

COUNCIL OF THE EUROPEAN UNION



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Council adopts rules to modernise state aid policy

The Council today¹ adopted two regulations for updating the EU rules governing state aid policy: the "procedural regulation" and the "enabling regulation".

These two regulations are part of the ongoing revision of the state aid framework with a view to ensuring that state aid policy contributes to the implementation of the Europe 2020 strategy for growth and to budgetary consolidation efforts in the member states.

The <u>"procedural regulation"</u> sets out the rules concerning state aid investigations (<u>11139/13</u> and 12258/13 ADD 1).

Its update focuses on complaint-handling and market information tools and seeks to better focus Commission actions on cases with a significant impact on competition and trade in the internal market.

The <u>"enabling regulation"</u> enables the Commission to adopt "block exemption regulations for state aid". Under these regulations, the Commission can declare specific categories of state aid compatible with the EU treaty if they fulfil certain conditions, thus exempting them from the requirement of prior notification and approval (<u>11080/13</u> and <u>12256/13</u> ADD 1).

PRESS

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The decision was taken without discussion at a meeting of the Foreign Affairs Council. It follows a political agreement reached by the Council on 29 May 2013. The Belgian, Hungarian and Austrian delegations voted against the procedural regulation. The Belgian delegation abstained from voting on the enabling regulation.

The changes to the enabling regulation will allow the Commission to apply a simplified control procedure to certain categories of aid without weakening efficient supervision and monitoring. The enabling regulation will cover new types of aid such as aid granted to culture and innovation and aid to repair the damage caused by natural disasters.

Both regulations are a part of the broader reform initiated in May 2012 after the presentation of the Commission communication on EU state aid modernisation (10266/12). The communication puts the single market at the centre of the reform and calls for more effective and efficient use of public finances to better sustain research and innovation, sustainable development, cohesion and other growth-oriented policies. It provides for completion of the reform by the end of 2013.

The reform takes into account the experience gained in the application of the regulations and recent developments such as the enlargement of the Union, the economic and financial crisis and the international context.

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