

Only the Slovak version of the Act No. 90/2008 Coll. is authentic.

**Full wording of Act No. 90/2008 Coll. on a European grouping of territorial cooperation, supplementing Act No. 540/2001 Coll., as amended, as provided for in the amendments and supplements enacted through Act No. 547/2011 Coll., Act No. 352/2013 Coll., Act No. 31/2015 Coll., Act No. 272/2015, Act No. 171/2016 and Act No. 125/2016.**

## ACT

### **on a European grouping of territorial cooperation, supplementing Act No. 540/2001 Coll. on the state statistics, as amended**

The National Council of the Slovak Republic adopts the following act:

#### Introductory Provisions

##### § 1

This Act regulates the establishment, formation, position, financial arrangements, dissolution and the winding up of the European Grouping of Territorial Cooperation with registered office in the territory of the Slovak Republic (hereinafter the "Grouping"), as well as supervision over its activities pursuant to a separate regulation.<sup>1)</sup>

##### § 2

#### Name of the Grouping

The name of the Grouping is the name under which the Grouping is registered in the Register of European Groupings of Territorial Cooperation (hereinafter the "Register"). The name of the Grouping shall contain the denomination "European Grouping of Territorial Cooperation" or the abbreviation "e.g.t.c." and must differ from the names of the already existing or wound-up groupings. No other person shall be authorised to use the same denomination in its name or business name.

#### Membership of the Grouping

##### § 3

(1) The Grouping membership shall include at least one Slovak and one foreign entity<sup>1a)</sup>.

(2) The Slovak entity eligible to become a member of the Grouping is

- a) the Slovak Republic,
- b) a higher territorial unit,

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1) Regulation (EC) 1082/2006 of the European Parliament and of the Council of 5 July 2006 on a European grouping of territorial cooperation (EGTC) (OJ EU L 210, 31.7.2006) as amended.

1a) Article 3(1) of Regulation (EC) 1082/2006 as amended.

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- c) a municipality,
- d) a legal person pursuant to a separate law<sup>2)</sup> with registered office in the territory of the Slovak Republic,
- e) an association of legal persons whose members include the entities referred to in subparagraphs a) to d).

(3) The Slovak Republic may become a member of the Grouping only with the prior consent of the Government of the Slovak Republic (hereinafter the "Government"). The proposal for the granting of such consent may be submitted to the Government by the central authority of state administration which has competence for the type of cooperation for the purpose of which the Grouping has been or is to be established. In its consent-granting decision the Government shall specify which central authority of state administration will represent the Slovak Republic in the exercise of the membership rights and obligations.

(4) The entities referred to in paragraphs 2(b) and (c) may become members of the Grouping subject to the prior consent of the respective council.<sup>3)</sup>

(5) A foreign entity may become a member of the Grouping in the territory of the Slovak Republic only if it meets the criteria for Grouping membership in accordance with the laws of the state in the territory of which it is domiciled or registered and only if such state has granted its consent with its membership in the Grouping.

#### § 4

##### Registration office

(1) The registration office is the Deputy Prime Minister's Office for Investments and Informatization of the Slovak Republic (hereinafter referred to as the "Registration Office").

##### (2) The Registration Office

- a) keeps the Register and serves as its administrator pursuant to a separate regulation;<sup>4)</sup>
- b) receives notifications and grants consent to Slovak entities' participation in a grouping established in the territory of a Member State of the European Union (hereinafter the "Member State") pursuant to a separate regulation;<sup>4a)</sup>
- c) approves a convention<sup>4b)</sup> and any amendments thereto pursuant to a separate regulation;<sup>4c)</sup>
- d) decides on the registration of the Grouping in the Register, on the entry of any changes in the data entered into the Register, and on the deletion of the Grouping from the Register;

<sup>2)</sup> §3 and 21 of Act No. 575/2001 Coll. on the organisation of the government activities and the organisation of the central state administration as amended.

§6(2) and §8(1)(a) of Act No. 25/2006 Coll. on public procurement and on amendments to certain acts as amended.

Article 3(1)(e) of Regulation (EC) 1082/2006 as amended.

<sup>3)</sup> §11(2) (i) of Act No. 302/2001 Coll. on the administration of higher territorial units (the Act on Self-Governing Regions).

§11(4)(h) and §21 of Act of the Slovak National Council No. 369/1990 Coll. on municipal arrangements.

