



EUROPEAN COMMISSION

Brussels, 19.11.2020
C(2020) 8129 final

PUBLIC VERSION

This document is made available for
information purposes only.

**Subject: State Aid SA.59027 (2020/N) – Bulgaria
Prolongation of the Bulgarian schemes SA.45861 (2016/N) adopted
under the EEAG and SA.39869 (2014/N) adopted under the RAG**

Excellency,

1. PROCEDURE

- (1) By electronic notification dated 24 September 2020, the Bulgarian authorities notified to the Commission, in accordance with Article 108(3) of the Treaty on the Functioning of the European Union (TFEU), a prolongation of the following schemes previously approved by the Commission under the Guidelines on State Aid for Environmental Protection and Energy 2014-2020¹ (“EEAG”) and under the Guidelines on regional State aid for 2014-2020² (“RAG”):
- SA.45861 (2016/N) – Bulgaria – Support to energy-intensive users in the form of a reduced surcharge
 - SA.39869 (2014/N) – Bulgaria – Corporate Tax Exemption Scheme in accordance with Article 184 of the Corporate Income Tax Act
- (2) The notification is made in accordance with the simplified notification procedure laid down in Article 4(2) of Commission Regulation (EC) No 794/2004³.

¹ OJ C 200, 28.6.2014.

² OJ C209, 23.07.2013.

³ Commission Regulation (EC) No 794/2004 of 21 April 2004 implementing Council Regulation (EU) 2015/1589 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union (OJ L 140, 30.4.2004, p. 1).

Екатерина ЗАХАРИЕВА
Министър на външните работи
ул. „Ал. Жендов“ № 2
1113 СОФИЯ/Sofia
БЪЛГАРИЯ/BULGARIE

- (3) The notified measure constitutes the prolongation of the two aid schemes listed in recital (1) that were approved by the Commission respectively by decision of 4 August 2016 (SA.45861(2016/N) and 14 September 2015 (SA.39869(2014/N)) (“the initial authorising decisions”). These two schemes will expire on 31 December 2020.
- (4) Following the prolongation of the EEAG and the RAG by one year (until 31 December 2021) adopted by the Commission in a Communication⁴ on 2 July 2020, the Bulgarian authorities notified the prolongation of these aid schemes for the period 1 January 2021 to 31 December 2021.
- (5) The Bulgarian authorities have confirmed that the notification does not contain any confidential information.

2. DESCRIPTION OF THE MEASURE

- (6) On 2 July 2020, the Commission adopted a Communication⁵ prolonging the validity of certain State aid rules, including the EEAG and the RAG, which would otherwise expire at the end of 2020.
- (7) Following the prolongation of the EEAG and the RAG, the measure notified by the Bulgarian authorities concerns the prolongation of the two schemes listed in recital (1) for the period 1 January 2021 to 31 December 2021 and the increase in the budget of the SA.39869 (2014/N) scheme. The increase of EUR 15 million (BGN 30 million) relates to the one year prolongation of the scheme SA.39869 (2014/N) and does not represent an increase in its budget of more than 20 %. All the other conditions of the measures approved by the initial authorising decisions will remain unchanged⁶.
- (8) In their notification, the Bulgarian authorities have committed and confirmed that:
 - there are no other changes to the aid schemes than the prolongation by one year and the increase in the budget of the scheme SA.39869 (2014/N);
 - the granting of aid during the extended duration of the schemes will comply with all the basic requirements, common assessment principles and specific conditions on the basis of which the schemes were originally authorised;

⁴ Communication from the Commission concerning the prolongation and the amendments of the Guidelines on Regional State Aid for 2014-2020, Guidelines on State Aid to Promote Risk Finance Investments, Guidelines on State Aid for Environmental Protection and Energy 2014-2020, Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty, Communication on the Criteria for the Analysis of the Compatibility with the Internal Market of State Aid to Promote the Execution of Important Projects of Common European Interest, Communication from the Commission - Framework for State aid for research and development and innovation and Communication from the Commission to the Member States on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to short-term export-credit insurance. (OJ C 224, 8.7.2020, p. 2–4).

https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2020.224.01.0002.01.ENG&toc=OJ:C:2020:224:FULL

⁵ See footnote 4.

⁶ https://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=3_SA_45861
https://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=3_SA_39869

- the annual reports for the aid schemes have been duly submitted in respect of every calendar year in which the schemes applied.
- (9) The full description of the measures to be prolonged can be found in the respective initial authorising decision approving each scheme.

3. ASSESSMENT OF THE MEASURE

- (10) The two schemes constitute State aid within the meaning of Article 107(1) of the Treaty on the Functioning of the European Union ("TFEU") for the reasons set out in the initial authorising decisions⁷. The assessments on the existence of aid in the initial authorising decisions are not affected by the notified measure. The considerations set out in the initial authorising decisions, therefore, continue to apply.
- (11) Similarly, the Commission's compatibility assessment under the EEAG and the RAG set out in the initial authorising decisions is not affected by the notified measure. The present notification does not lead to any modification of the schemes, with the exception of the prolongation of the measures by one year and the related increase in the budget of the measure SA.39869 (2014/N).
- (12) The provisions of the EEAG and the RAG, which were relevant for the assessment of the schemes in the initial authorising decisions, remain unchanged.
- (13) Considering the above and the commitments⁸ notified by the Bulgarian authorities, the Commission maintains the assessment made in the initial authorising decisions, and finds that the notified modifications are compatible with the internal market pursuant to Article 107(3)(c) TFEU.

4. CONCLUSION

The Commission has accordingly decided not to raise objections to the aid on the grounds that it is compatible with the internal market pursuant to Article 107(3)(c) of the Treaty on the Functioning of the European Union.

Yours faithfully,

For the Commission

Margrethe VESTAGER
Executive Vice-President

⁷ See SA.45861 (2016/N) recitals (38) – (42) ; SA.39869 (2014/N) recitals (42) – (47).

⁸ See recital (8).