

## PART III. SUPPLEMENTARY INFORMATION SHEETS

### Part III.4 b

#### Provisional Supplementary Information Sheet on individual regional investment aid

Document version: May 2014

This supplementary information sheet is not mandatory. It is, however, recommended that it is completed, in addition to the 'General information' form, for the notification of any individual investment aid covered by the Guidelines on regional State aid 2014-2020.<sup>1</sup>

#### 1. SCOPE

##### 1.1. Reasons for notifying the measure:

- ☐ The notification relates to individual aid granted under a scheme and the aid from all sources exceeds the notification threshold. Please provide State aid references of the approved or block-exempted aid schemes concerned:

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- ☐ The notification relates to individual aid granted outside a scheme (ad hoc aid).
- ☐ The notification relates to aid granted to a beneficiary that has closed down the same or similar activity<sup>2</sup> in the EEA two years preceding the date of applying for aid or at the moment of aid application has the intention to close down such an activity within a period of two years after the investment to be subsidised is completed.
- ☐ The notification relates to an investment by a large undertaking to diversify an existing establishment in a 'c' area into new products and/or new process innovation.
- ☐ Other (Please explain)

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##### 1.2. Scope of the notified aid measure

###### 1.2.1. Please confirm that the beneficiary is not a firm in difficulty<sup>3</sup>

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<sup>1</sup> Guidelines on regional State aid for 2014-2020 (OJ C 209, 23.07.2013, p.1)

<sup>2</sup> 'The same or a similar activity' means an activity falling under the same class (four-digit numerical code) of the NACE Rev. 2 statistical classification of economic activities.

<sup>3</sup> As defined in the Communication from the Commission - Community guidelines on state aid for rescuing and restructuring firms in difficulty OJ C 244, 1.10.2004, p. 2.

1.2.2. If the measure covers investment aid to broadband networks, please explain how the aid granting authority will ensure that the following conditions are complied with and provide the reference to the relevant provisions in the legal basis and/or supporting documents:

- aid is granted only to areas where there is no network of the same category (either basic broadband or NGA) and where none is likely to be developed in the near future
- the subsidised network operator offers active and passive wholesale access under fair and non-discriminatory conditions with the possibility of effective and full unbundling
- aid was or will be allocated on the basis of a competitive selection process in accordance with paragraphs 78(c) and (d) of the Broadband guidelines.

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...

1.2.3. If the measure covers aid to research infrastructures<sup>4</sup>, please confirm that the aid is conditional on giving transparent and non-discriminatory access to this infrastructure and provide documents to support this and/or provide reference(s) to the relevant parts of the legal basis. (§ 13 RAG)

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1.2.4. Please provide a copy of the application form and the (draft) aid granting agreement.

## **2. ADDITIONAL INFORMATION ON THE BENEFICIARY, INVESTMENT PROJECT AND AID**

### **2.1. Beneficiary**

2.1.1. Identity of aid recipient(s):

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2.1.2. If the legal identity of the aid recipient is different from the undertaking(s) that finance(s) the project or from the actual beneficiary(ies) of the aid, describe these differences.

...

2.1.3. Please give a clear description of the relation between the beneficiary, the group of enterprises it belongs to and other associated enterprises, including joint ventures.

<sup>4</sup>

As defined in Council Regulation (EC) No 723/2009 of 25 June 2009 on the Community legal framework for a European Research Infrastructure Consortium (ERIC) (OJ L 206, 8.8.2009, p. 1).

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## 2.2. The investment project

2.2.1. Please provide the following information on the notified investment project:

Date of application for the aid:	
Date of start of works on the investment project:	
Date of the start of production:	
Date on which the full production capacity is reached:	
Planned end date of the investment project:	

2.2.2. If the notification covers an investment in an 'a' area or an investment by an SME<sup>5</sup> (s) in a 'c' area (§34 RAG), please specify the category/categories of initial investment concerned by the notification (§20(h) RAG):

- ☐ the setting-up of a new establishment?
- ☐ the extension of the capacity of an existing establishment?
- ☐ the diversification of the output of an establishment into products not previously produced in the establishment?
- ☐ a fundamental change in the overall production process of an existing establishment?
- ☐ an acquisition of assets directly linked to an establishment provided the establishment has closed or would have closed if it had not been purchased, and is bought by an investor unrelated to the seller<sup>6</sup>?