<sup>4)</sup> Act No. 275/2006 Coll. on information systems of public administration and on amendments to certain acts as amended by Act No. 678/2006 Coll.

<sup>4a)</sup> Article 4(3), (3) and Article 3a of Regulation (EC) 1082/2006 as amended.

<sup>4b)</sup> Article 8 of Regulation (EC) 1082/2006 as amended.

<sup>4c)</sup> Article 4(6) and Article 6a of Regulation (EC) 1082/2006 as amended.

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- e) receives notifications from Slovak entities on their registration in, or publication of the convention and statutes of groupings established in the territory of another Member State;
- f) oversees whether the grouping works towards the purpose for which it has been established;
- g) takes decisions pursuant to a separate regulation;<sup>5)</sup>
- h) imposes fines pursuant to this Act.

(3) The Registration Office examines the content of annual reports and, if any deficiencies are found, notifies the Grouping bodies of such deficiencies, requests them to remedy such deficiencies and comply with the obligations under the generally binding regulations. If no remedies have been taken or if the obligations referred to in the foregoing sentence have not been complied with, the Registration Office may file a motion with the court for the dissolution of the Grouping.

(4) The Registration Office shall cooperate with an audit authority of another Member State in inspecting the Grouping's operations that are performed in the territory of that Member State.

(5) The Register is a public list. The Registration Office shall issue an extract from the Register on paper based on a written application. The extract from the Register contains the registration data as entered therein on the day of issue.

(6) The following data shall be entered in the Register in the national language<sup>5a)</sup>:

- a) name and registered office of the Grouping;
- b) identification number;
- c) date of establishment of the Grouping;
- d) period of time for which the Grouping has been established;
- e) objective and tasks of the Grouping;
- f) scope of activity pursuant to §26(1);
- g) name of each member of the Grouping and its registered office, including the country in which it is domiciled or registered;
- h) the amount of equity contributions made by individual members and the extent to which they have been paid;
- i) name, surname and residence of the director;
- j) date of the Grouping's entry into liquidation and date on which the liquidation was completed;
- k) date of the Grouping's winding up;
- l) the reason for the Grouping's winding up.

(7) The Registration Office deposits in the Register and publishes the convention and the statutes of the Grouping and any amendments thereto. The convention and the statutes of the Grouping shall be signed by all its members; the authenticity of their signatures must be officially authenticated. The original or an officially authenticated copy of the convention and the statutes of the Grouping shall be deposited with the Register.

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<sup>5)</sup> Article 13 of Regulation (EC) 1082/2006 as amended.

<sup>5a)</sup> §3 of Act of the National Council of the Slovak Republic No. 575/2001 Coll. on the national language of the Slovak Republic as amended.

§4a

Consent granting and convention approval procedure

(1) A proposal to grant consent to the participation of a Slovak entity in a grouping established in the territory of a Member State and to approve the proposed convention, or a proposal to approve an amendment to the convention, shall be submitted by a Slovak entity referred to in §3(2) to the Registration Office.

(2) The proposal for the granting of consent to the participation of a Slovak entity in a grouping established in the territory of a Member State and for the approval of the proposed convention shall be annexed with the following:

- a) an officially authenticated copy of the proposed convention;
- b) an officially authenticated copy of the proposed statutes; and
- c) consent pursuant to §3(3) or (4).

(3) The proposal for the approval of an amendment to the convention shall be annexed with the following:

- a) the convention containing the proposed amendment; and
- b) the statutes containing the proposed amendment.

(4) The procedure to grant consent to the participation of a Slovak entity in a grouping established in the territory of a Member State and to approve the proposed convention and to approve an amendment to the convention is governed by the general regulation on administrative proceedings,<sup>5b)</sup> unless otherwise stipulated by a separate regulation<sup>1)</sup> or this Act.

(5) No appeal may be lodged against a decision on the proposal referred to in paragraph 1.

§5

(1) The membership of the Grouping commences

- a) concurrently with the formation of the Grouping in the case of entities that have founded the Grouping (hereinafter the “founding members”); or
- b) upon the registration of a member in the Register during the Grouping’s existence.

(2) The Registration Office shall register a new member pursuant to paragraph 1(b) upon the Grouping’s proposal provided that it meets the membership criteria under this Act and a separate regulation<sup>1)</sup>.

