

An aerial photograph of Bratislava Castle in Slovakia, featuring a large white building with a red roof and several towers. The castle is surrounded by stone walls and greenery. In the background, a cityscape is visible under a hazy, golden sky. The logo 'MIND & ET' is overlaid on the right side of the image, with the ampersand replaced by a cluster of colorful gears (red, grey, and blue).

**MIND & ET**

**INVESTMENT IN SLOVAKIA**

This document elaborates the most useful information needed for investors who want to know about investment and residence in Slovak Republic (EU, Schengen and currency Euro) it takes you through the opportunities, process and even the paperwork needs. Furthermore, it provides necessary information for future Slovak resident.

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## THE SLOVAK REPUBLIC

The Slovak Republic or, in a short form, Slovakia [/sloo'va:kiə/](#), in Slovak language: Slovensko is a sovereign state in **Central Europe**. It has a population of over five million and an area of about 49,000 square kilometers. Slovakia is a member state of the **European Union, Eurozone, Schengen Area, NATO, The United Nations**, the **OECD** and the **WTO**, among others. The official language is Slovak, a member of the Slavic language family. Please visit the [Slovak Spectator](#) for additional actual information about Slovakia from the point of view of foreigners living here.



### HISTORY

Slovakia, as we know it, can be considered a very young country formed as an individual state in 1993 when separated from Czechoslovakia. However, its history is very rich as a former satellite of the Soviet Union, Austro-Hungarian Empire, Ottoman Empire, Kingdom of Hungary, and Principality of Nitra or Samo's Empire back in 7th century shortly after Slavs arrived in the territory of today's Slovakia.

### EUROPEAN UNION

The country joined the European Union in 2004 and its currency was changed to Euro in January 2009. One of the main advantages of Slovakia's EU membership is free trade and removal of non-tariff barriers, which have helped reduce costs and prices for consumers. Increased trade to the EU creates jobs and higher income. The EU has enabled people to travel freely across national boundaries within the Schengen area, making trade and tourism easier and less expensive. According to the European Commission, more than 15 million EU citizens have moved to other EU countries to work or to enjoy their retirement.

