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To:

Mr Oliver Guersent, Director-General  
European Commission  
Directorate-General for Competition,  
B-1049 Brussels  
Belgium

Subject: Submission of additional information for the report following the SGEI  
Decision and the SGEI Framework

Dear Director-General,

Further to letter No DG COMP/F3/bb/ttID-2020/2020 of 29 January 2020 in which the European Commission noted the Member States' obligation to submit a report every two years pursuant to Article 9 of the Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (2012/21/EU) and point 62 of the EU framework for State aid in the form of public service compensation (2011) (2012/C 8/03), on behalf of the Ministry of Finance of the Slovak Republic I am now sending you additional information on the granting of State aid in the form of compensation for services of general economic interest.

This supplements the information in the report pursuant to Article 9 of the Decision that was sent to you by e-mail on 28 August 2020 covering 2018–2019. It also includes information on State aid in the form of compensation for services of general economic interest granted for 2014–2015 and 2016–2017.

## **ANNEX 1**

### **Services of General Economic Interest: guidance for report to be submitted following the 2012 SGEI Decision and the 2012 SGEI framework**

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**The reporting obligations** are set out in the Article 9 of the 2012 SGEI Decision:

*Each Member State shall submit a report on the implementation of this Decision to the Commission every 2 years. The reports shall provide a detailed overview of the application of this Decision for the different categories of services referred to in Article 2(1), including:*

*a) a description of the application of this Decision to the services falling within its scope, including in-house activities;*

*b) the total amount of aid granted in accordance with this Decision, with a breakdown by the economic sector of the beneficiaries;*

*c) an indication of whether, for a particular type of service, the application of this Decision has given rise to difficulties or complaints by third parties; and*

*d) any other information concerning the application of this Decision required by the Commission and to be specified in due time before the report is to be submitted.*

Paragraph 62 of the 2012 SGEI Framework sets in principle identical reporting obligations for aid granted under the 2012 SGEI Framework.

Please structure your report as follows:

#### **1. EXPENDITURE OVERVIEW**

Please complete the following table:

<b>Total SGEI government expenditure by legal basis (millions EUR)</b>		
	2016	2017
<b><i>Total compensation for Services of General Economic Interest (1+2)</i></b>	10.255882	10.358523
(1) Total compensation granted on the basis of the SGEI Decision	10.255882	10.358523
(2) Total compensation granted on the basis of the SGEI Framework		

#### **2. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION – IN BOLD**

**Please structure this part of your report by the following sections:**

1. Hospitals providing medical care, including, where applicable, emergency services (Article 2(1)(b))

2. Social services (Article 2(1)(c))
  - a) Healthcare and long-term care
  - b) Childcare
  - c) Access and reintegration into the labour market
  - d) Social housing
  - e) Care and social inclusion of vulnerable groups
  - f) Other social services (if applicable)
3. Air or maritime links to islands with average annual traffic not exceeding the limit set in Article 2(1)(d)
4. Airports and ports with average annual traffic not exceeding the limit set in Article 2(1)(e)
5. **SGEI compensation not exceeding an annual amount of EUR 15 million (Article 2(1)(a))**
  - a) Postal services
  - b) Energy
  - c) Waste collection
  - d) Water supply
  - e) Culture
  - f) **Financial services – the ‘*eKolak*’ [eStamp] service**
  - g) **Other sectors (please specify) – the ‘*eKolak*’ service**

For each of the items outlined above please provide information in the form of the following table:

Section (5f) and 5(g))
<p>(5f) – ensuring the standard operation of the <i>eKoloK</i> payment system, carrying out financial operations credited to the State budget (in certain cases, also to local authorities) in the form of cash (including cash management) and non-cash payments from payers, reconciling unmatched payments and handling incidents in payment transactions (approximately 5 – 10 million transactions per year), refund operations: (a) entering instructions for the refund of erroneous payments in the payment system, (b) crediting payments back to payers on the basis of a decision of a public authority.</p> <p>(5g) – comprehensive provision of the <i>eKoloK</i> service, which, in addition to point 5f, includes the operation of the central IT system and the sale of <i>eKoloK</i> stamps for the purpose of paying administrative and court fees, which are credited as revenue to the State budget and, in specified cases, also to local authorities, the operation of the sales network at its own branches, the installation and operation of technical facilities installed at administrative bodies (approximately 900 - 1 000 counters), the operation of other components of the <i>eKoloK</i> service to make payments online (web and mobile applications).</p>
Clear and comprehensive description of how the respective services are organised in your Member State <sup>1</sup>
<p>Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. <b>Please list the contents of the services entrusted as SGEI as clearly as possible.</b></p>
<p>The <i>eKoloK</i> service (or central payment recording system) pursuant to Section 18a(2) of the Administrative Fees Act (Act No 145/1995 on administrative fees, as amended) and Section 16a(2) of the Court Fees Act (Act No 71/1992 on court fees and fees for criminal record certificates, as amended) is a public service.</p> <p>In accordance with the statutory obligations set out in Section 18a(1) of the Administrative Fees Act and Section 16a(1) of the Court Fees Act, this service is carried out by <i>Slovenská pošta, a.s.</i> [Slovak Post] as the system operator. In addition to the statutory obligations, Slovak Post also fulfils other obligations under the contract concluded between it and the Slovak Ministry of Finance pursuant to the abovementioned legislative provisions, including providing the technical facilities for payment of fees or pre-purchased credit (known as <i>eKoloK</i> stamps) for the purpose of paying administrative fees or court fees for the amount specified in the schedule of administrative fees and the schedule of court fees annexed to that Act, recording fee payments, clearing payments to be credited to the state budget or to local authorities from parties liable, and collecting and protecting personal data.</p> <p>The objective is to decouple payment transactions at administrative bodies from the actual exercise of public authority itself.</p>