(3) The membership of the Grouping terminates

- a) upon the Grouping’s winding up;
- b) upon the winding up of the Grouping member; or
- c) upon the deletion of the Grouping member from the Register.

(4) The Registration Office shall delete a Grouping member from the Register upon the Grouping’s proposal if

- a) the assembly (§16) decides on its expulsion;

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<sup>5b)</sup> Act No. 71/1967 Coll. on administrative proceedings (Code of Administrative Procedure) as amended.

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- b) the Grouping member is wound up; or
- c) the Grouping member has requested the termination of its membership.

#### Formation and establishment of the Grouping

##### §6

The Grouping is formed on the day of its registration in the Register. The formation of the Grouping is preceded by its establishment.<sup>6)</sup>

##### §7

(1) A proposal to register the Grouping in the Register shall be submitted by its founding members, or a representatives elected by them, to the Registration Office. The scope of authorisations of the elected representatives shall be specified in a power of attorney granted by the founding members.

(2) The proposal for registration of the Grouping pursuant to paragraph 1 shall be annexed with the following:

- a) convention;
- b) statutes;
- c) consent with the participation of the founding members in the Grouping granted pursuant to a separate regulation;<sup>4a)</sup>
- d) an expert appraisal evidencing that the value of an in-kind contribution corresponds to the value of the assumed obligation to make a contribution to the Grouping's equity, where a founding member has made a contribution in kind;
- e) a document evidencing the extent in which individual founding members have paid up their equity contributions;
- f) a document evidencing the establishment of the post of director;
- g) a document evidencing the director's integrity pursuant to §35(3);
- h) a power of attorney granted to the elected representative, where the proposal for registration is submitted by the elected representative.

##### §8

(1) The Registration Office shall issue a decision on the registration of the Grouping in the Register and effect the registration not later than 30 days of the delivery of the proposal for registration, if

- a) the proposal for registration meets the conditions pursuant to §7;
- b) the convention and the statutes comply with this Act and a separate regulation;<sup>1)</sup>
- c) the Grouping is a grouping pursuant to this Act and a separate regulation;<sup>1)</sup>
- d) the founding members have been granted consent to their participation in the Grouping in compliance with this Act and a separate regulation<sup>1)</sup>.

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<sup>6)</sup> Article 4 of Regulation (EC) 1082/2006 of the European Parliament and of the Council.

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(2) Any change in the data referred to in §4(6) shall be recorded in the Register without undue delay. The Grouping shall submit a proposal for amendment of the data entered in the Register not later than 30 days of the day when a legal event necessitating the change in the registration data has become effective. The proposal to amend the registration data shall be annexed with a document indicating the entry, change or expiry of the relevant registration data.

(3) The Statistical Office of the Slovak Republic shall issue an identification number to the Grouping at the request of the Registration Office under a separate regulation.<sup>6aa)</sup>

(4) The registration shall be made as of the date specified in the proposal for registration. If the decision on the Grouping's registration is issued at a later date, or if the proposal for registration does not specify the date as of which the registration is to be made, the Grouping shall be registered on the day of issue of that decision.

## §9

The Registration Office shall reject the proposal for registration if the conditions under §8(1) have not been met no later than 30 days of the delivery of the proposal for registration.

## §10

(1) Until the Grouping is registered, all matters related to the registration of the Grouping are managed by its founding members jointly, or by the representative elected by them.

(2) The founding members are held jointly and severally liable for any obligations they, or the representative elected by them, have assumed on behalf of the Grouping before the day of its registration.

(3) Any obligations arising pursuant to paragraph 2 are transferred to the Grouping upon its registration unless the assembly rejects them within three months.

## Dissolution of the Grouping

## §11

The Grouping shall be dissolved

- a) on the day specified in a decision of the assembly to dissolve the Grouping, otherwise on the day when that decision is adopted;
- b) on the day specified in a court decision to dissolve the Grouping, otherwise on the day when that decision enters into force;

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<sup>6aa)</sup> §9(3) of Act of the National Council of the Slovak Republic No. 272/2015 Coll. on Register of legal person, businesses and public authorities and amending and supplementing certain acts.

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- c) upon discontinuation of bankruptcy proceedings due to the lack of assets, cancellation of bankruptcy proceedings due to the lack of assets or cancellation of bankruptcy proceedings after the remainder of assets has been distributed;
- d) upon expiry of the time period for which the Grouping has been established.

