

<p style="text-align: center;">Notice on a simplified procedure for treatment of certain state aid cases Citizen Summary</p>

European Commission proposes a simplified procedure for treatment of certain state aid cases

Member States should, in straightforward cases, receive an approval decision within an accelerated deadline of 1 month after notification

1. WHAT IS THE REASON FOR THE COMMISSION TO SCRUTINISE STATE AID ?

State aid can be of real help to society. When used effectively it helps to improve our environment, expand research and development and increase the skills of workers so that we have a healthier economy and higher standards of living. When applied badly, however, state subsidies often have harmful and unintended effects. By helping inefficient firms stay on the market, consumers often suffer higher prices and better companies can suffer from the unfair advantage the subsidised company receives. Companies can also play off one government against another, threatening to move their investments to whichever country providing the largest subsidies, and costing taxpayers more in the process.

For these reasons the Commission is determined to strictly monitor planned State Aid spending, and has the power to block harmful state aids. This means the Commission looks at hundreds of applications for state aids each year, many of which are relatively straightforward, because they meet the conditions of the State aid rules, or because they are in line with Commission practice. In 2008 the Commission devised a new system for encouraging the right kinds of state aid, by exempting those types of aid from notification and investigation requirements. It is also important that the remaining cases receive efficient and fair treatment. Nevertheless, Commission Decisions approving state aid measures take, on average, 5 months to be adopted, due to a certain lack of discipline both on the Commission's and on the Member States' side.

2. HOW DOES THE NEW NOTICE HELP TO ACCELERATE DECISIONS?

The Commission wants to ensure that clearly compatible aid gets approved as quickly as possible when Member States provide a complete notification. By introducing pre-notification discussions between the Member State and the Commission there should be a more efficient exchange of information. The proposed notice provides an illustrative list of aid measures, including certain aids for SMEs, environmental aid, innovation aid and rescue and restructuring aid, which are in principle suitable for a simplified treatment.

This new procedure should not only be quicker, but also more transparent. Interested stakeholders will gain a new opportunity to comment on the envisaged state aid measure when a summary is published on the website of the Commission.

3. WHO IS BENEFITING FROM THIS POLICY?

The Notice should benefit both Member States and aid beneficiaries, since they will, in simple cases, receive approval decisions more quickly. It should also benefit other stakeholders because they will have the possibility of making their concerns heard before the Commission takes a final position.

4. WHEN WILL THE NEW NOTICE ENTER INTO FORCE?

The Notice was adopted by the Commission on 29 April 2009 and it should enter into force before the summer.