







Procedure file

Basic information		
NLE - Non-legislative enactments Regulation	2018/0222(NLE)	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
	 Economic and Monetary Affairs	 LOONES Sander	20/06/2018
		Shadow rapporteur	
		 PIETIKÄINEN Sirpa	
		 MORGANO Luigi	
		 REIMON Michel	
Council of the European Union	Council configuration	Meeting	Date
	Education, Youth, Culture and Sport	3653	27/11/2018
European Commission	Commission DG	Commissioner	
	Competition	VESTAGER Margrethe	

Key events			
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	Results of vote in Parliament		
14/11/2018	Decision by Parliament	T8-0450/2018	Summary
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
	Amending Regulation 2015/1588 2014/0192(NLE)
Legal basis	Treaty on the Functioning of the EU TFEU 109
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	ECON/8/13645

Documentation gateway

Legislative proposal	COM(2018)0398	06/06/2018	EC	Summary
Committee draft report	PE628.419	28/09/2018	EP	
Committee report tabled for plenary, 1st reading/single reading	A8-0315/2018	11/10/2018	EP	Summary
Text adopted by Parliament, 1st reading/single reading	T8-0450/2018	14/11/2018	EP	Summary
Economic and Social Committee: opinion, report	CES4706/2018	12/12/2018	ESC	

Final act

[Regulation 2018/1911](#)
[OJ L 311 07.12.2018, p. 0008](#) Summary

State aid rules: new categories of State aid

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

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

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.

State aid rules: new categories of State aid

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.