Explanatory note accompanying the proposal for the revision of the Regulation on *de minimis* aid granted to undertakings providing services of general economic interest (SGEI)

The draft SGEI *de minimis* Regulation will replace the SGEI *de minimis* Regulation 360/2012[1] which is set to expire on on 31 December 2023. It is based on the results of a comprehensive State aid policy evaluation. A Call for Evidence was launched with a feedback period from 12 December 2022 to 9 January 2023.

Public funding to undertakings for the provision of services of general economic interest (SGEI) that fulfils the conditions of State aid as defined in Article 107(1) of the Treaty on the Functioning of the European Union must normally be notified to the Commission and approved before it is put into effect[2]. The principles underlying EU State aid rules serve to ensure that public spending does not cause unfair competition for companies charged with an SGEI within the EU's internal market. The SGEI *de minimis* Regulation exempts small amounts of aid granted to SGEI providers from State aid control as they are deemed to have no impact on competition and trade in the EU internal market.

The proposed draft of the SGEI *de minimis* Regulation introduces changes concerning mainly three aspects:

(i) an increase of the SGEI *de minimis* ceiling from EUR 500 000 to EUR 650 000 that an SGEI provider may receive per Member State over any period of three years. This increase of the ceiling aims to take into account the inflation (for the period 2012-2030).

(ii) the alignment of certain concepts in the SGEI *de minimis* Regulation with the general *de minimis* Regulation[3] (in particular the concept of "single undertaking" and provisions on "undertakings in difficulties" and "mergers and acquisitions").

(iii) strengthening the transparency requirements by introducing a mandatory public register at national or EU levels.

Next steps

Following the public consultation and the consultations of the Advisory Committee, the Commission may revise the draft SGEI *de minimis* Regulation, taking into account the feedback received from stakeholders and the Member States.

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[1] Commission Regulation (EU) No 360/2012 of 25 April 2012 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid granted to undertakings providing services of general economic interest, OJ L 114, 26.4.2012, p. 8.

[2] Unless the measure is exempted from notification under *inter alia* Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest, OJ L 7, 11.1.2012, p. 3.

[3] The general *de minimis* Regulation is currently being revised. See https://competition-policy.ec.europa.eu/public-consultations/2022-de-minimis_en.