Basic information

2018/0222(NLE) NLE - Non-legislative enactments Regulation	Procedure completed
State aid rules: new categories of State aid Amending Regulation 2015/1588 2014/0192(NLE) **Subject** 2.60.03 State aids and interventions	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	LOONES Sander (ECR)	20/06/2018
	Shadow rapporteur PIETIKÄINEN Sirpa (PPE) MORGANO Luigi (S&D) VIEGAS Miguel (GUE/NGL) REIMON Michel (Verts/ALE)	

Council of the European Union

Council configuration	Meetings	Date
Education, Youth, Culture and Sport	3653	2018-11-27

European Commission

Commission DG	Commissioner
Competition	VESTAGER Margrethe

Key events

Date	Event	Reference	Summary
06/06/2018	Legislative proposal published	COM(2018)0398	Summary
10/09/2018	Committee referral announced in Parliament		
09/10/2018	Vote in committee		
11/10/2018	Committee report tabled for plenary, 1st reading/single reading	A8-0315/2018	Summary

14/11/2018	Decision by Parliament	T8-0450/2018	Summary
14/11/2018	Results of vote in Parliament		
27/11/2018	Act adopted by Council after consultation of Parliament		
27/11/2018	End of procedure in Parliament		
07/12/2018	Final act published in Official Journal		

Technical information

Procedure reference	2018/0222(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Consultation of Parliament
Legislative instrument	Regulation
Amendments and repeals	Amending Regulation 2015/1588 2014/0192(NLE)
Legal basis	Treaty on the Functioning of the European Union TFEU 109
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	ECON/8/13645

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE628.419	28/09/2018	
Committee report tabled for plenary, 1st reading/single reading		A8-0315/2018	11/10/2018	Summary
Text adopted by Parliament, 1st reading/single reading		T8-0450/2018	14/11/2018	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2018)0398	06/06/2018	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES4706/2018	12/12/2018	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act	
Regulation 2018/1911 OJ L 311 07.12.2018, p. 0008	Summary

State aid rules: new categories of State aid

2018/0222(NLE) - 11/10/2018 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Sander LOONES (ECR, BE) on the proposal for a Council regulation amending Council Regulation (EU) 2015/1588 of 13 July 2015 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 committee recommended that the European Parliament **approve the Commission proposal** without amendments.

This proposal to amend the EU State aid Enabling Regulation aims to improve the interplay of those EU funding programmes with State aid rules. It will enable the Commission to make targeted modifications to the General Block Exemption Regulation (GBER) so that nationally managed funds and centrally managed EU funds can be combined as smoothly as possible, without distorting competition in the Single market.

As indicated in the explanatory statement accompanying the report, the Commission proposal to include two new categories in the Enabling Regulation (national funds combined with EU centrally managed funds; and projects by EU European Territorial Cooperation programmes) with a view to amend the GBER will contribute to administrative simplification.

The rapporteur considered that it makes sense not to subject projects and funding approved by the Commission based on other rules, which also aim to avoid distortions of competition in the Single market, to additional checks under State aid rules.

State aid rules: new categories of State aid

2018/0222(NLE) - 26/11/2018 - Final act

PURPOSE: to amend the EU State Aid Enabling Regulation in order to improve the interplay between EU funding programmes and State aid rules.

NON-LEGISLATIVE ACT: Council Regulation (EU) 2018/1911 amending 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: this Regulation makes targeted amendments to the General Block Exemption Regulation (Regulation (EU) 2018/1911) to ensure that nationally managed funds and centrally managed EU funds can be combined as smoothly as possible, without distorting competition in the Single Market.

Centrally-managed EU funds, meaning funds under direct or indirect Union management (to the exclusion of funds under shared management with Member States), increasingly support activities in the common EU interest through financial instruments or budgetary guarantees, and thereby provide a particularly valuable contribution to growth and cohesion.

The amending Regulation empowers the Commission to declare that the following categories of aid are compatible with the internal market and are not subject to the notification requirement of Article 108(3) TFEU This concerns aid in favour of:

- financing channelled through or supported by EU centrally-managed financial instruments or budgetary guarantees, where the aid consists in the form of additional funding provided through State resources;

- projects supported by EU European Territorial Cooperation programmes.

