

State Aid: the first group exemptions

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Introduction

- The normal procedure (Art. 88 (3)):
 - ◆ Notification obligation for all new aid measures
 - ◆ Aid may only be granted after authorisation by the Commission
- Council Regulation 994/98:
 - ◆ Commission can adopt Regulations to exempt certain types of aid from the normal notification procedure

The three new Regulations

- Group exemption Regulation for aid to SME (also concerns regional aid to SME !)
- Group exemption Regulation for training aid
- “de minimis”-Regulation
- Reference: Official Journal L 10 of 13.1.2001

Objective of group exemptions

- Simplify the procedure
 - ◆ Member State does not need to notify anymore
 - ◆ Acceleration: aid can be granted immediately
- More transparency: precise criteria of compatibility
- Commission can concentrate more on the big cases

Contents of the group exemptions

- No substantial changes: only change of procedure was envisaged
- Conditions of compatibility with the common market are taken from:
 - ◆ Framework on training aid (1998)
 - ◆ SME-guidelines (1996) + Guidelines on regional aid (1998)

Aid to SME

- Investment aid (investment in tangible / intangible assets)
 - ◆ In non-assisted areas: 15/ 7,5 % of the eligible costs
 - ◆ In Art. 87(3)(c) - areas: regional aid ceiling + 10 (max.30 %)
 - ◆ In Art. 87(3)(a) - areas: regional aid ceiling + 15 (max. 75 %)
- Aid for consultancy: 50 %
- Participation in fairs: 50 %

Training Aid

Specific	Large enterprises	SME
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non-assisted areas	25	35
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87 (3) (c)	30	40
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87 (3) (a)	35	45
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General

non-assisted areas	50	70
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87 (3) (c)	55	75
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87 (3) (a)	60	80
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always + 10 for disadvantaged workers

Notification of large individual aid grants

- Threshold of notification for large projects
 - ◆ Training: aid > 1 million Euro
 - ◆ SME:
 - ☞ total gross aid ≥ 15 million Euro or
 - ☞ total eligible costs ≥ 25 million Euro and aid intensity is half of max.
- Commission examines in the light of the criteria of the Regulation

Control

- Reporting obligations
 - ◆ Summary information sheet 20 days after implementation of aid
 - ◆ Annual report
- Detailed records must be kept for 10 years
- Complaints to the Commission
- National jurisdictions

De minimis-Regulation

- Not a genuine group exemption
- Contents: 100 000 € over a period of 3 years
- Exception: agriculture, fisheries, transport
- Control
- Example:
 - ◆ 10.2.2001: 30 000
 - ◆ 10.4.2002: 10 000
 - ◆ 9.2.2004: 60 000

Conclusions

- The 3 Regulations are in force until 31.12.2006
- Future group exemptions ?