2.2.3. If the notification covers an investment in a 'c' area by a Large Enterprise, please specify the category/categories of initial investment concerned by the notification (§20(i) and §15 RAG):

- ☐ the setting-up of a new establishment?
- ☐ the diversification of the activity of an establishment, under the condition that the new activity is not the same or a similar activity<sup>7</sup> to the activity previously performed in the establishment?
- ☐ diversification of an existing establishment into new products?
- ☐ new process innovation at an existing establishment?
- ☐ the acquisition of the assets belonging to an establishment that has closed or would have closed if it had not been purchased, and is bought by an investor unrelated to the seller, under the condition that the new activity to be performed using the acquired assets is not a

<sup>5</sup> 'SMEs' means undertakings that fulfil the conditions laid down in Commission recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises - OJ L 124, 20.5.2003, p. 36.

<sup>6</sup> The sole acquisition of the shares of an undertaking does not qualify as initial investment.

<sup>7</sup> 'The same or a similar activity' means an activity falling under the same class (four-digit numerical code) of the NACE Rev. 2 statistical classification of economic activities.

same or similar activity to the activity performed in the establishment prior to the acquisition?

- 2.2.4. Please give a brief description of the investment project which also explains how the project concerned falls within one or more of the categories of initial investment indicated above:

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## 2.3. Eligible costs calculated on the basis of investment costs

- 2.3.1. Please provide the following breakdown of the total eligible investment costs in nominal and discounted value:

	Total eligible cost (nominal) <sup>(°)</sup>	Total eligible cost (discounted) <sup>(°)</sup>
Preparatory studies or consultancy costs linked to the investment (SMEs only)		
Land		
Buildings		
Plant/machinery/equipment <sup>8</sup>		
Intangible assets		
Total eligible cost		

(°) In national currency (see also point 2.5 below)

- 2.3.2. Please confirm that the acquired assets are new (§94 RAG)<sup>9</sup>.

- 2.3.3. Please provide evidence to show that in the case of SMEs not more than 50% of the costs of preparatory studies or consultancy costs linked to the investment is included in the eligible cost (§95 RAG).

...

- 2.3.4. Please provide evidence to show that for aid awarded for a fundamental change in the production process, the eligible costs exceed the depreciation of the assets linked to the activity to be modernised in the course of the preceding three fiscal years (§96 RAG).

...

- 2.3.5. Please provide a reference to the legal basis or explain how it is ensured that for aid awarded for a diversification of an existing establishment, the eligible costs exceed by at least 200 % the book value of the assets that are reused, as registered in the fiscal year preceding the start of works (§97 RAG). If appropriate, provide documentation containing the relevant quantitative data.

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<sup>8</sup> In the transport sector, expenditure on the purchase of transport equipment cannot be included in the uniform set of items of expenditure. Such expenditure is not eligible for initial investment.

<sup>9</sup> This provision does not apply to SMEs or in the case of the acquisition of an establishment.

2.3.6. In cases involving the lease of tangible assets, please provide a reference to the relevant provisions in the legal basis where it is stipulated that the following conditions are respected (§98 RAG) or explain how this is otherwise achieved.

- for land and buildings, the lease must continue for at least five years after the expected date of completion of the investment for large companies, and three years for SMEs;

...

- for plant or machinery, the lease must take the form of financial leasing and must contain an obligation for the beneficiary of the aid to purchase the asset at the expiry of the term of the lease.

...

2.3.7. §99 RAG provides that "In the case of acquisition of an establishment only the costs of buying the assets from third parties unrelated to the buyer should be taken into consideration. The transaction must take place under market conditions. Where aid has already been granted for the acquisition of assets prior to their purchase, the costs of those assets should be deducted from the eligible costs related to the acquisition of an establishment. If the acquisition of an establishment is accompanied by an additional investment eligible for aid, the eligible costs of this latter investment should be added to the costs of purchase of the assets of the establishment".

If relevant in the notified case, please explain how these conditions have been complied with, providing relevant supporting documentation.

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...