ENTRY INTO FORCE: 27.12.2018.

State aid rules: new categories of State aid

2018/0222(NLE) - 06/06/2018 - Legislative proposal

PURPOSE: to extend 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.

PROPOSED ACT: Council Regulation.

ROLE OF THE EUROPEAN PARLIAMENT: the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

BACKGROUND: Council Regulation (EU) 2015/1588 (the EU's State aid Enabling Regulation) 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 empowers the Commission to declare by means of regulations that certain specified categories of aid are compatible with the internal market and are exempted from the notification requirement of Article 108(3) of the Treaty.

Centrally-managed EU funds, meaning funds under direct or indirect Union management (to the exclusion of funds under shared management with Member States), increasingly support activities in the common EU interest through financial instruments or budgetary guarantees, and thereby provide a particularly valuable contribution to growth and cohesion.

The Commission should be enabled to declare that, under certain conditions, aid granted by Member States, which is channelled through or supported by such centrally-managed financial instruments or budgetary guarantees, is **compatible with the internal market and not subject to the notification requirement**.

On 2 May 2018, the Commission presented its proposal for the next multiannual financial framework (MFF). Building on that, the Commission is proposing a number of horizontal and sectorial EU funding programmes, responding to new challenges whilst continuing successful established activities.

CONTENT: this proposal for an amendment of the EU's State aid Enabling Regulation aims to **improve the interplay** of those EU funding programmes with State aid rules. It will enable the Commission to make **targeted modifications** to current State aid rules so that national money - including from the European Structural and Investment Fund managed at national level - and EU funds managed centrally by the Commission can be combined as seamlessly as possible, without distorting competition in the EU's Single market.

More specifically, this proposal seeks to extend the Enabling Regulation to include **two new categories of aid**:

1. Member States' financing channelled through or supported by EU financial instruments or budgetary guarantees managed centrally by the Commission: the importance of EU financial instruments and budgetary guarantees for delivering support in a wide range of areas has increased over the past years. It is set to increase even further under the post-2020 multiannual financial framework. The Commission's proposals for EU financial instruments and budgetary guarantees managed centrally by the Commission contain important safeguards to prevent undue distortions of competition. Furthermore, they are typically less distortive than grants of a similar amount, since they usually involve smaller amounts of aid. It is therefore appropriate to enable the Commission to **block-exempt aid** provided through Member State financing, which is further channelled through or supported by EU financial instruments or budgetary guarantees managed centrally by the Commission, provided that certain conditions are fulfilled.

In the Commission's experience, the alignment of such aid with the conditions applicable to EU centrally-managed financial instruments and budgetary guarantees, as implemented by Union bodies, ensures that the aid provided by Member States does **not give rise to any significant distortions of competition** and that it is possible to define **clear compatibility conditions** for this aid.

2. Aid for European Territorial Cooperation: for many years, promoting European Territorial Cooperation (ETC) has been a major priority of EU cohesion policy. Support for SMEs for costs incurred in ETC projects is already block-exempted under the General Block Exemption Regulation (GBER). Special provisions for regional aid for investments by undertakings of all sizes are also included in the Guidelines on regional State aid for 2014-2020 and in the regional aid section of the GBER. This means that the Commission has gained significant experience in relation to aid measures aimed at promoting ETC projects. It is therefore appropriate to enable the Commission to block-exempt financing provided in support of these projects.

State aid rules: new categories of State aid

2018/0222(NLE) - 14/11/2018 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 575 votes to 35, with 57 abstentions, a legislative resolution on the proposal for a Council regulation amending Council Regulation (EU) 2015/1588 of 13 July 2015 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.

Parliament **approved the Commission proposal** without amendments.

This proposal to amend the EU State aid Enabling Regulation aims to improve the interplay of those EU funding programmes with State aid rules. It will enable the Commission to make targeted modifications to the General Block Exemption Regulation (GBER) so that nationally managed funds and centrally managed EU funds can be combined as smoothly as possible, without distorting competition in the Single market.