



### **FORMAL OPINION**

**on the draft of de minimis aid scheme for exemptions or reductions of penalties related to the payment of local taxes, rents, royalties and other obligations to the local budget, due by legal entities as taxpayers of the local budget of Darabani City, Botosani County**

By analyzing

The draft of de minimis aid scheme for exemptions or reductions of penalties related to the payment of local taxes, rents, royalties and other obligations to the local budget, due by legal entities as taxpayers of the local budget of Darabani City,

Submitted by the Darabani City Hall, by the address no 7438/11.05.2015, registered at the Competition Council with no. RG/5376/18.05.2015, in order to receive a formal opinion,

and ascertaining that:

1. The Scheme was set up based on the Regulation (EC) no 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid<sup>1</sup>;

2. The main object of the draft of de minimis aid scheme is to support firms operating in the administrative area of the Darabani City, by granting exemptions or reductions in the payment of penalties arising from failure to pay local taxes, rents, royalties and other local budget revenues;

3. Darabani City Hall, through the Budget, Finance and Local Taxes Service is the administrator of de minimis aid scheme and simultaneously is the supplier of de minimis aid;

4. De minimis aid scheme complies with Government Emergency Ordinance no. 77 of 3 December 2014 regarding national procedures in the state aid field and the amendment and completion of the Competition Law no. 21/1996<sup>2</sup>, with the following specifications:

- this de minimis aid scheme complies with art. 3(4) of the GEO no. 77/2014 – the opportunity analysis has no. 5780/16.04.2015;

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<sup>1</sup> Published in the Official Journal of the European Union no L 352/24.12.2013, final paper.

<sup>2</sup> Published in the Official Gazette of Romania, part I, no. 893/9.12.2014.

- because it is initiated by a local authority, this de minimis aid scheme shall comply with art. 7 (4) of the GEO no. 77/2014 – the Prefect Institution (by the address no 5795/17.04.2015) and the County Council (by the address no 5796/17.04.2015) were informed about the intention of drafting and adopting this scheme.

5. Scheme aims to achieve the following objectives:

- reducing outstanding receivables;
- increasing local budget revenues in the medium term;
- attracting promptly of revenues to the local budget.

6. The scheme is valid until 15 November 2015;

7. De minimis aid scheme applies to the administrative area of the Darabani city;

8. De minimis aid is granted in the form of exemptions or reductions of penalties related to the payment of local taxes, rents, royalties and other obligations owed to the local budget;

9. The maximum number of beneficiaries is 104;

10. The estimated budget of the scheme is euro 65.000,

### **COMPETITION COUNCIL**

Based on art. 7 para (6) of the Government Emergency Ordinance no. 77 of 3 December 2014 regarding national procedures in the state aid field and the amendment and completion of the Competition Law no. 21/1996,

### **ISSUES FORMAL OPINION**

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