2.3.8. If the eligible expenditure for the investment project includes intangible assets, please explain how it is ensured that the conditions set out in § 101-102 RAG<sup>10</sup> will be respected. In such cases please provide a precise reference to the relevant provision in the legal basis.

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...

## 2.4. **Eligible costs calculated on the basis of wage costs**

2.4.1. Please:

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<sup>10</sup> §101 RAG provides that intangible assets that Intangible assets which are eligible for the calculation of the investments costs must remain associated with the assisted area concerned and must not be transferred to other regions. To this end, the intangible assets must fulfil the following conditions:  
- they must be used exclusively in the establishment receiving the aid;  
- they must be amortisable;  
- they must be purchased under market conditions from third parties unrelated to the buyer  
§102 RAG provides that the intangible assets must be included in the assets of the undertaking receiving the aid and must remain associated with the project for which the aid is awarded for at least five years (three years for SMEs).

- explain how eligible costs calculated on the basis of wage costs have been established (§103 RAG);
- explain how the number of jobs created has been calculated with reference to §20(k) RAG);
- explain how the wage costs of the persons hired have been established with reference to §20(z) RAG; and
- provide the relevant calculations and documentation supporting the figures.

...
...

## 2.5. Calculation of discounted eligible costs and the amount of aid

2.5.1. Please fill in the below table with the details of the eligible costs by category of eligible cost to be defrayed over the whole duration of the investment project:

	Nominal/ discounted	N-0°	N+1°	N+2°	N+3°	N+X°	Total°
Preparatory studies etc. (SMEs only)	Nominal						
	Discounted						
Land	Nominal						
	Discounted						
Buildings	Nominal						
	Discounted						
Plant/machinery/equipment <sup>11</sup>	Nominal						
	Discounted						
Intangible assets	Nominal						
	Discounted						
Wage costs	Nominal						
	Discounted						
Other (please specify)	Nominal						
	Discounted						
Total	Nominal						
	Discounted						

° In national currency

Please indicate the date to which the amounts were discounted, as well as the discount rate used<sup>12</sup>:

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<sup>11</sup> In the transport sector, expenditure on the purchase of transport equipment cannot be included in the uniform set of items of expenditure. Such expenditure is not eligible for initial investment.

<sup>12</sup> [Commission notice on current State aid recovery interest rates and reference/discount rates for 25 Member States applicable as from 1 January 2007](#), — Published in accordance with Article 10 of Commission Regulation (EC) 794/2004 of 21 April 2004 (OJ L 140, 30.04.2004, p. 1) and the Commission notice on the method for setting the reference and discount rates (OJ C 273, 09.09.1997, p. 3), OJ C 317 of 23.12.2006, p. 2

Corrigendum to Commission notice on current State aid recovery interest rates and reference/discount rates for 27 Member States applicable as from 1 July 2008 OJ C 197 of 05.07.2012, p. 10

...

2.5.2. Please complete the table below with the details of the notified aid (to be) granted for the investment project by reference to the applicable form of aid:

	Nominal/ discounted	N-0°	N+1°	N+2°	N+3°	N+X°	Total°
Grants	Nominal						
	Discounted						
Soft loan	Nominal						
	Discounted						
Guarantee	Nominal						
	Discounted						
Tax reduction	Nominal						
	Discounted						
....	Nominal						
	Discounted						
....	Nominal						
	Discounted						
Total	Nominal						
	Discounted						

° In national currency

Please indicate the date to which the amounts were discounted, as well as the discount rate used:

...  
...

For each form of aid mentioned in the table above, please indicate how the grant equivalent is calculated:

Soft loan:  
...

Guarantee:  
...

Tax reduction:  
...

Other:  
....

2.5.3. If any of the aid measures to be granted to the project are not yet defined, please indicate this, and explain how the granting authority will ensure that the applicable maximum aid intensity is respected (§82 and 83 RAG):

...

- 2.5.4. Is the project co-financed by the ESI Funds? If so, please explain under which operational programme ESI Funds finance will be obtained. Please also indicate the amount of ESI Fund finance that will be involved.

...