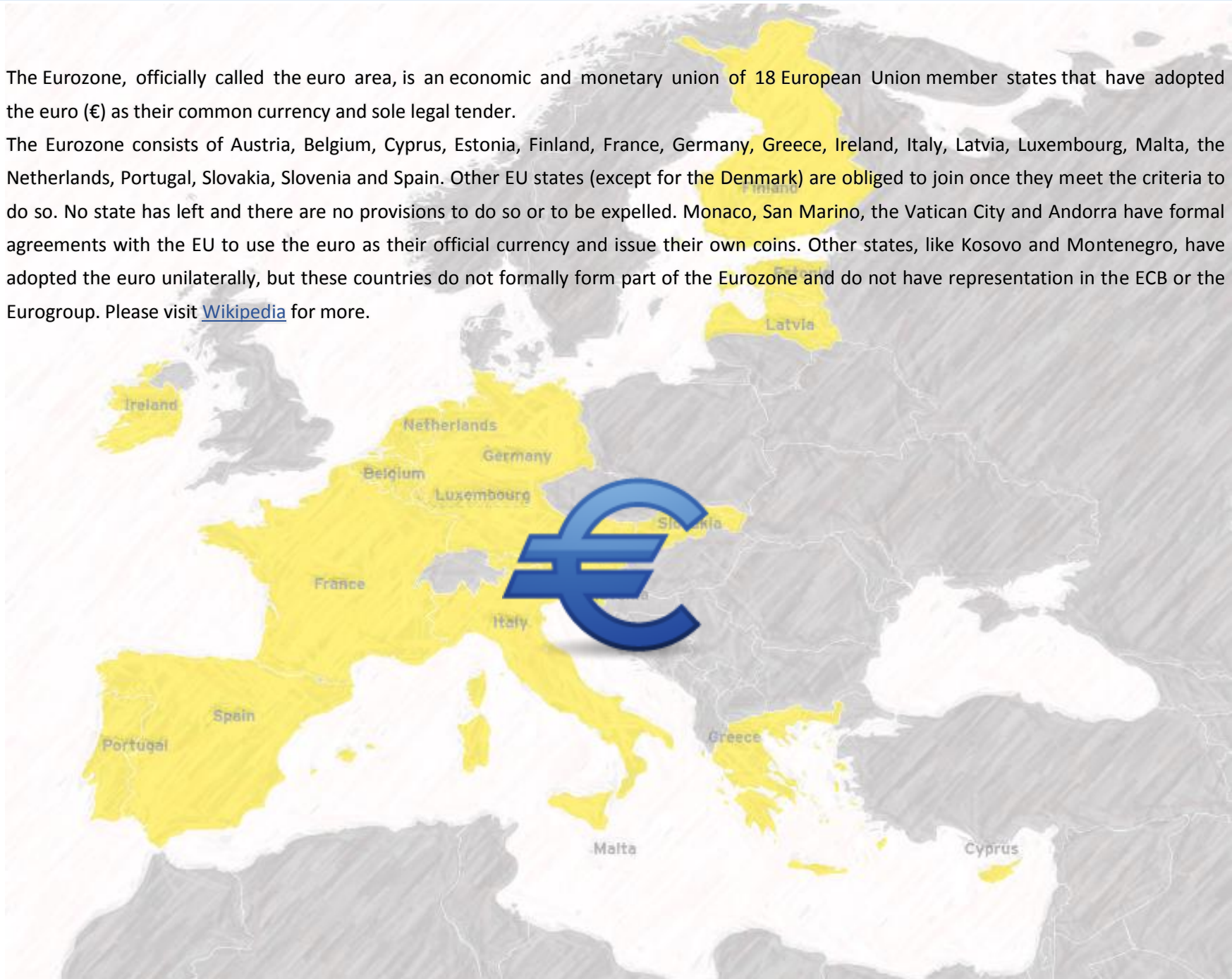




## EUROZONE

The Eurozone, officially called the euro area, is an economic and monetary union of 18 European Union member states that have adopted the euro (€) as their common currency and sole legal tender.

The Eurozone consists of Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Spain. Other EU states (except for the Denmark) are obliged to join once they meet the criteria to do so. No state has left and there are no provisions to do so or to be expelled. Monaco, San Marino, the Vatican City and Andorra have formal agreements with the EU to use the euro as their official currency and issue their own coins. Other states, like Kosovo and Montenegro, have adopted the euro unilaterally, but these countries do not formally form part of the Eurozone and do not have representation in the ECB or the Eurogroup. Please visit [Wikipedia](https://en.wikipedia.org/wiki/Eurozone) for more.



## GEOGRAPHY



Slovakia lies in the center of Europe. This position provides an amazing starting point for both its residents and visitors. It is bordered by the **Czech Republic** and **Austria** to the west, **Poland** to the north, **Ukraine** to the east and **Hungary** to the south. Slovakia's territory spans about 49,000 square kilometers (19,000 sq miles) and is mostly mountainous. The population is over 5 million and is comprised mostly of ethnic Slovaks. The capital and largest city is **Bratislava**.

## POLITICAL SYSTEM OF SLOVAKIA



Slovakia is a **parliamentary democracy**. State power originates from citizens who exercise it directly by participating in national elections. The National Council of the Slovak Republic, the Government, and the President are the supreme bodies of state power of the Slovak Republic.

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### 1. THE NATIONAL COUNCIL OF THE SLOVAK REPUBLIC (PARLIAMENT)

The National Council of the Slovak Republic seated in Bratislava is the country's sole constitutional and legislative body. The National Council has 150 members elected to serve a four-year term. All citizens who are of 18 years of age or older are eligible to vote. The National Council passes laws, approves state budget, considers and approves the Constitution, and monitors the governmental activities.

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### 2. THE PRESIDENT IS THE SLOVAK REPUBLIC'S CHIEF (HEAD) OF STATE.

The President is elected by popular vote in direct elections by secret ballot to a five-year term. Andrej Kiska, the current president was elected in 2014.