## §12

(1) Upon proposal by the Registration Office, a government authority or a person who demonstrates legitimate interest, the court shall decide on the dissolution and liquidation of the Grouping, if

- a) the Grouping has failed to meet the purpose for which it was established for a period exceeding one year;
- b) the expenditure and costs of the Grouping disproportionately exceed the purpose for which it was established;
- c) the Grouping uses revenues from its activities and the assets entrusted to it in conflict with this Act or a separate regulation;<sup>1)</sup>
- d) the Grouping no longer meets the conditions under §8(1)(b) or (c) or under a separate regulation<sup>6a)</sup>.

(2) If the Grouping is dissolved for the reason under paragraph 1(b), its members may form another Grouping or become members of an existing Grouping no sooner than after one year from the discharge of the obligations of the dissolved Grouping.

(3) Upon proposal by the Registration Office, a government authority or a person who demonstrates legitimate interest, the court may decide on the dissolution and liquidation of the Grouping, if

- a) its assembly has not met in the past 12 months;
- b) within 6 months of the end of the term of office, no new bodies of the Grouping have been elected pursuant to §15(b) or (c).

(4) Prior to the delivery of a decision on the proposal for dissolution, the court may specify a time limit to remedy the situation due to which the proposal for dissolution was submitted.

(5) The court shall send the decision on dissolution to the Registration Office within ten working days of the day when the decision entered into force.

## §13

Repealed.

## §14

### Winding up of the Grouping

(1) The Grouping shall be wound up as of the day of its deletion from the Register. Its winding up is preceded by dissolution with liquidation.

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<sup>6a)</sup> Article 7 and 14 of Regulation (EC) 1082/2006 as amended.

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(2) The liquidation balance shall be divided among the Grouping members in proportion to the amount of their paid-up equity contributions and financial contributions.

(3) The remuneration of the liquidator shall be set by the party which appointed the liquidator.

(4) The costs of liquidation shall be paid from the assets of the Grouping.

(5) Unless otherwise stipulated in §28(4) of this Act, the provisions of §70 through 75a of the Commercial Code shall apply, *mutatis mutandis*, to the liquidation procedure.

## §15

### Bodies of the Grouping

The bodies of the Grouping are:

- a) assembly;
- b) director;
- c) controlling body;
- d) other bodies as per the convention and the statutes.

### Assembly

## § 16

(1) The assembly is the supreme body of the Grouping. The assembly consists of all Grouping members. The assembly shall, in particular:

- a) approve a budget of the Grouping;
- b) approve final annual accounts and annual reports;
- c) decide on the use of profits or on the manner of settling losses not later than by the end of the following fiscal period;
- d) decide on the dissolution of the Grouping;
- e) decide on proposals for amendments to the data entered in the Register;
- f) elect and recall the director and specify his/her salary;
- g) elect and recall supervisory board members, or an reviewer;
- h) approve and recall an auditor;
- i) appoint and recall a liquidator;
- j) approve transfers of ownership of the Grouping's immovable assets;
- k) decide on amendments to the statutes, except for the provisions reserved by the Grouping members in the convention.

(2) The assembly may also decide about other facts to the extent and under the conditions specified in the convention and the statutes.

## §17

(1) The assembly shall elect, from among its members, a chairman of the assembly, and a deputy chairman of the assembly who shall deputise for the chairman in his absence.

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Unless otherwise stipulated by the convention or the statutes, they are elected to a four-year term of office.

(2) The chairman shall prepare, convene and preside over the assembly meetings, unless otherwise stipulated in §20(6) of this Act.

(3) The assembly shall meet as necessary, but at least once a year.

(4) For a decision adopted by the assembly to be valid, the consent of a simple majority of all its members shall be required unless otherwise stipulated in a separate regulation<sup>7)</sup>, the convention or the statutes.

#### Director

#### § 18

(1) The director is a statutory body of the Grouping, who manages its activity and acts on its behalf. He shall decide on all matters related to the Grouping, unless such matters are vested in other bodies pursuant to this Act, a separate regulation<sup>1)</sup>, the convention or statutes.

(2) The director shall perform its official duties with professional care and in accordance with the interests of the Grouping and all its members. In particular, he shall acquire and, when making decisions, take into consideration all available information related to the subject-matter of the decision and, in the discharge of his official duties, shall not prefer his own interests, interest of some Grouping members or interest of third parties over the interests of the Grouping.

