds in the procurement of goods, works and services in accordance with the Public Procurement Act,
  - Proves the fulfillment of other conditions defined by the provider in the call.
3. The aid will not be granted to the applicant or partner who illegally uses or withholds state budget funds or state funds.

4. In case it is proved that the information provided in the declaration 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.

## M) AID CUMULATION

1. De minimis aid provided under this scheme may be cumulated with de minimis aid granted in accordance with Commission Regulation (EU) No 360/2012<sup>7</sup> up to the maximum amount set in this 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.
2. Aid cumulation is linked to the specific beneficiary (considering single undertaking according to the Article 2, part 2 of de minimis Regulation).
3. Financing two or more projects with the same focus or eligible expenses from one recipient is not allowed under this scheme. The degree of common features of the specific projects will be assessed by the provider.
4. 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 maximum aid intensity concerned or the amount set in relation to the specific circumstances of the individual cases in the General Block Exemption Regulations or Decisions adopted by the Commission. De minimis aid, which is not provided or attributable to specific eligible costs, may be cumulated with other state aid provided under the Block Exemption Regulation or 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 de minimis scheme, nature of activities, geographical scope, maximum project implementation time, call allocation, maximum and minimum aid amounts, project application conditions, project selection criteria and assessment mechanism, information provision mechanism.

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<sup>7</sup> 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)

2. The call including mandatory annexes will be published on the website of the provider ([www.vyskumnaagentura.sk](http://www.vyskumnaagentura.sk)).
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 form.
4. The applications will be assessed based on assessment criteria consisting of formal and content related criteria. The assessment criteria will be published in the call in order to avoid any degree of subjectivism in the expert assessment. Compliance of the project application with the de minimis scheme will be assessed before the aid is provided.
5. Content related assessment of the applications in accordance with the Article 7.4 Regulation shall be carried by independent and impartial experts and formal criteria will be assessed by the provider.
6. The provider establishes a Selection Committee consisting of minimum three persons with respective expertise. The Selection Committee reviews the list of project applications according to the ranking prepared by assessors and decides on grant award based on the ranking up to the amount of the allocation in the call. The Selection Committee may change the ranking prepared based on assessment of experts. Such a change shall be justified and the justification shall be supported by an assessment of the project application.
7. The provider informs applicants on the selection results within time specified in the call and publishes the results on its website.
8. The project application is approved on the day of provider's decision on approval of application, unless a later date is specified in the contract. This decision provider announces to recipient in the offer for the grant award. The offer specifies basic conditions which are going to be an integral part of the contract, estimated amount of aid (including estimated aid amount for the partner if the partner contributes to the project implementation and is the aid beneficiary in terms of this scheme), information that this is de minimis aid, reference to the de minimis Regulation (Regulation title and information on its publishing in the Official Journal of the European Union). Recipient will inform the partner about the offer for the grant award, including the information stated in the previous sentence of this paragraph.
9. The recipient shall submit 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 system.
10. On the day of sending the grant offer, the applicant becomes a preliminary beneficiary, while this status is confirmed by concluding a Project Agreement (PA). The PA is obligatory published and it is publicly available in the Central Register of Contracts at [www.crz.gov.sk](http://www.crz.gov.sk).

11. On the entry into force of the contract (one calendar day following the day of its publication), aid under this scheme is deemed to have been provided and the recipient and partner become aid beneficiary.

## O) BUDGET

Indicative volume of funding to implement this scheme is EUR 1 058 824 (sources from the Norwegian Financial Mechanism and the state budget of the SR) for the entire programming period 2014-2021. When launching a 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 of the scheme or its amendment, provider shall ensure its announcement and availability of its full text on the website for at least during the period of its effectiveness.
2. Provider shall ensure transparency of the scheme and publishing all contracts 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. Grant and any of its part is considered to be the financial contribution paid from the state budget of the SR.
2. 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.
3. The persons authorized for the financial control and audit are in particular:

- a) The 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, Financial Mechanism Office and 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.
4. The beneficiary will enable the performance of financial control/audit by authorized persons in accordance with the relevant Slovak legislation and EU legal acts.
  5. The beneficiary will demonstrate, in particular, the eligibility of the expenses incurred and compliance with the conditions for the aid provision.
  6. 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.
  7. 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.
  8. 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.
  9. 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 minimum aid. The beneficiary of the minimum 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 legislation according to Article B) or any relating legislation, must be reflected in the scheme within 6 months of their entry into force.
4. The scheme expires on 30 April 2025, i.e. one year from the final date of eligibility of expenses.
5. 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.