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### 3. THE GOVERNMENT OF THE SLOVAK REPUBLIC

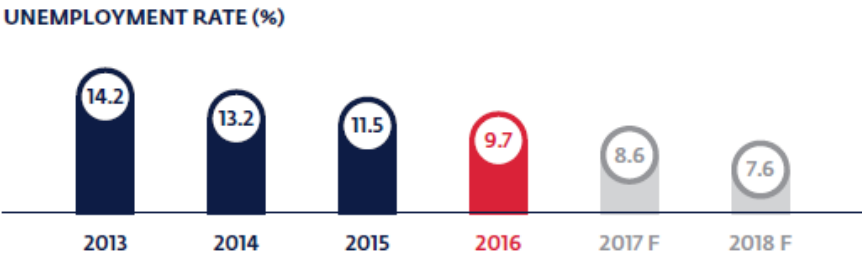
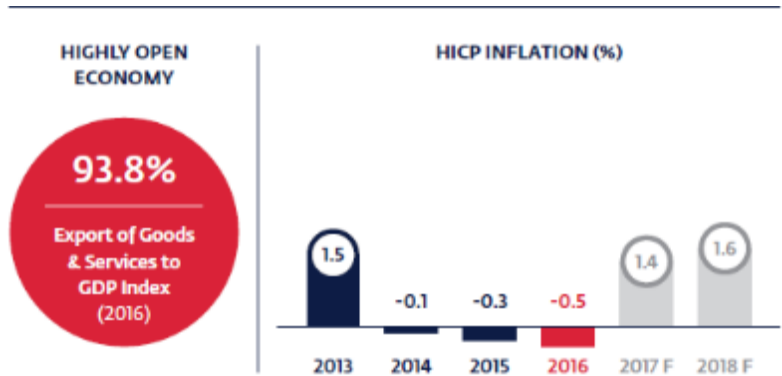
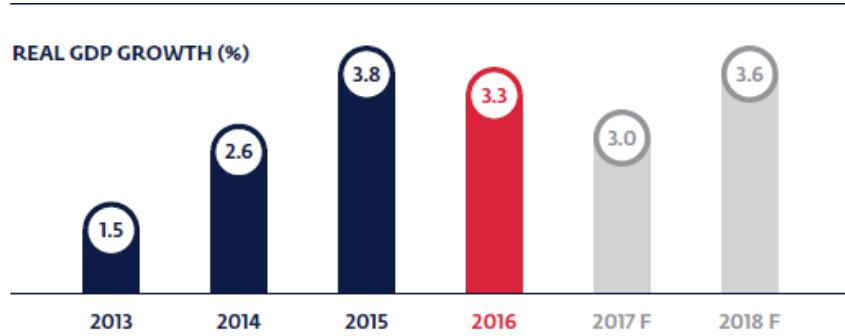
The Government of the Slovak Republic is the supreme body of the Executive. It consists of the Prime Minister who is the head of government and government ministers. A new government is formed after parliamentary elections. The winning parties form a coalition while the political parties with the minor party representation in Parliament form an opposition.

**ECONOMY OF SLOVAKIA**

The economy of Slovakia is a high-income economy. With the highest sustained GDP growth in the European Union, the Slovak economy has been considered a tiger economy known as the Tatra Tiger. Slovakia has been an EU member state since 2004 and adopted the euro currency at the beginning of 2009. Its capital, Bratislava, is the largest financial center in Slovakia. Unemployment has fallen considerably, although long-term unemployment remains high. GDP per capita is \$31,200 (2016 est.) \$30,200 (2015 est.) \$29,100 (2014 est.)

**MACROECONOMIC OVERVIEW**

Slovakia is experiencing an ongoing economic expansion, driven by continually increasing domestic demand, as well as booming investment — both local and foreign. Real GDP growth has more than doubled since 2013 and reached 3.3% in 2016. The Slovak economy is projected to keep this pace and expand even further. The unemployment rate continues to decline and labor market conditions are expected to continuously improve.



Source: Standard & Poors, Moody's, Fitch Ratings (information as of January 2017), European Commission — Eurostat, European Economic Forecast, spring 2017



WHY SLOVAKIA?