(3) The director's right to act on behalf of the Grouping may be limited by an assembly decision, the convention or statutes.

(4) The director is elected and recalled by the assembly. Details concerning the election and recall of the director are governed by the statutes.

(5) The director's term of office is four years and commences upon his election, unless otherwise stipulated in the convention or statutes.

(6) The director attends assembly meetings.

(7) A candidate eligible to be elected for the director must be a natural person with full legal capacity and integrity. A candidate's integrity must be evidenced as described in §35(3).

#### §19

(1) The Director shall cease to perform his office

- a) upon his recall;
- b) upon the expiry of the term of office or upon the termination of the Grouping prior to the expiry of the term of office;
- c) upon his resignation from the post;
- d) upon the day when the director ceases to meet the conditions under §18(7);
- e) upon his death or after he is declared dead;
- f) for reasons specified in the convention or statutes.

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<sup>7)</sup> Article 8(1) and Article (9)(1) of Regulation (EC) 1082/2006 as amended.

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(2) The director may resign from the post by delivering a written notice to the chairman of the assembly. In that case, the director's term of office ends on the day subsequent to the day of delivery of the written notification to the chairman of the assembly, unless otherwise stipulated in the convention or statutes.

(3) The assembly shall recall the director,

- a) if he acts in conflict with the provision of a separate regulation<sup>1)</sup>, this Act, the convention or statutes;
- b) if he has failed to discharge his official duties for a period exceeding six successive months;
- c) if he performs activities described in §23;
- d) for reasons specified in the convention or statutes.

(4) The assembly may recall the director,

- a) if, based on a medical opinion, he is incapable of performing his official duties for a period exceeding six successive months due to health reasons;
- b) if so proposed by the supervisory board or reviewer or a Grouping member;
- c) for reasons specified in the convention or statutes.

#### Controlling body

#### §20

(1) The supervisory board or reviewer is a controlling body of the Grouping, which oversees the activities of the Grouping.

(2) The supervisory board must be set up if the value of the property of the Grouping exceeds EUR 100,000 or if its property contains priority assets as defined in §28. In other cases, the supervisory board may be set up, if so stipulated in the convention or statutes.

(3) Where no supervisory board has been set up, its duties shall be performed by a reviewer.

(4) The controlling body is entitled to peruse all documents and records concerning the activity of the Grouping and to inspect whether the Grouping carries out its activity in accordance with generally binding regulations, the convention and statutes.

(5) The controlling body shall, in particular:

- a) examine the final annual accounts and annual reports and submit its statement to the assembly;
- b) inspect the bookkeeping and other documents;
- c) notify the assembly of identified discrepancies and submit proposals for their elimination.

(6) The controlling body is in particular entitled to:

- a) convene an extraordinary assembly meeting, if necessitated by the Grouping's interest;
- b) submit a proposal to the assembly to recall the director;
- c) attend assembly meetings; in the case of the supervisory board, this right belongs to each of its members;
- d) notify the assembly of any identified infringement of generally binding regulations, the convention or statutes.

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(7) The supervisory board shall meet as necessary, but at least once a year.

## §21

(1) The supervisory board has three members, unless a higher number of members is provided for in the convention or statutes. A person eligible to serve as the reviewer or to sit on the supervisory board must be a natural person with full legal capacity, second level university education in law or second level university education in economics and at least five years of experience in the field of financial control and internal audit, and with integrity. A candidate's integrity must be evidenced as described in §35(3). The director cannot serve as a supervisory board member or reviewer. The assembly may allow an exception from the education and experience requirement for supervisory board members and reviewer.

(2) The supervisory board members and reviewer are elected and recalled by the assembly. Details concerning the election and recall of a supervisory board member and reviewer shall be governed by the convention or statutes.

(3) The term of office of a supervisory board member or reviewer is six years, unless otherwise stipulated in the convention or statutes.

(4) The membership of the supervisory board and the post of the reviewer are functions of honour and cannot be deputised. The supervisory board members or reviewer are entitled to the compensation of the actual expenditure they have incurred during the performance of their official duties pursuant to a separate regulation.<sup>9)</sup>

## §22

(1) The function of a supervisory board member or reviewer shall cease to exist

- a) upon their recall;
- b) upon the expiry of the term of office or upon the termination of the Grouping prior to the expiry of the term of office;
- c) upon their resignation from the post;
- d) upon the day when they cease to meet the conditions under §21(1);
- e) upon their death or after they are declared dead;
- f) for reasons specified in the convention or statutes.