## S) ANNEXES

The following Annexes are an integral part of the scheme:

- |         |   |
|---------|---|
| Annex 1 | Statement of the applicant for de minimis aid   |
| Annex 2 | Definition of SMEs (Annex 1 to 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) |



### Statement of the applicant for de minimis aid

according to Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 TFEU to de minimis aid

**Identification of the applicant:**

<b>Name/business name</b>	
<b>Address</b>	
<b>Undertaking ID number</b>	
<b>Statistical classification of economic activity (SK NACE Rev. 2) – code with the name of the activity</b>	
<b>Size of the undertaking at the time of the submission of the application<sup>8</sup></b>	<input type="checkbox"/> SME <input type="checkbox"/> microenterprise <input type="checkbox"/> small enterprise <input type="checkbox"/> medium enterprise

**e**

1. The applicant declares that as accounting period (fiscal year)<sup>9</sup> it uses

- calendar year**,  
 **economic year** (beginning ....., end .....).

*If there has been a change from the calendar year to the economic year or vice versa during the previous two financial years, indicate this by listing the financial years used (for example 1.4.2015 – 31.3.2016; 1.4.2016 – 31.12.2016):*

.....

<sup>8</sup> Annex no. Commission Regulation (EU) No. 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.

<sup>9</sup> § 3 par. 3 - 5 of Act no. 431/2002 Coll. on Accounting, as amended.

2. The applicant declares that in the current fiscal year (*year n*) and in the two previous fiscal years

- no aid has been provided** to him or to any of the undertakings which together form a single undertaking<sup>10</sup>,
- minimum aid **has been provided** to him, including the undertakings which together form a single undertaking:

Table no. 1

Undertaking identification <sup>11</sup>	Date of aid provision <sup>12</sup>	Aid provider	Regulation <sup>13</sup>	Amount of minimum aid provided in EUR during the current and previous two fiscal years			Comments <sup>14</sup>
				year n	year n-1	year n-2	

3. The applicant declares that in the current and the two preceding accounting periods (fiscal years):

- was not formed** by the merger or acquisition,
- was formed** by the merger<sup>15</sup> of the enterprises listed in Table no. 2,
- took over the equity** of the undertaking/s listed in Table no. 2 by the acquisition (the merger<sup>16</sup>):

<sup>10</sup> The definition of a single undertaking is given in Art. C) De minimis aid scheme to support start-ups. For more information on a single undertaking, see the State Aid Coordinator's Guideline no. 1/2015 dated April 1, 2015 ONE UNDERTAKING, available on the website <http://www.statnapomoc.sk/wp-content/uploads/2015/08/Jediny-podnik.pdf>.

<sup>11</sup> Name / business name / name and surname, address, company ID number of the applicant and/or enterprises forming a single enterprise with it and provided with de minimis aid during the current and two previous fiscal years.

<sup>12</sup> Date of entry into force of the legal act based on which the aid was provided to the beneficiary (eg the date of entry into force of the subsidy contract; date of signature of the credit agreement), irrespective of the date of payment of the aid to the undertaking.

<sup>13</sup> Provide only no. of the Regulation from its full title below:

Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid.

Commission Regulation (EU) No 1408/2013 of the European Parliament and of the Council of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the agricultural sector.

Commission Regulation (EU) No 717/2014 of the Council of 27 June 2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the fisheries and aquaculture sector.

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.

<sup>14</sup> Additional information related to de minimis aid is provided, such as whether the provision (disbursement) of the aid is still ongoing, the aid has been completed.

<sup>15</sup> § 69 par. 3 of Act no. 513/1991 Coll. Commercial Code as amended.

<sup>16</sup> § 69 par. 3 of Act no. 513/1991 Coll. Commercial Code as amended.

Table no. 2

Business name of the undertaking	Address	Undertaking ID number

The undertaking/s listed in the table no. 2:

- has/have not** received minimum aid,  
 **has/have received** the following minimum aid:

Table no. 3

Undertaking identification <sup>17</sup>	Date of aid provision <sup>18</sup>	Aid provider	Regulation <sup>19</sup>	Amount of minimum aid provided in EUR during the current and previous two fiscal years			Comments <sup>20</sup>
				year n	year n-1	year n-2	

<sup>17</sup> Name / business name / name and surname, address, company ID number (applicant/partner) and/or enterprises forming a single enterprise with it and provided with de minimis aid during the current and two previous fiscal years.

<sup>18</sup> Date of entry into force of the legal act based on which the aid was provided to the beneficiary (eg the date of entry into force of the subsidy contract; date of signature of the credit agreement), irrespective of the date of payment of the aid to the undertaking.

<sup>19</sup> Provide only no. of the Regulation from its full title below:

Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid.