## TOP 10 REASONS TO INVEST IN SLOVAKIA

1

**Strategic location within Europe  
with great potential for export.**

2

**Both, political & economic stability.**

3

**Fastest growing member of  
Eurozone within 10 last years.**

4

**CEE leader in labor productivity.**

5

**Skilled, educated and cost-effective,  
labor force.**



6

**Euro currency.**

7

**Outstanding multilingual skills.**

8

**Attractive investment incentives.**

9

**Developed & steadily growing  
infrastructure network.**

10

**Great potential for research,  
development and innovation.**

## LOCATION AND TRANSPORTATION

The most important factors in any foreign direct investment are...

**Location, location and location.**

Foreign investors investing in Slovakia can greatly benefit from the Strategic geographic location of the country. Since the country is located at the center of the European continent, investors can have easy access to other important business centers in the European Union and expand their business operations.

## TRANSPORTATION



### SCHENGEN AREA

**Relations between the Slovak Republic and its neighbors** can be divided into bilateral and multilateral. Along with Slovakia, four of the neighboring countries (Czech Republic, Poland, Austria, and Hungary) are members of European Union and in the Schengen Area. That means people and goods can freely cross the borders without passport control. The passport or visa are needed only for crossing the borders with Ukraine.

Slovakia belongs to the community of four states of the Central Europe, called Visegrad Group (V4). **Members of V4** are Slovakia, Czech Republic, Hungary and Poland. Goal of the Visegrad Group is the propagation of common interests in the process of European integration and transition of these economies.

## BILATERAL RELATIONS WITH THE BORDERING COUNTRIES

### CZECH REPUBLIC

Slovakia borders (252 km) with the **Czech Republic** are on the west side of the country. Despite their separation in 1993, Slovakia's culture, population and language are very similar to the Czech.

There is a large number of **mixed families**. Up to 320 thousand Slovaks study or work in the Czech Republic (mostly in Prague), there is practically no language barrier. Thanks to the common past the two countries have strong cultural and economic relationship.

Border crossings: Slovakia – Czech Republic (by car, bus or train).



### AUSTRIA

Although the Slovak-Austrian cross-border is only 91 km long, **Austria-Slovakia relations** have a rich history. Austria was the only EU Member State neighboring with Slovakia and in 1996 was the **largest foreign investor** in Slovakia, at the same time strongly supported the inclusion of the Slovak Republic into the EU. In the meantime, the total import in the Slovak Republic figures Austria on the 4th place and the export from the Slovak Republic to Austria is also placed on the 4th place.

Border crossings: Slovakia – Austria (by car, bus or train).



### HUNGARY

The border with **Hungary** is 677 km long. From the outset of Slovakia's establishment, both of the countries try to have a good relationship. Hungary is one of the most important target countries; total export from Slovakia to Hungary is 7.2%

Large **Hungarian minority** (9.5%) is living next to the Slovak/Hungarian border. In Komárno (south Slovak city, right on the borders), there is even a university where they teach and study in Hungarian language – University J. Selyeho.

Border crossings: Slovakia – Hungary (by car, bus, train or across bridges).





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## UKRAINE

**Ukraine** is the only Eastern European country with which Slovakia has a common border. The border is 97 km long. At present, Ukrainians welcome any initiative of Slovakia to share the experience of the accession process to the EU.



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Border crossings: Slovakia – Ukraine (by car, bus or train).

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## POLAND

The **Polish** border with Slovakia is 444 km long.

Poland and Slovakia have a very similar economic and security system. Mutual trade is 25% and it is rising. Poland is ranked in the **top five trading partners of Slovakia**.



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Border crossings: Slovakia – Poland (by car, bus or train).

## LIVING STANDARDS

## COSTS OF LIVING &amp; SALARIES

Item	Price per unit in Euro
Fuel - Diesel	1,173 € / liter
Rent – (1-bedroom apartment)	350 € - 500 € / month
Rent – (3-bedrooms apartment)	600 € - 800 € / month
Private/international Kindergarten	520 € / month
Private/international Primary School	12 000 € / year
State/public educational institutions	Free of charge including universities
Health Insurance	300 €
Public transport pass in capital for adult	26,90 € / month
Meal (inexpensive restaurant)	5 €
Coffee	2 €
Milk	0,80 € / liter
Bread	1 € / kg

The standard of living is growing very fast and in some areas of social life it is already on average of other EU countries. In general, the cost of living (utility costs, prices, etc.) in Slovakia is lower than in west European countries like UK, France or Germany. **Living costs** vary from region to region and are also dependent on fluctuations in the prices of food, energy and other everyday necessities. In following chart, you can find some utilities and its average consumer price per unit.