(2) A supervisory board member or reviewer may resign from the post by delivering a written notification to the chairman of the assembly. In that case, the term of office of the supervisory board member or reviewer ends on the day subsequent to the day of delivery of the written notification to the chairman of the assembly, unless otherwise stipulated in the convention or statutes.

(3) The assembly shall recall a supervisory board member or reviewer,

- a) if he acts in conflict with the provision of a separate regulation<sup>1)</sup>, this Act, the convention or statutes;
- b) if he has failed to discharge their official duties for a period exceeding six successive months;

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<sup>9)</sup> Act No. 283/2002 Coll. on compensations for travel expenses as amended.

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- c) if he performs activities described in §23;
- d) for reasons specified in the convention or statutes.

(4) The assembly may recall a supervisory board member or reviewer,

- a) if, based on a medical opinion, he is incapable of discharging his official duties for a period exceeding six successive months due to health reasons;
- b) if so proposed by the supervisory board or a Grouping member;
- c) for reasons specified in the convention or statutes.

## §23

### No competition clause

An assembly member, the director and supervisory board member or reviewer are prohibited

- a) to enter into transactions, in their own name and for their own account that relate to the activity performed by the Grouping;
- b) to serve as intermediaries of the Grouping's business activities to third persons.

## §24

### Minutes of the meeting of Grouping's bodies

The minutes shall be prepared from the meetings of the Grouping's bodies and shall be archived for a period specified in the statutes, but in no case for less than four years.

### Property of the Grouping

## §25

(1) The property of the Grouping consists, in particular, of the following:

- a) equity contributions by founding members and acceding members;
- b) financial contributions by members;
- c) revenues generated by its own activity;
- d) profit from business activities;
- e) inheritance;
- f) donations by natural or legal persons.

(2) A central authority of state administration may only contribute state-owned assets towards the Grouping equity subject to a government decision. Municipalities and higher territorial units may make equity contributions in the Grouping in accordance with a separate regulation.<sup>9a)</sup>

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<sup>9a)</sup> §6(5) of Act of the National Council of the Slovak Republic No. 138/1991 Coll. on the property of municipalities as amended.

§6(4) of Act of the National Council of the Slovak Republic No. 446/2001 Coll. on the property of higher territorial units as amended.

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(3) The ownership title to the assets that are transferred to the Grouping is transferred along with any rights and liabilities associated with those assets.

(4) A Grouping member and the Grouping shall draft a written protocol on the transfer of assets following the formation of the Grouping. The protocol shall accurately identify the transferred assets and their values; where a contribution in kind is involved, the value shall be set by an expert appraisal. The protocol shall be signed by a statutory representative of the Grouping member and the statutory representative of the Grouping.

#### §26

(1) The Grouping is entitled to carry out business activities if such activities provide for a more efficient use of its property and if they do not jeopardise the purpose for which the Grouping was established.

(2) The Grouping is prohibited from engaging in the business activities of third persons and from entering into silent partnership contracts.

#### §27

(1) The property of the Grouping may only be used in accordance with the conditions stipulated in the convention or statutes and for the payment of the Grouping's expenditure and costs. The size of the Grouping's expenditure and costs shall annually be set by the assembly in a budget in an amount necessary to ensure the Grouping's operation.

(2) If a natural or legal person makes a donation to the Grouping for a specific purpose, the Grouping may only use that donation for a different purpose subject to prior consent of the person that has made that donation.

#### §28

##### Priority assets

(1) Priority assets for the purposes of this Act mean immovable assets of the state, higher territorial unit or municipality which the state, higher territorial unit or municipality invests, as a founding member or member, in the Grouping and which are solely intended to serve the purpose for which the Grouping was established.

(2) The priority assets cannot be transferred to a third person, leased or loaned, pledged or otherwise encumbered, or otherwise used to secure the obligations of the Grouping or a third person. The priority assets shall be identified in the land register by way of a note<sup>10)</sup> at the proposal of the Grouping member that has invested the priority assets in the Grouping.