- 2.5.5. If the beneficiary (at group level) has received aid for one (or more) initial investment(s) started in the same NUTS3 region in a period of three years from the date of start of works of the notified investment project (§20(t)) RAG), please provide details of the aid measures for each of the previous aided initial investments (including a short description of the investment project, the date of aid application, the date of the aid award, the date of start of works, the aid amount(s) and the eligible costs<sup>13</sup>).

	Eligible investm. cost <sup>°</sup>	Aid amount granted <sup>°</sup>	Date of applic-ation	Date of aid granting	Date of start of work	Short description	Aid reference(s)
Initial investm. project 1							
Initial investm. Project 2							
Initial investm. project 3							
...							

<sup>°</sup> In national currency

- 2.5.6. Please confirm that the total amount of aid that will be granted to the initial investment project does not exceed the 'maximum aid intensity' (as defined in §20(m) RAG), taking into account the increased aid intensity for SMEs (as determined in §177 RAG) and the 'adjusted aid amount' (as defined in §20(c) RAG), where applicable. Please provide relevant documentation and calculations to support this confirmation.

...

- 2.5.7. Where the aid to be granted to the investment project is to be awarded under several regional aid schemes or cumulated with ad hoc aid, please confirm that the maximum permissible aid intensity that may be granted to the project has been calculated in advance by the first granting authority and specify this maximum aid intensity. Please explain how the aid granting authorities will ensure that this maximum aid intensity will be respected (§92 RAG).

- 2.5.8. If the initial investment is linked to a European Territorial Cooperation (ETC) project please explain with reference to the provisions set out in §93 RAG how the maximum aid intensity applicable to the project and the different beneficiaries involved is established.



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### **3. COMPATIBILITY ASSESSMENT OF THE MEASURE**

#### **3.1. Contribution to regional objective and need for State intervention**

3.1.1. Please:

- indicate the exact location of the aided project (ie the locality and the NUTS 2 or 3 region to which the locality belongs);
- provide details on its regional aid status in the current regional aid map (ie is it in an area eligible for regional aid under Art. 107(3)(a) or (c)); and
- provide the maximum aid intensity applicable to large enterprises,

...

3.1.2. Please explain how the aid will contribute to regional development<sup>14</sup>?

...

3.1.3. If the notification concerns an individual application for aid under a scheme, please explain how the project contributes towards the objective of the scheme and provide relevant supporting documents (§35 RAG)?

...

3.1.4. If the notification concerns ad hoc aid, please explain how the project contributes towards the development strategy of the area concerned and provide relevant supporting documents (§42 RAG)?

...

3.1.5. Please explain how the provision requiring that the investment will be maintained in the area concerned for at least five years (three years for SMEs) after its completion is implemented (§36 RAG). Please provide the reference to the relevant provision in the legal basis (e.g. the aid granting contract).

...

3.1.6. In cases where the aid is calculated on the basis of wage costs, please explain how the provision requiring that jobs are created within three years of the investment completion and that each job created by the investment will be maintained within the area for a period of five years (three years for SMEs) from the date the post is first filled in is implemented (§37 RAG). Please

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<sup>14</sup> In order to do so, you could by, for example, refer to the criteria enumerated in paragraph 40 of the Regional Aid Guidelines and/or to the business plan of the beneficiary.

provide the reference to the relevant provision in the legal basis (e.g. the aid granting contract).

...

3.1.7. Please provide a reference to the legal basis or demonstrate that the recipient(s) has to make a contribution of at least 25% of the eligible costs, through its own resources or by external financing, in a form that is exempted of any public financial support.<sup>15</sup> (§38 RAG)

...  
...

3.1.8. Did you or do you commit to carry out an Environmental Impact Assessment ("EIA") for the investment? (§39 RAG)?

☐ Yes

☐ No

If no, please explain why it is an EIA is not required for this project

...

### 3.2. Appropriateness of the measure

3.2.1. If the notification concerns ad hoc aid, please demonstrate how the development of the area concerned is better ensured by such aid than by aid under a scheme or other types of measures (§55 RAG):

...

3.2.2. If the aid is granted in forms that provide a direct pecuniary advantage<sup>16</sup>, please demonstrate why other potentially less distortive forms of aid such as repayable advances or forms of aid that are based on debt or equity instruments<sup>17</sup> are not appropriate (§57 RAG):

...