<sup>1</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we appreciate a detailed description of those services. **If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate**, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
The <i>eKolo</i> k service was entrusted to a 100% state-owned legal person because, pursuant to Section 19gb(2) of the Administrative Fees Act and Section 18cb(2) of the Court Fees Act the ( <i>eKolo</i> k) system operator must be the 100% state-owned legal entity that had been carrying out the distribution, sale, exchange and purchase of stamps pursuant to Act No 264/2008 on stamp duty and amending certain acts, as amended. The activities carried out by the system operator comprise the operation of a comprehensive service that is not standardly available on the market because the organisation and technical design of the <i>eKolo</i> k service is unique. This method of entrustment was chosen because the payments made to the State budget and local authorities using the <i>eKolo</i> k payment system are payments which, if used incorrectly, would harm the financial interests of the State and also because the payment system includes cash transactions, which administrative authorities do not normally handle (for example, even tax offices handle tax and customs revenue exclusively on a cashless basis).
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified.
10 years – from 15.4.2014 to 14.4.2024
Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
Under the above-mentioned legislation and contract, exclusive rights were assigned to Slovak Post. No other undertaking has been entrusted to carry out the activities described above.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Financial remuneration for the provision and operation of financial and electronic services according to the defined cost model for the actual costs of achieving the defined qualitative and quantitative service parameters and a reasonable profit, the amount of which is laid down in a decision of the regulatory authority in a similar sector (universal postal services).
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
The cost model recognises the following costs for the <i>eKolo</i> k service: the system operator's costs relating to depreciation of investments purchased in software (work, licences) and hardware (technical equipment – kiosks, POS terminals and QR electronic stamp readers) + reasonable profit established on the basis of the WACC model, the amount of which varies at specified intervals depending on the decision of the regulatory authority on the level of reasonable profit in a similar (regulated) sector (universal postal services); operating expenses of the system operator relating to investments purchased;

- wage and tax and social security costs for service personnel involved in the management of the system, contact with authorities, technical problem solving, incident handling, manual matching of unprocessed payments, refunding of erroneous payments, reimbursement of payments on the basis of a decision of an authority or court, keeping accounts in the off-balance-sheet accounts of the *eKolak* system operator;
- financial transaction costs associated with cashless payments (bank charges and card company charges).

**Typical arrangements for avoiding and repaying any overcompensation.**

The invoice for the services provided must always include a comprehensive statement of the details of the financial compensation on a monthly basis, the conformity of which is checked in advance before the invoice is approved. It is required to keep the collected financial charges in the system operator's off-balance-sheet accounts and it is prohibited to use them for business purposes. There is a statutory obligation (Section 15(4) of the Administrative Fees Act and Section 15(2)(b) of the Court Fees Act) for the system operator to undergo a specific type of audit by the Government Audit Office for the purpose of auditing the recording, accounting, refund of fees and treatment of the funds entrusted (the audit of the system operator was carried out in 2015). The determination of the amount of the system operator's remuneration for the services rendered is linked to the qualitative parameters of the service (SLA parameters), the non-fulfilment of which has a direct financial impact on the level of remuneration for the services provided (reduction of remuneration for unavailability of service or unavailability of technical equipment). There is a direct contractual obligation for the *eKolak* system operator to recover overpaid compensation, if the *ex post* checks reveal a financial difference. The total final remuneration for the duration of the contract is capped at EUR 103.3 million, including VAT, in the contract between the Ministry of Finance and the system operator.

A short explanation of how the **transparency requirements** (see Article 7 of the 2012 SGEI Decision) for the aid above 15 million euro to undertakings that also have activities outside the scope of the SGEI are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

**Amount of aid granted**

**Total amount of aid granted (in millions EUR)<sup>2</sup>.** This includes all aid granted in your territory, including aid granted by regional and local authorities. (A + B + C)

2016	2017
10.255882	10.358523
<b>A: Total amount of aid granted (in millions EUR) paid by national central authorities<sup>3</sup></b>	

<sup>2</sup> As stipulated in Article 9(b) of the 2012 SGEI Decision.