(3) The priority assets cannot be subject to enforcement decision, execution, and do not constitute part of bankruptcy assets.

(4) If the Grouping is dissolved, the liquidator shall offer the priority assets, in return for payment, to the Grouping member that has invested the priority assets in the Grouping. If

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<sup>10)</sup> §§38 and 39 of Act of the National Council of the Slovak Republic No. 162/1995 Coll. on the land register and on the registration of ownership and other titles to immovable property (the Land Register Act) as amended.

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that Grouping member is not interested in buying back the priority assets, the liquidator shall offer them, in return for payment, to the state, higher territorial unit or municipality on whose territory the Grouping member that has invested the priority assets in the Grouping has its registered office or is domiciled. If even these entities are not interested in buying the priority assets, the liquidator shall offer them, in return for payment, to another higher territorial unit or municipality.

(5) The liquidator shall offer the priority assets pursuant to paragraph 4 at a price set by an expert appraisal.

## §29

### Budget of the Grouping

(1) The Grouping shall manage its financial performance according to an approved budget.

(2) The budget of the Grouping shall contain all budgeted revenues and expenditures, and is prepared and approved for a relevant calendar year.

(3) A draft budget shall be submitted by the director to the assembly for approval not later than two months prior to the beginning of the calendar year covered by the budget. The assembly shall approved the budget of the Grouping not later than on 31 December of the calendar year preceding the calendar year covered by the budget.

### Bookkeeping and annual reports

## §30

(1) The Grouping shall keep its books in accordance with a separate regulation.<sup>8)</sup> Its fiscal year is a calendar year.

(2) The Grouping must keep separate accounts for revenue and expenditure related to the fulfilment of the purpose for which it was established, and for revenue and expenditure related to its business activities.

(3) Its financial statements must be verified by an auditor if

a) the resources provided by the European Union, from the state budget, from a state fund, from the budget of a higher territorial unit and from the budget of a municipality exceeds EUR 33,000 in the year for which the financial statements are prepared; or

b) all revenue of the Grouping exceeding in aggregated EUR 170,000 in the year for which the financial statements are prepared.

(4) The financial statements and an auditor's report pursuant to paragraph 3 are published in a public section of the Register of Financial Statements not later than by 15 April of the following year.

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<sup>8)</sup> Act No. 431/2002 Coll. on accounting as amended.

### §31

(1) The Grouping shall prepare an annual report within a time limit set by the assembly, the convention or statutes following the end of a calendar year, but not later than by 30 June of the next year.

(2) The annual report contains:

- a) an overview of activities carried out in a calendar year with respect to the objective and tasks of the Grouping;
- b) a separate overview of activities carried out in a calendar year that were co-financed by the European Union or the state budget;
- c) an overview of activities carried out by the bodies of the Grouping;
- d) an assessment of the basic data contained in financial statements;
- e) an overview of cash revenue and expenditure;
- f) an overview of the scope of revenue and expenditure disaggregated by sources;
- g) stocks and flows of assets and liabilities of the Grouping;
- h) changes and new composition of the bodies of the Grouping that occurred in a calendar year;
- i) information about the planned activities of the Grouping;
- j) other information as may be required by the assembly.

(3) The annual report must be deposited in a public section of the Register of Financial Statements not later than by 15 July of the following year. If the Grouping fails to meet this obligation even in an extended time limit as may be specified by the Registration Office, the Registration Office shall submit a proposal to a court to dissolve the Grouping.

(4) The annual report must be available to public at the registered office of the Grouping.

### §32

#### Liability of the Grouping and its members

(1) The Grouping is liable for its obligations with all of its assets.

(2) The Grouping members that are Slovak entities are only liable for the Grouping's obligations up to the amount of their unpaid investments recorded in the Register. The Grouping members that are foreign entities may limit their liability for the Grouping's obligations in the convention.

### §32a

#### Administrative offence

(1) The Registration Office shall impose a fine between EUR 50 and EUR 800 to a Grouping that failed to notify the Registration Office of a change in the registration data pursuant to §8(2).

Only the Slovak version of the Act No. 90/2008 Coll. is authentic.

(2) When determining the amount of the fine, the gravity, manner and circumstances of the infringement are taken into consideration.

(3) The proceedings for imposition of fine may be commenced within one year from the day when the Registration Office learnt of the infringement of the obligation, but not later than three years from the day when the infringement occurred.

