

NOTE

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Feedback regarding the draft SGEI de minimis Regulation

The Danish Government appreciates the possibility to respond to the Commission's public hearing regarding the proposed revision of the SGEI de minimis Regulation.

The Danish Government finds that the SGEI de minimis Regulation is a well-functioning regulation which facilitates granting of smaller compensation amounts in a fast and flexible way.

We recognize that the economic development, i.e. the inflation since the SGEI de minimis ceiling was determined in 2012, necessitates an increase of the aid ceiling. Furthermore, we welcome the alignment of concepts with the general de minimis Regulation.

Finally, the Danish Government is open to the introduction of a public de minimis register at Union level.

Please find our elaboration below.

1. Adoption of an increase of the aid threshold

The current SGEI de minimis threshold was adopted in 2012. Since then, there has been a change in both inflation and the GDP across the EU. To ensure that the SGEI de minimis Regulation only concerns compensation that does not distort the competition or the trade in the single market, it is important to the Danish Government that the threshold is not increased unnecessarily.

According to EuroStat, the inflation in the EU has been approx. 28,5 percent since the adoption of the current threshold of 500.000 euro in 2012. This means that an increase of the threshold to 650.000 euro would be in line with the economic development.

Based on the above, the Danish Government can support an increase of the SGEI de minimis threshold to 650.000 euro as well as the increases of the aid thresholds for loans and guarantees.

2. Mandatory public register

To comply with the current SGEI de minimis Regulation the Danish authorities obtains a declaration about other SGEI de minimis aid prior to

granting aid under the regulation. We take note that this is still a requirement according to the Commission's proposal to adjust the SGEI de minimis Regulation. This means that a mandatory public register will be an add-on to the current monitoring requirements under the SGEI de minimis Regulation.

The Danish Government agrees that a public register will help in particular larger undertakings that are part of a group and granting authorities to check if thresholds in the regulation has been reached. The Danish Government finds that this increases transparency and reduces the risk of granting unlawful aid. However, the introduction of a register of grants that the Commission formally does not define as state aid should only be done if strictly necessary.

We note that an introduction of a mandatory register at either Union or national level imposes an additional step in relation to the administration of SGEI de minimis compensation. A larger administrative burden on the granting authorities to keep a register must be proportionate and must not compromise the possibility to use the de minimis regulation as a means to grant small aid amounts in a fast and flexible way. In this regard, it is important to note that it can be difficult to administrate registration in a public register if the definition of undertaking is defined too broadly.

Therefore, the Danish Government finds that the exact scope of the obligation to register compensation under the SGEI de minimis Regulation should be determined in proportionate way taking into account that the regulation is intended to be a flexible way to grant smaller amounts of aid in the form of compensation.

The Danish Government will not oppose an introduction of a mandatory public register for SGEI de minimis compensation. However, it is important that the Commission provides sufficient technical guidance and preferable introduces the public register at Union level in an already known set up. This could effectively be done by an add-on to the already existing Transparency Award Module.

3. *Prolongation of the transition period*

According to article 6(4) of the draft regulation, the central register shall be set up *within* 6 months after the entry into force of the regulation. The Danish Government finds that the transition period should be *12 months* after the entry into force of the regulation in order to ensure enough time to set up a well-functioning register and inform relevant authorities about the new obligation to register aid granted under the SGEI de minimis Regulation.