

Comments of the Czech Republic on the draft for a Commission Regulation on the application of Art. 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid - public consultation

- **Art. 3(2):** We welcome the intention of the European Commission to increase the ceiling of de minimis aid. Nevertheless, we consider the proposed **ceiling of EUR 275 000 insufficient**.

Given the economic conditions, we propose **to increase the ceiling to at least EUR 350 000** which more accurately reflects the current economic situation (inflation - especially price increase in the food processing sector and energy sector, increased investment cost etc.). The higher ceiling also creates space for member states to respond quickly and effectively to the effects of crises (epidemics, energy crisis, geopolitical situation and others) thanks to the simpler administration of the support provided as de minimis aid.

The ceiling EUR 275 000 is set for a “single undertaking”, i.e. per group of undertakings, which is very limiting and also difficult to find and verify. If the ceiling is to be increased only to EUR 275 000, we suggest to count de minimis ceiling per single legal unit and not per „single undertaking“. This will enable to increase aid and also reduce the administrative burden for both the beneficiary and the granting authority.

- **Art. 6(2):** The Czech Republic calls for **an extension of the period of 6 months for the establishment of the central de minimis aid register or, in our case, for its modification** in accordance with the new regulation to one year, so that the national legislation and the technical modification of the national register can be prepared. Both can start to be prepared only after the final wording of the new regulation is known.

The Czech Republic established the central de minimis aid register on 1st January 2010. In our experience, the preparation of the project plan for the register, including the preparation of national legislation, and then the actual launching of the register took 2 years. Each further modification of the register takes at least 6 months. Any authority which grants de minimis aid has to obtain registered access to the central register from Czech state aid coordinating bodies (the Office for the Protection of Competition and the Ministry of Agriculture). Czech national law stipulates that a granting authority has to check de minimis limit in the central register prior to granting of de minimis aid. Granting authority has a legal obligation to register data about any granted de minimis aid to the central register within 5 working days after the granting date. The deadline of 5 working days is a compromise - on the one hand it gives the granting authorities enough time to enter data, on the other hand it ensures that the data and limits are up-to-date. If the granting authority fails to fulfil this obligation, an administrative proceeding and the imposition of fine follow.

Since the establishment of the central register there were some changes in the de minimis regulations. Notably the requirement to calculate the de minimis limit per a “single undertaking” added administrative burden for granting authorities and beneficiaries. Given the broad definition of “single undertaking” it is necessary to require written declaration of the beneficiary describing to which other undertakings they are connected and consequently the granting authority has to check manually the limit of the “single undertaking” in the register.

- **Art. 6(4):** Based on this provision, the information to be published in a mandatory central de minimis aid register should – inter alia – include sector involved on the basis of the statistical classification of economic activities in the European Community (“NACE classification”). While we understand the necessity for other information laid down in Art. 6(4), we would like to highlight our **strong concern about the NACE classification**. It must be borne in mind that de minimis should remain a simple, flexible and quick tool for granting limited amounts of aid which have no impact on competition and trade within the single market. This tool should be used judiciously, with only necessary information provided to avoid increasing administrative requirements and associated costs.

In light of the above written, we see no reason for a precise identification of the NACE classification in case of *de minimis* aid. Such a requirement would only significantly and disproportionately increase the level of administrative burden for granting authorities. In this respect, **we urge the Commission to remove the NACE classification requirement from the draft regulation**.

In the **Czech central de minimis aid register** the granting authority of the de minimis aid must indicate the area of the aid. The areas are divided according the de minimis limits in the de minimis regulations: “SGEI” according to Reg. 360/2012, “agriculture” according to Reg. 1408/2013, “fishery and aquaculture” according to Reg. 717/2014, “road freight transport” and “others” according to Reg. 1407/2013. This classification we consider to be sufficient.

Formal comments on the wording and its Czech language version

- In the whole Czech version of the proposed regulation, the English term “*fiscal year*” is translated as “*jednoleté účetní období*”. The only exception is the last sentence of recital 10 of the Preamble. We consider the translation “*jednoleté účetní období*” incorrect. We **recommend to translate** the term “*fiscal year*” only as “*účetní období*” in the Czech version. The term “*účetní období*” corresponds better to the term “fiscal year” than „*jednoleté účetní období*“. In Czech environment, “*účetní období*” always represents “*kalendářní rok*” or “*hospodářský rok*”. So the word “*jednoleté*” in Czech version of the proposed regulation is redundant.
- **Art. 2(1)(c) (Czech wording):** In the definition of “marketing of agricultural products” is in the Czech version somehow redundant to state that “*uváděním zemědělských produktů na trh se rozumí...*” It already flows from the first paragraph of the Czech version that “*se rozumí*” applies to all below listed definitions. For this reason, it should be omitted in Art. 2(1)(c).
- **Art. 2(1)(c) (Czech wording):** In the last sentence “*prodej primárním producentem konečným spotřebitelům...*” we suggest replacing “*primárním producentem*” by “*prvovýrobcem*” which is the correct Czech translation of “*primary producer*” and is used as such elsewhere in the text of the draft.
- **Art. 6(1) (Czech wording):** In the Czech version of the proposed regulation, the first sentence of Art. 6 (1) states: „*Zamýšlí-li členských stát poskytnout nějakému podniku...*“ The correct text should be: „*Zamýšlí-li členský stát poskytnout nějakému podniku...*“ Please correct the typo.