(4) Fines constitute a state budget revenue.

### §33

#### Disclosure of information

The Grouping is obliged to disclose information about a disposition of property in accordance with a separate regulation.<sup>11)</sup>

### §34

#### Foreign grouping

(1) A legal person having its registered office outside the territory of the Slovak Republic which is a grouping pursuant to a separate regulation<sup>1)</sup> and laws of a country of where it has its registered office may operate in the territory of the Slovak Republic under the same conditions and in the same extent as a Grouping formed pursuant to this Act and a separate regulation.<sup>1)</sup>

(2) Members of a foreign grouping that are Slovak entities are liable for the obligations of the foreign grouping up to the amount of their unpaid financial contributions, or they may limit their liability pursuant to a separate regulation.<sup>11a)</sup>

### §35

#### Common provisions

(1) Proceedings concerning the registration of the Grouping, registration of changes in the Registry data, deletion of the Grouping from the Register and the imposition of fine under §32a are governed by a general regulation on administrative proceedings,<sup>5b)</sup> unless otherwise stipulated in §§7 through 9 of this Act.

(2) Acts taken in the proceedings for the granting of consent to the participation of a Slovak entity in a Grouping established in the territory of a Member State and for the approval of the proposed convention, in the proceedings for the approval of amendments to the convention, in the proceedings for the registration of the Grouping in the Registry, in the proceedings for the imposition of fine, in the proceedings for the registration of changes in Registry data and in the proceedings for the deletion of the Grouping from the Register must be executed in the form of a written instrument.

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<sup>11)</sup> §2(4) of Act No. 211/2000 Coll. on the free access to information and on amendments to certain acts (the Freedom of Information Act).

<sup>11a)</sup> Article 12(2a) of Regulation (EC) 1082/2006 as amended.

Only the Slovak version of the Act No. 90/2008 Coll. is authentic.

(3) For the purposes of this Act, a person with integrity is a natural person who has a clean criminal record or equivalent record. The integrity of a natural person shall be evidenced for the purposes of this Act by an extract from the criminal record dating back not more than three months issued by a competent authority of the state of which the natural person is a national. If no such document is issued in that state, the extract from the criminal record shall be substituted by an equivalent instrument issued by a competent authority of that state.

#### §36

Transitional provision on arrangements in force from 1 April 2015

Any proceedings commenced but not closed with finality before 1 April 2015 shall be closed in accordance with the legislation in force until 31 March 2015.

#### §36a

Transitional provision on arrangements in force from 1 June 2016

Any proceedings commenced but not closed with finality before 1 June 2016 by the Government Office of the Slovak Republic shall be closed by the Deputy Prime Minister's Office for Investments and Informatization of the Slovak Republic in accordance with the legislation in force from 1 June 2016.

#### Entry into force

Act No. 90/2008 Coll. on the European Grouping of Territorial Cooperation, supplementing Act No. 540/2001 Coll. on state statistics, as amended (Article I), entered into force on 1 May 2008.

Act No. 547/2011 Coll. amending Act No. 431/2002 Coll. on accounting as amended and on amendments to certain acts (Article XXVII) entered into force on 1 January 2014.

Act No. 352/2013 Coll. amending Act No. 431/2002 Coll. on accounting as amended and on amendments to certain acts (Article XXVIII) entered into force on 1 January 2014.

Act No. 31/2015 Coll. amending Act No. 90/2008 Coll. on the European Grouping of Territorial Cooperation and on amendments to Act No. 540/2001 Coll. on the state statistics as amended as amended and amending Act No. 25/2006 Coll. on public procurement and on amendments to certain acts as amended (Article I) entered into force on 1 April 2015.

Act No. 272/2015 Coll. on Register of legal person, businesses and public authorities and amending and supplementing certain acts (Article IX) entered into force on 1 November 2015.

Act No. 171/2016 Coll. amending Act No. 575/2001 Coll. on the organization of government and on amendments to certain acts (Article II) entered into force on 1 June 2016.

Act No. 125/2016 Coll. on certain arrangements for the application the Code of Civil Litigation Procedure, the Code of Civil contentious Procedure, the Code of Civil non-

Only the Slovak version of the Act No. 90/2008 Coll. is authentic.

contentious Procedure and the Code of Administrative Procedure and amending and supplementing certain acts (Article CXXXII) entered into force on 1 July 2016.