2016	2017
10.255882	10.358523
<b>B: Total amount of aid granted (in millions EUR) paid by regional authorities<sup>4</sup></b>	
2016	2017
<b>C: Total amount of aid granted (in millions EUR) paid by local authorities<sup>5</sup></b>	
2016	2017
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
2016	2017
<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>6</sup>	
2016	2017
<b>One entity as beneficiary</b>	<b>One entity as beneficiary</b>

Also complete Annex 2 with the total amounts under the section for the entire Member State (not per region, local authority or municipality).

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### 3. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI FRAMEWORK

**Please structure this part of your report by the following sections:**

SGEI compensation exceeding EUR 15 million, falling outside the SGEI Decision (please specify the Commission decision approving each measure if applicable):

- i. Postal services
- ii. Energy

<sup>3</sup> If the aid amount cannot be split between central, regional and local authorities only the total amount of aid granted for all authorities should be reported.

<sup>4</sup> See footnote **Error! Bookmark not defined..**

<sup>5</sup> See footnote **Error! Bookmark not defined..**

<sup>6</sup> The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Decision, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative information data not be readily available in your Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.

- iii. Waste collection
- iv. Water supply
- v. Air or maritime links to islands with average annual traffic above the limits set in Article 2(1)(d)
- vi. Airports and ports with average annual traffic above the limit set in Article 2(1)(e)
- vii. Culture
- viii. Financial services
- ix. Other sectors (please specify)

For each of the items outlined above please provide information in the form of the following table:

<b>Section (for example iii. Waste collection or viii. Financial services)</b>
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>7</sup></b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. <b>Please list the contents of the services entrusted as SGEI as clearly as possible.</b>
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified.
Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.

<sup>7</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial. Since cases falling under the SGEI Framework will be limited in number, the Commission expects a detailed description of each concrete measure.



Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?	
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.	
Typical <b>arrangements for avoiding and repaying any overcompensation</b> .	
A short explanation of how the <b>transparency requirements</b> (see Paragraph 60 of the 2012 SGEI Framework) are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in millions EUR)<sup>8</sup> . This includes all aid granted in your territory, including aid granted by regional and local authorities. (A + B + C)</b>	
<b>2016</b>	<b>2017</b>
<b>A: Total amount of aid granted (in millions EUR) paid by national central authorities<sup>9</sup></b>	
<b>2016</b>	<b>2017</b>
<b>B: Total amount of aid granted (in millions EUR) paid by regional authorities<sup>10</sup></b>	
<b>2016</b>	<b>2017</b>
<b>C: Total amount of aid granted (in millions EUR) paid by local authorities<sup>11</sup></b>	
<b>2016</b>	<b>2017</b>

<sup>8</sup> As stipulated in Paragraph 62(b) of the 2012 SGEI Framework.

<sup>9</sup> If the aid amount cannot be split between central, regional and local authorities only the total amount of aid granted for all authorities should be reported.

<sup>10</sup> See footnote **Error! Bookmark not defined..**

<sup>11</sup> See footnote **Error! Bookmark not defined..**

<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2016</b>	<b>2017</b>
<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>12</sup>	
<b>2016</b>	<b>2017</b>

**Also complete Annex 2 with the total amounts under the section for the entire Member State (not per region, local authority or municipality).**

#### **4. COMPLAINTS BY THIRD PARTIES**

Please provide an overview of complaints by third parties, in particular litigation before national courts, regarding measures in scope of the 2012 SGEI Decision or 2012 SGEI Framework. Please be as specific as possible in your reply and include the sector for which you have received the complaints, the contents of the complaints and the possible follow-up by your authorities or the likely outcome of the court proceedings.

None.

#### **5. MISCELLANEOUS QUESTIONS**

a) We kindly invite you to indicate whether your authorities have experienced difficulties in applying the 2012 SGEI Decision and ask you to in particular consider the following issues:

- drawing up an entrustment act that complies with Article 4 of the SGEI Decision;
- specifying the amount of compensation in line with Article 5 of the SGEI Decision;
- determining the reasonable profit level in line with Article 5(5)-(8) of the SGEI Decision;
- regularly checking overcompensation as required by Article 6 of the SGEI Decision;

<sup>12</sup> The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Framework, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative information data not be readily available in your Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.

Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.

Nothing to report.

b) We kindly invite you to indicate whether your authorities have experienced difficulties in applying the 2012 SGEI Framework and ask you to in particular consider the following issues:

- carrying out a public consultation in line with paragraph 14 of the SGEI Framework;
- complying with public procurement rules in line with paragraph 19 of the SGEI Framework;
- determining the net avoided cost as required by paras 25-27 of the SGEI Framework;
- determining the reasonable profit level in line with paras 33-38 of the SGEI Framework;

Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.

Nothing to report.

c) If you have any other comments on the application of the SGEI Decision and the SGEI Framework on issues other than the ones covered in the previous questions please feel free to provide them below.

None.