Average monthly Net salary in (After Tax) is 774.44€

Occupation	Monthly salary	Occupation	Monthly salary
Cashier	619€	High school teacher	882€
Receptionist	698€	Accountant	992€
Sales assistant	700€	Economist	1 038€
Nurse	779€	Office manager	1 081€
Secretary	807€	Web designer	1 243€
Administrative assistant	850€	IT programmer	1 628€
Auto mechanic	868€	Doctor	1 678€

## TAXES IN SLOVAKIA

Type of Tax	Description			
Income Tax of Physical Person	Refers to any citizen who has a business or not. Tax of entrepreneurs.			
	19% - if annual income not exceeding 176.8 times the subsistence level		25% - if annual income is exceeding 176.8 times the subsistence level	
Income Tax of Legal Person	21% - The tax rate in 2018 for the year 2017 for all entities	480 Euro - amount of min. tax if LP is not subject to VAT	960 Euro - amount of min. tax if turnover is up to 500 000 Euro	2 880 Euro - amount of min. tax if turnover is more than 500 000 Euro (regardless whether or not subject to VAT)
Income Tax from sale of real estate	19%. - The amount of tax from the sale of real estate (house, apartment or building land). It is a tax on the difference between the amount of income from the sale of property and enforcement expenditure.			
Income Tax from rent of property	In case the sum of taxable income for the calendar year does not exceed the sum of <b>500 Euro</b> the taxpayer is not required to file a declaration for income, otherwise the obligation remains.			
Value Added Tax	20% - The tax rate in 2018 for the year 2017. At present, we know two VAT rates, depending on goods. VAT directly affects businesses and indirectly all other persons because it is already included in <b>almost every price of all goods and services</b> . In case of international business different VAT applies			
Motor Vehicle Tax	Applies particularly to businesses. This law governing tax on motor vehicles includes: cars, motorcycles, motorbikes, buses, trucks and other motor vehicles. It is <b>determined each year by the Annex to the Act</b> .			



## INVESTMENT EXAMPLES AND INCENTIVES

### EXAMPLES

Range	Project Name	Duration to start gaining revenue	Expected Revenue
5,000 Euro – 50,000 Euro	Car Rental Agency	2-3 months	Up to 35% annually
50,000 Euro – 250,000 Euro	Restaurant	6 months	Up to 48% annually
250,000 Euro – 1M Euro	Technology Centre	2 years	Up to 60% annually

### INCENTIVES

The aim of investment incentives is to promote the economic development of certain disadvantaged areas in the Slovak Republic and is targeted at specific regions in order to eliminate regional disparities and to assist the development of the most disadvantaged regions by supporting investment and job creation.

## FORMS OF INVESTMENT PROJECTS AND CONDITIONS

### ELIGIBLE PROJECTS

The Act on Investment Aid divides the projects, which may be supported into four categories:

- Industry.
- Technological centers.
- Shared services centers.
- Tourism.

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#### THE COMMON CONDITIONS FOR ALL CATEGORIES ARE:

- Incentives are available for the launch of a new entity as well as for the extension of an existing one
- At least 50% of the minimum investment must be covered by own equity of the investor
- Work on the project cannot start before the Ministry of Economy gives its preliminary consent with granting of the aid
- The recipient of the aid can be only a Slovak entity
- The investment plan must be submitted in Slovak
- There is no legal entitlement to receive investment incentive
- Minimum amount of investment in industry depends on the unemployment rate in the proposed location.