Commission Regulation (EU) No 1408/2013 of the European Parliament and of the Council of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the agricultural sector.

Commission Regulation (EU) No 717/2014 of the Council of 27 June 2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the fisheries and aquaculture sector.

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.

<sup>20</sup> Additional information related to de minimis aid is provided, such as whether the provision (disbursement) of the aid is still ongoing, the aid has been completed.

4. The applicant declares that in the current and the two preceding accounting periods (fiscal years):

- was not** formed by the division of the undertaking,  
 **was** formed by the division of the following undertaking:

Table no. 4

Business name of the undertaking	Address	Undertaking ID number

and has taken over its activities for which the minimum aid has been used in the past<sup>21</sup>. The following aid has been provided (in the past was provided) to the undertaking (the applicant):

Table no. 5

Date of aid provision <sup>2</sup>	Provider	Amount in EUR

5. The applicant declares that:

- is not** a subject to an outstanding recovery order following a previous Commission decision declaring an aid illegal and incompatible with the internal market,  
 **is** a subject to an outstanding recovery order following a previous Commission decision declaring an aid illegal and incompatible with the internal market,

<sup>21</sup> If, on the basis of the activities taken over, it was not possible to distribute the previously provided minimum aid, the aid will be distributed pro rata based on the book value of equity of new enterprises at the effective date of the split (in accordance with Article 3 (9) of Regulations 1407/2013, 1408/2013 and 717/2014).

- all undertakings that form a single undertaking with it **are not** a subject to an outstanding recovery order following a previous Commission decision declaring an aid illegal and incompatible with the internal market,
- some undertakings that form a single undertaking with it **are** a subject to an outstanding recovery order following a previous Commission decision declaring an aid illegal and incompatible with the internal market.

6. The applicant declares that:<sup>22</sup>

- a) **is/is not active** in the fisheries and aquaculture sector<sup>23</sup> and the aid will not be provided in relation to these activities;
- b) **is/is not active** in the field of primary production of agricultural products<sup>24</sup> and the aid will not be provided in relation to these activities;
- c) **is/is not active** in the sector of processing and marketing of agricultural products and the aid will not be provided in relation to these activities;
- d) **is/is not active** in the road freight transport sector and the aid will not be provided in relation to these activities;
- e) the aid will not be provided for the activities relating to export to the third countries or member states, in particular, aid directly linked to the quantities exported, for the establishment and operation of a distribution network or other current expenditure linked to the export activity.

If applicant is active in any of the sectors referred to in point a) to d), declares, that:

- has** separate monitoring of activities/expenses (e.g. analytical record),
- has not** separate monitoring of activities/expenses (e.g. analytical record).

7. The applicant declares that:

- is not carrying out** the road freight transport for lease or reimbursement,
- is carrying out** the road freight transport and at the same time other activities, whereby the aid will be provided in relation to other activities and has separate monitoring of activities/costs (eg analytical records).

8. The applicant declares that at the time of application submission:

- does not apply** for other minimum aid from other or the same minimum aid provider,

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<sup>22</sup> Mark out what does not apply

<sup>23</sup> Regulation of the European Parliament and of the Council (EU) No 1379/2013 of 11 December 2013 on the common organization of the markets in fishery and aquaculture products amending Council Regulation (EC) No 1184/2006 and (EC) No 1224/2009 and repeals Council Regulation (EC) No. 104/2000.

<sup>24</sup> Agricultural products are those listed in Annex 1 to the Treaty on the Functioning of the European Union.

**applies** for other minimum aid from other or the same minimum aid provider:

Table no. 6:

Minimum aid provider	Amount of minimum aid requested	Date of application submission

9. The applicant below by his/her signature

- a) confirms that he/she is informed that all parts of the declaration need to be completed;
- b) confirms that above mentioned information are accurate and true and are voluntary provided;
- c) shall undertake that in case of any change in the data provided in this application within the administrative procedure for the minimum aid provision, it will inform aid provider without delay about these changes;
- d) agrees with processing of the data provided in this declaration for the purpose of registration of the minimum aid in accordance with Act No. 358/2015 Coll. on the regulation of certain relations in the field of state aid and minimum aid and on amendments to certain acts (State Aid Act). This approval is granted to both aid coordinator<sup>25</sup> and at the same time to minimum aid provider for all data provided in this declaration for a period of 10 years from the date of granting of this approval.

.....  
**Date and place**

.....  
**Applicant's signature**

<sup>25</sup> According to § 2 par. 1 of Act no. 358/2015 Coll. on the regulation of certain relations in the field of state aid and minimum aid and amending certain acts (State Aid Act) Antimonopoly Office of the Slovak Republic is the coordinator of the aid.

## **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.