### 3.3. Incentive effect and proportionality of the measure

3.3.1. Please confirm that works on the notified individual investment started only after submission of the application for the aid (§64 RAG). Please provide a copy of the aid application sent to the granting authority by the beneficiary and documentary evidence of the date of the start of works..

...

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<sup>15</sup> This question does not apply to subsidised loans, public equity-capital loans or public participations which do not meet the market investor principle, state guarantees containing elements of aid, or public support granted within the scope of *de minimis* rule.

<sup>16</sup> For example, direct grants, exemptions or reductions in taxes, social security or other compulsory charges, or the supply of land, goods or services at favourable prices, etc.

<sup>17</sup> For example, low-interest loans or interest rebates, state guarantees, the purchase of a shareholding or an alternative provision of capital on favourable terms.

3.3.2. Please explain the incentive effect of the aid by describing the counterfactual scenario with reference to one of the two possible scenarios set out in §61 RAG.

...

3.3.3. In Scenario 1 cases, please provide the following information (or refer to the relevant parts of the submitted counterfactual) (§104 RAG):

- the calculation of the investment's Internal Rate of Return ("IRR") with and without the aid<sup>18</sup>:

...

- information on the relevant benchmarks for the company (e.g. normal rates of return required by the beneficiary to undertake similar projects, cost of capital of the company as a whole, relevant industry benchmarks):

...

- an explanation of why, on the basis of the above, the aid is the minimum necessary to render the project sufficiently profitable (cf. §79 RAG):

...

3.3.4. In Scenario 2 cases, please provide the following information (or refer to the relevant parts of the submitted counterfactual) (§105 RAG):

- the calculation of the difference of the Net Present Value ("NPV") of the investment in the target area and the NPV of the investment in the alternative location<sup>19</sup>:

...

- all the parameters used for the above calculation (among others the time frame concerned, discount rate used, etc.):

...

- an explanation of why on the basis of the above the aid does not exceed the difference between the NPV of investment in the target area and the NPV in the alternative location (cf. §80 RAG):

...

3.3.5. If the regional aid is awarded through ESI Funds in 'a' regions to investments necessary to achieve standards set by Union law, please explain the following (and provide supporting documentation):

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<sup>18</sup> The time period considered for the calculation of the IRR should correspond to timeframes usually considered by the industry for similar projects.

<sup>19</sup> All relevant costs and benefits must be taken into account, including for example administrative costs, transport costs, training costs not covered by training aid and also wage differences. However, where the alternative location is in the EEA, subsidies granted in that other location are not to be taken into account.

- What is the standard concerned?
- Why is the investment necessary to achieve the standard?
- Why it would not be sufficiently profitable for the beneficiary to make the investment in the area concerned which would lead to the closure of an existing establishment in the area in the absence of the aid (§63 RAG)

...

### 3.4. **Avoidance of negative effects on competition and trade**

#### **For scenario 1 cases:**

#### Definition of the relevant market:

3.4.1. Please provide the information specified below to identify the relevant product market(s) (that is to say, products affected by the change in behaviour of the aid beneficiary) and to identify the competitors and customers/consumers affected (§129 and §130 RAG):

- Specify all the product(s) that will be produced in the aided facility upon the completion of the investment and indicate, where appropriate, the NACE code or Prodcom code or CPA nomenclature for projects in the service sectors.

...

- Will the products envisaged by the project replace any other products produced by the beneficiary (at group level)? What product(s) will it replace? If these replaced products are not produced at the location of the project, indicate where they are currently produced. Please provide a description of the link between the replaced production and the current investment and give a time schedule for the replacement.

...

- What other product(s) can be produced with the same new facilities (through flexibility of the production installations of the beneficiary) at little or no additional cost?

...

- Explain whether the project concerns an intermediate product and whether a significant part of the output is sold otherwise than on the market (under market conditions). Based on the above explanation, for the purpose of calculating the market share and capacity increase in the remainder of this section, please indicate whether the product concerned is the product envisaged by the project or whether it is a downstream product.

...

