

State aid: Commission to prolong EU State aid rules and launch evaluation

Since May 2012, the Commission has implemented a major reform of EU State aid rules, the [State Aid Modernisation](#). This allows Member States to quickly implement State aid that fosters investment, economic growth and job creation, leaving the Commission to focus its State aid control on the cases most liable to distort competition. More than 97% of all State aid measures are now implemented by Member States without the need for prior approval by the Commission. As part of the State Aid Modernisation, the Commission has revised a considerable number of State aid rules since 2013.

A number of the State aid rules adopted as part of the State Aid Modernisation are due to expire by the end of 2020. Other State aid rules adopted as part of the Modernisation process have no fixed expiry date. To provide predictability and legal certainty, whilst preparing for a possible future update of the State aid rules adopted as part of the State Aid Modernisation, the Commission will take two steps.

First, the Commission intends to prolong for two years (until end 2022) the validity of those State aid rules, which would otherwise expire by end 2020. They are the following:

Second, in line with the Commission's [Better Regulation Guidelines](#), the Commission will evaluate those rules together with the other State aid rules, which were adopted as part of the State Aid Modernisation. The evaluation was launched today. It takes the form of a "[fitness check](#)". It will provide a basis for decisions, to be taken by the Commission in the future, about whether to further prolong or possibly update the rules. The evaluation will cover the following rules, all of which were adopted as part of the State Aid Modernisation:

The "fitness check" will also cover the [Railways Guidelines](#) from 2008 and the [Short term export credit Communication](#) from 2012. Those rules were not revised as part of the State Aid Modernisation, but an evaluation is relevant in the light of developments in EU law and the Commission's case practice.

The "fitness check" will involve internal analyses by the Commission and public consultations as well as, in some cases, studies prepared by external consultants or targeted consultations of specific stakeholders. The results of the exercise will be summarised in a Commission Staff Working Document.

Background

Under the [Better Regulation Guidelines](#), the Commission evaluates if specific laws, policies and spending activities are fit for purpose and have delivered, at minimum cost, the desired changes to European businesses and citizens. The evaluation findings help the Commission decide whether EU actions should be continued or changed.

More specifically, fitness checks assess whether the regulatory framework for a policy sector is “fit for purpose”. Their goal is to assess the effectiveness, efficiency, coherence, relevance and EU added value of specific parts of the EU acquis, thus promoting better/smart legislation, making it more responsive to current and future challenges and helping improve implementation. This includes identifying excessive administrative burdens, overlaps, gaps, inconsistencies and/or obsolete measures that may have appeared over time, and considering the cumulative impact of EU legislation and activities. Their findings serve as a basis for drawing policy conclusions on how well EU policies have been performing and feed into possible consideration on the future of the relevant regulatory framework.