

<p style="text-align: center;">Best Practices Code on the conduct of State aid control proceedings Citizen Summary</p>
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European Commission proposes a Best Practices Code on the conduct of State aid control proceedings.

The Commission will improve the transparency, credibility and predictability of the conduct of State aid control proceedings.

1. WHAT IS THE REASON FOR IMPROVING STATE AID PROCEDURES?

State aid can be of real help to society, for example if it is given to improve the environment, encourage research and development or allow for increased training of employees. However, State support can also have harmful effects; for example it may help inefficient firms stay on the market, which in the long run will lead to higher prices for consumers. Companies can also play off one government against another, threatening to move their investments to whichever country provides the largest subsidies. State aid has therefore to be scrutinised by the Commission to ensure that it contributes to commonly agreed objectives. Effective, simple and predictable procedures are crucial to meet this goal.

The different steps of the standard procedure for the control of State aid measures are set out in the 1999 Procedural Regulation¹. But the practical conduct of this procedure could be improved significantly in terms of duration, transparency and predictability, by a joint commitment of the Commission and Member States to certain Best Practices. Currently, 5 months are needed on average before the Commission can adopt a decision based on a preliminary investigation of the notified measure, and more than 21 months if the Commission needs to open a formal in-depth investigation. This long duration and a lack of predictability about the timing of decisions on individual cases are unsatisfactory for the needs of modern business.

2. HOW DOES THE BEST PRACTICES CODE HELP SOLVING THIS PROBLEM ?

The Best Practices Code should improve the discipline of all parties; encourage the use of pre-notification contacts and streamlining the exchange of information between the Commission and the Member State during the preliminary investigation phase, the quality of Member State notifications would be greatly improved, and the treatment of cases thus accelerated, once formally notified.

The Best Practices Code should also make the procedure more transparent in the interest of stakeholders. The Code would create a staged and thus more predictable procedure for dealing with complaints, including better information of complainants of the treatment of their complaints.

3. WHO WILL BENEFIT FROM THIS NEW NOTICE?

¹ Council Regulation (EC) No 659/1999 of 22 March 1999 laying down detailed rules for the application of Article [93] of the EC Treaty (OJ L 83, 27.3.1999, p. 1).

The Best Practices Code should benefit all stakeholders: Member States and aid beneficiaries will benefit, since they will receive State aid decisions more quickly. Other stakeholders will also benefit because they will have the possibility of making their concerns heard before the Commission takes its final position on a notified State aid measure.

4. WHEN WILL THE NEW NOTICE ENTER INTO FORCE?

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