



# ROMÂNIA

## CONSILIUL CONCURENȚEI



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### FORMAL OPINION

#### **On the State aid scheme under the form of risk capital through one or more risk capital funds, as part of implementing the Jeremie initiative in Romania, within the Sectoral Operational Program for the Increase of Economic Competitivity**

By analysing the following:

The Draft of *Order of the minister of economy, commerce and business environment for the approval of the State aid scheme under the form of risk capital through one or more risk capital funds, as part of implementing the Jeremie initiative in Romania*, afferent to the Major Intervention Field 1.2. “Access for SMEs to financing”, Priority Axis 1 “An innovator and eco-efficient production system”, within the Sectorial Operational Program for the Increase of Economic Competitivity (hereby named the Draft);

and

The Draft of sythetic information sheet on the State aid granted in accordance with the *Commission Regulation (EC) no. 800/2008 declaring certain categories of aid compatible with the common market in application of Articles 87and 88 of the Treaty<sup>1</sup>*, submitted by the Ministry of Economy, Commerce and Business Environment, by the address no. XXV/370410/09.03.2010, registered at the Competition Council with no. RG 1428/10.03.2010, in order to receive a formal opinion, and

ascertaining that:

1. By the Draft of order it is being approved a State aid scheme under the form of risk capital for small and medium sized enterprises. The created risk capital funds shall invest the financial resources made available by investors to the small and medium sized enterprises, through specific means, such as: setting up undertakings, buying allotments to the existing companies' equity, increasing the joint stock, drawn capital etc.;
2. The State aid scheme is set up in accordance with the the *Commission Regulation (EC) no. 800/2008 declaring certain categories of aid compatible with the Common market in application of Articles 87and 88 of the EC Treaty*;

<sup>1</sup> Published in the Official Journal of the European Union no. L 214/09.08.2008.

3. According to the *Commission Regulation (EC) no. 800/2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the EC Treaty* the State aid scheme is exempted from the obligation to be notified to the European Commission, as:

- the support measure under the form of risk capital takes the form of allotments to private investment funds which aim to obtain profit and is managed on commercial basis;
- the tranches of the investments to be made by the investment funds shall not exceed Euro 1.5 mil. per target-enterprise during a period of 12 months;
- the risk capital measure is being limited to granting initial capital, starting capital and/or expansion capital;
- the investment funds supply at least 70% of their total budget invested in SMEs as own capital or drawn capital;
- each fund shall directly draw private funding sources to add up at least 30% from its total capital;
- in order to guarantee that the risk capital measure aims to obtain profit, the following conditions should be fulfilled: to elaborate a business plan for each investment to establish the ex-ante viability of the project, the existence of a clear and realistic exit strategy for each investment;
- in order to guarantee that the investment funds are managed based on commercial grounds, operational agreements shall be closed with their administrators enclosing the funds' objectives, the investors' timetable and the fact that the administrator's remuneration is correlated with the obtained results. At the same time, the private investors are represented in the decisional process by an advisory committee or an investors' committee, and the funds' management is made in accordance with the best practices and control instruments stipulated in the frameworks issued by the Risk Capital European Association.

4. The scheme shall be valid during 2010 – 2013, and its budget amounts Euro 35 mil. The estimated number of beneficiaries to receive funding within the scheme is of 20.

5. The information sheet meets the form and substance of the standard form enclosed in the Annex III to the *Commission Regulation (EC) no. 800/2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the EC Treaty*.

### **COMPETITION COUNCIL**

Based on the *Competition Law no. 21/1996, republished* and on art. 8 recital (1) of the *Government Emergency Ordinance no. 117/2006 on the national procedures in the State aid field, approved with modifications and completions by the Law no. 137/2007*,

### **ISSUES FORMAL OPINION**

On the Draft of *Order of the minister of economy, commerce and business environment for the approval of the State aid scheme under the form of risk capital through one or more risk capital funds, as part of implementing the Jeremie initiative in Romania* and on the Draft of synthetic information sheet submitted by Romania in accordance with the *Commission Regulation (EC) no. 800/2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the EC Treaty*.