- Please indicate the relevant product market(s) of the product(s) concerned.. A relevant product market includes the product concerned and its demand side substitutes, i.e. products considered to be such by the consumer (by reason of the product's characteristics, prices and intended use) and its supply side substitutes, i.e. products considered as such by producers

(through flexibility of the production installations of the beneficiary and its competitors). Please indicate what you regard as the relevant demand and supply side substitutes in this case. Please provide evidence, from an independent third party if possible, to support your conclusions on this point.

...

3.4.2. Please provide information, and supporting evidence, on the relevant geographic market of the beneficiary:

...

**Market Power (§ 115 and §132(a)RAG):**

3.4.3. Please provide the following information on the market position of the beneficiary (over a period of time before receiving the aid and the expected market position after finalising the investment):

- an estimate of all sales (in value and volume terms) of the aid recipient in the relevant market (at group level).

...

- an estimate of the overall sales of all producers in the relevant market (in value and volume terms). If available, include statistics prepared by public and/or independent sources.

...

3.4.4. Provide an assessment of the structure of the relevant market including, for example, the level of concentration in the market, possible barriers to entry, buyer power and barriers to expansion or exit. Please provide evidence, from an independent third party if possible, to support your conclusions on this point.

...

**Capacity (§132(a) RAG):**

3.4.5. Provide an estimate of the additional production capacity created by the investment (in volume and value terms):

...

**For all cases**

**Manifest negative effects:**

3.4.6. In scenario 1 cases, please provide the following information, and supporting evidence, on the relevant product market<sup>20</sup>:

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<sup>20</sup> Underperformance of the market will normally be measured compared to the EEA GDP over the last three years before the start of the project (benchmark rate); it can also be established on the basis of projected growth

- From a long-term perspective, is the relevant market structurally in absolute decline (that is to say, showing a negative growth rate)? (§135 RAG)

...

- Is the relevant market is in relative decline (that is to say, showing a positive growth rate, but not exceeding a benchmark growth rate)? (§135 RAG)

...

3.4.7. In scenario 2 cases, please indicate whether without aid the investment would have been located in a region with a regional aid intensity which is higher or the same as the target region? (§139 RAG) Please provide evidence to support your position.

...

3.4.8. Please confirm that the beneficiary has submitted a statement in which it confirms that, at group level, it has not closed down the same or a similar activity in the EEA in the two years preceding the aid application and does not intend to close down the same or similar activity elsewhere in the EEA in the two years after the completion of investment (§23 RAG).

If it provided such a statement, please annex a copy of it to the notification. If it did not, please explain why it did not do so.

...

3.4.9. If the beneficiary at group level has closed down the same or a similar activity in another area in the EEA in the two years preceding the aid application, or intends to do so in the two years after the completion of investment, and has relocated that activity to the target area, or intends to do so, please explain why it considers that there is no causal link between the aid and the relocation (§122 RAG).

...

3.4.10. Please explain whether the State aid would directly result in a substantial loss of jobs in existing locations within the EEA. If the State aid would result in a substantial loss of jobs in existing locations within the EEA, please indicate their number and the proportion compared to the total employment of the location(s) concerned.

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rates in the coming three to five years. Indicators may include the foreseeable future growth of the market concerned and the resulting expected capacity utilisation rates, as well as the likely impact of the capacity increase on competitors through its effects on prices and profit margins.

### 3.5. Transparency

- 3.5.1. Please confirm that the granting authority will publish on a central website, or on a single website retrieving information from several websites (for example, regional websites), at least the following information on the notified State aid measure: granting authority, individual beneficiary, aid amount, and aid intensity. Please also confirm that the above-mentioned information will be made available for the general public without restrictions for at least 10 years from the date of award of the aid. (§141 RAG)

Please provide a website address where the information will be published:

...

## 4. REPORTING AND MONITORING

- 4.1. Please confirm that in accordance with Council Regulation (EC) No 659/1999 of 22 March 1999, as amended by Regulation 734/2013, laying down detailed rules for the application of Article 108 TFEU and Commission Regulation (EC) No 794/2004 of 21 April 2004 implementing Regulation (EC) No 659/1999, as amended, the annual reports will be submitted to the Commission.

☐ Yes

- 4.2. Please confirm that you will maintain for at least 10 years from the date of award of the aid detailed records containing the information and supporting documentation necessary to establish that all compatibility conditions are met, and that these records must be provided to the Commission upon request.

☐ Yes