*Minimum 60%/50%/40% of eligible costs (according to the unemployment in the specific region) must be used for acquisition of new machinery and equipment.*

*Minimum amount of investment in technological centers and shared services centers is independent from the unemployment rate in the proposed location. The conditions are following:*

- Half of the minimum investment (i.e. 5 mil./2.5 mil./1.5 mil. Euro) must be financed by own equity of the investor
- 40%/20% of eligible costs must be used for acquisition of new machinery and equipment. Minimum amount of investment in tourism is again dependable on the unemployment rate in the proposed district.

#### TECHNOLOGICAL CENTERS

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- Minimum investment of 500,000 EUR on the fixed assets
- At least 250,000 EUR must be covered by own equity
- The company must employ at least 60% of employees having university education

#### SHARED SERVICES CENTERS

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- Minimum investment of 400,000 Euro on the fixed assets acquirement
- At least 200,000 Euro must be covered by own equity
- The company must employ at least 30% of employees having university education

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#### FORMS OF INCENTIVES

- Cash grant.
- Partial tax relief.
- Contribution to new jobs.
- Transfer of the state/municipality property to the investor for a discounted price.

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#### ELIGIBLE COSTS

- Costs of land acquisition.
- Costs of buildings acquisition.
- Costs of technological equipment and machinery acquisition.
- Intangible fixed assets – licenses, know-how, etc.



## REGISTRATION OF COMPANY

### REQUIRED PREPARATION

- Prepare the following:
  - Copy of your passport + (ID card in case you already have residence card within European Union)

### REQUIRED PLANNING

- Plan the following:
  - Starting time of your case
  - Budget – financial stability
  - Business idea, scope and form of business
  - List of the Shareholders
  - Company name. (We will check the availability for you)
  - Business Activities of the company. (According the List of Free Business Activities provided by us)
  - Investment amount and the name of the person who will deposit it into bank.



### USEFUL INFORMATION BEFORE START

- Maximum number of Shareholders per company is 6
- Minimum Share per Shareholder is 750 Euro, minimum initial company capital is 5000 Euro
- Every Managing Director (*SK language – Konateľ*) is obliged to have a residence within Slovakia. (Our company will provide you with Temporary Managing director until you acquire Residence Permit for business purposes in Slovakia – see Price list section below)
- Citizens from EU do not need a Residence Permit in Slovakia.

## REGISTRATION OF ENTREPRENEUR

### REQUIRED PREPARATION

- Prepare the following:
  - Copy of your passport + (ID card in case you already have residence card in Europe)
  - Criminal Record (From country of your nationality.)

### REQUIRED PLANNING

- Starting time of your case
- Budget – financial stability
- Business idea, scope and form of business
- Business Activities (According the List of Free Business Activities provided by us)
- Investment amount and the name of the person who will deposit it into bank.

### USEFUL INFORMATION BEFORE START

- If possible, the Business Bank Account is preferred to be opened in Slovakia by an Entrepreneur personally.
- Citizens from EU do not need a Residence Permit in Slovakia.



**TIME FRAME****FOR REGISTRATION OF COMPANY**

Incorporation of company into Commercial Register in Slovakia takes approximately **1 month** after all the required documents are issued.

**FOR REGISTRATION OF ENTREPRENEUR**

Issue of Trade license takes approximately **1 week** after all the required documents are issued. Entrepreneur is incorporated into Commercial Register in Slovakia after acquisition of Residence Permit.

**TO GET RESIDENCE IN SLOVAKIA**

- Residence process is started **AFTER** the company registration process / entrepreneur's trade license issue is finished.
- The Residence Permit Application includes an interview at the Slovak embassy covering your country, each shareholder is required to attend it himself. Preparation for this interview is very important and you will be prepared with our full support.
- The decision is usually made within **90 days** since the application file is delivered from embassy to foreign police in Slovakia by law, while this period can be extended in exceptional cases.

