



**MINISTRY OF INDUSTRY, BUSINESS
AND FINANCIAL AFFAIRS**

NOTE

DocumentDate
2022 - 16014
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UDKAST

Feedback regarding a possible revision of the de minimis Regulation

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

The Danish Government finds that the de minimis Regulation is a well-functioning regulation which facilitates granting of smaller aid amounts in a fast and flexible way. We are happy to note that the basic criteria for granting aid under the de minimis Regulation are proposed in the draft revision of the Regulation. This concerns i.e. the more operational definition of undertaking which makes it easier to administrate aid grantings under the Regulation.

The Danish Government recognizes the challenges in the current global situation. Looking into whether the current state aid framework could be improved is one of more possibilities to respond to these challenges. However, we strongly encourage that such changes are introduced with caution based on data concerning the actual need. Such approach is according to the Danish Government a prerequisite for ensuring a simpler, faster and even more predictable state aid framework, while ensuring that a level playing field is preserved. In general, the Danish Government is open to a minor increase of the de minimis threshold in light of the economic development and inflation since 2006.

Furthermore, 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 de minimis threshold was adopted in December 2006. Since then, there has been a change in both inflation and the GDP across the EU. To ensure that the de minimis Regulation only concerns aid 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. 38 percent since the adoption of the current threshold of 200.000 euro in 2006. This means that an increase of the threshold to 275.000 euro would be in line with the economic development.

Based on the above, the Danish Government can support an increase of the de minimis threshold to 275.000 euro (or 137.500 euro for undertakings performing road freight transport for hire or reward) as well as the increases of the aid thresholds for loans and guarantees.

2. Mandatory public register

To comply with the current de minimis Regulation the Danish authorities obtains a declaration about other de minimis aid covered by the de minimis rules 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 de minimis Regulation. This means that a mandatory public register will be an add-on to the current monitoring requirements under the 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 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 de minimis aid. 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 de minimis should be determined in proportionate way taking into account the regulation is intended to be a flexible way to grant small amounts of aid.

The Danish Government will not oppose an introduction of a mandatory public register for de minimis aid. 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(2) 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 De minimis Regulation.