# Horizontal state aid: application of Articles 107 and 108 of the TFEU. Codification

2014/0192(NLE) - 13/07/2015 - Final act

PURPOSE: codification of Council Regulation (EC) No 994/98 of 7 May 1998 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to certain categories of horizontal State aid.

NON-LEGISLATIVE ACT: Council Regulation (EU) 2015/1588 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to certain categories of horizontal State aid.

CONTENT: in the interests of clarity and rationality, this Regulation codifies Council Regulation (EC) No 994/98 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to certain categories of horizontal State aid. **The new Regulation supersedes the various acts incorporated in it**. It fully preserves the content of the acts being codified and hence does no more than bring them together with only such formal amendments as are required by the codification exercise itself.

The main elements of the Regulation are as follows:

**Exemptions by category**: the Regulation stipulates that the Commission may, by means of block exemption regulations, declare that **certain categories of aid are compatible with the internal market** in accordance with Article 107 of the TFEU and are not subject to the notification requirements of Article 108 of the TFEU.

**These categories include**:

- aid in favour of: (i) small and medium-sized enterprises; (ii) research, development and innovation; (iii) environmental protection; (iv) employment and training; (v) culture and heritage conservation; (vi) making good the damage caused by natural disasters and making good the damage caused by certain adverse weather conditions in fisheries; (vii) forestry; (viii) promotion of certain food sector products; (ix) conservation of marine and freshwater biological resources; (x) sports; (xii) residents of remote regions, for transport, when this aid has a social character; (xiii) basic broadband infrastructure,
- as well as aid that complies with the map approved by the Commission for each Member State for the grant of regional aid.

These regulations shall specify for each category of aid:

- the purpose of the aid,
- the categories of beneficiaries,
- thresholds limiting the exempted aid,
- the conditions governing the cumulation of aid,
- the conditions of monitoring.

***De minimis***: similarly, the Commission may decide to exempt certain aid from the notification procedure provided for in Article 108, provided that aid granted to the same undertaking over a given period of time does not exceed a certain fixed amount (*de minimis* aid).

**Transparency and control**: when adopting regulations, the Commission shall impose detailed rules upon Member States to ensure transparency and monitoring of the aid exempted from notification. Regulations shall apply for a specific period.

**Hearing of interested parties**: where the Commission intends to adopt a regulation, it shall publish a draft thereof to enable all interested persons and organisations to submit their comments to it within a reasonable time limit to be fixed by the Commission and which may not under any circumstances be less than one month.

ENTRY INTO FORCE: 14.10.2015.