PAYMENTS OVERVIEW			
Item	Fee	Includes	Excludes
<p>Consultation services: Creation and registration of the Limited Liability company in Slovakia</p>	<p><b>6500 Euro</b> - payment scheme can be adjusted</p>	<ul style="list-style-type: none"> <li>○ Checking the availability of your company name</li> <li>○ Issue of Process Timeline for your personal follow up</li> <li>○ Drafting the Company Constitutional Contract</li> <li>○ Issue of shares and production of Trade Licenses</li> <li>○ Documents preparation for Registry</li> <li>○ Certificate of Incorporation</li> <li>○ Notary fees</li> <li>○ Court fees</li> <li>○ Tax office registration</li> <li>○ Company post box (company seat address) rent for 1 year</li> <li>○ Professional Business plan (EN + SK version)</li> </ul>	<ul style="list-style-type: none"> <li>○ DHL delivery (<b>80 Euro</b> - one delivery)</li> <li>○ Your own bank account deposits.</li> </ul>
<p>Temporal Managing director Appointment (for period of 1 year)</p>	<p><b>500 Euro</b></p>	<ul style="list-style-type: none"> <li>○ Signing of consent with appointment at notary office.</li> <li>○ Collecting of Trade License &amp; Confirmation of incorporation from post office/state office.</li> <li>○ Registration of company into Tax Office.</li> <li>○ Opening of company bank account (making required transfers if needed).</li> <li>○ Issuing of disposal certificate from company bank account.</li> <li>○ Issuing of extract from Commercial register</li> </ul>	

<p><b>Consultation services:</b> Creation and registration of the entrepreneurship license in Slovakia</p>	<p><b>3500 Euro</b> - payment scheme can be adjusted</p>	<ul style="list-style-type: none"> <li>○ Issue of Process Timeline for your personal follow up</li> <li>○ Drafting the legal documents</li> <li>○ Issue Trade License</li> <li>○ Notary fees</li> <li>○ Court fees</li> <li>○ Tax office registration</li> <li>○ Documents preparation for Registry (after RP)</li> <li>○ Certificate of Incorporation (after RP)</li> <li>○ Professional Business plan (EN &amp; SVK version)</li> <li>○ Business address (Rent for 1 year)</li> </ul>	<ul style="list-style-type: none"> <li>○ DHL delivery (<b>80 Euro</b> - one delivery)</li> <li>○ Your own bank account deposits.</li> </ul>
<p><b>Consultation services:</b> Assistance with applying for Residence Permit for business purposes in Slovakia</p>	<p><b>3000 Euro</b> per person</p>	<ul style="list-style-type: none"> <li>○ Personal documents checking</li> <li>○ Interview assistance (Interview package)</li> <li>○ Issue of Process Timeline for your personal follow up</li> <li>○ Legal documents preparation</li> <li>○ Translation fees (only once)</li> <li>○ Fees for notarized copies of documents (only once)</li> <li>○ Follow up during the whole process</li> <li>○ Assistance in communication with Slovak Embassies &amp; foreign police in Slovakia</li> </ul>	<ul style="list-style-type: none"> <li>○ DHL delivery (<b>80 Euro</b> - one delivery)</li> <li>○ Your own bank account deposits.</li> </ul>



**BUSINESS EXPLORATION TRIP****750 € PER PERSON**

We can arrange an exploration trip in cooperation with our travel agency [CampSurfing](#) that includes following:

- Accommodation: 3\* Hotel
- Transportation: Modern Car (fuel included for the range of 100 km around Bratislava), Airport Pickups and Delivery, 8 Hours a Day Full Availability
- Orientation meetings on "Investment" services, starting companies & signing contracts and power of attorneys.
- Visits to: **Bratislava** (Castle, Old Town, Malls, Parks and Slovak Agency for Investment SARIO), **Devín**, **Vienna**, **Dunajská Streda** and **Piešťany**.
- Detailed information on: [Business Exploration Trip](#)



## WHY MINDSET INTERNATIONAL?

# MIND ET

## People Centric

- Wide range of experience.
- High success rate.
- Customer satisfaction.
- Multilingual team (Including: English, Arabic, Russian, Italian etc.).
- Issue of Process timeline personalized to respective case and requirements.
- Detailed instructions regarding every step on the way to set up the business in Slovakia.
- In cooperation with lawyers, we cover all your legal affairs before, during and after registering your company or getting your residence permit.
- Our Project managers can help you to shape your company, planning your investment activities, your tax procession and much more.



## CONTACT US

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