

## **Instructions for Member States to provide the annual report on state aid expenditure**

**Deadline to submit the annual report: 30th June 2012**

### **I. GENERAL PROVISIONS ON THE PROCEDURE**

1. Member States shall provide an annual report on state aid expenditure for existing state aid measures according to the provisions laid down in Chapter III and Annex III A ("the reporting obligation") of Commission Regulation (EC) No 794/2004<sup>1</sup> implementing Council Regulation (EC) No 659/1999.<sup>2</sup> With respect to Annexes III B and III C of Regulation No 794/2004, DG Agriculture and Rural Development and DG Maritime Affairs and Fisheries will collect those annual reports.
2. DG Competition will provide to Member States the pre-completed information on existing aid measures via the IT tool SARI (State Aid Reporting Interactive), which was successfully tested by some Member States in previous years.
3. Member States are requested
  - To provide the annual expenditure for the year 2011;
  - To provide information on co-financing, the type of expenditure reported and whether the aid measure has expired;
  - To revise where necessary historical expenditure data (2006 - 2010);
  - To verify the pre-completed information for the newly introduced aid measures for 2011. If you identify a clear mistake, please indicate it by providing a comment. After verification, the Commission services will correct it.
4. With respect to reporting on aid granted under the Temporary Framework and on crisis aid granted for the financial sector, you will find guidance in Annex D and Annex E respectively.
5. To help you complying with the reporting obligations laid down in point 10.1.1 of the Community Framework for Research and Development and Innovation<sup>3</sup> a template is provided. Although it remains optional, the Commission strongly recommends using this template. You also receive a list of R&D&I cases, both new cases decided in 2011 and existing cases decided in previous years. As to the latter, you are asked to indicate in the list whether measures have expired or the measure has expired but aid is still paid.

Should you need assistance, please contact the official in charge of the Member State support desk which Annex C provides.

### **When and how to return the annual report and the R&D&I specific report**

6. In line with Article 6 of Regulation 794/2004, the completed annual report shall be returned to the Commission not later than **30<sup>th</sup> June 2012** by validation of all existing aid measures in SARI.

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<sup>1</sup> OJ L 140, 30.4.2004, p. 1.

<sup>2</sup> OJ L 83, 27.3.1999, p. 1.

<sup>3</sup> OJ C 323, 30.12.2006, p. 1.

[http://ec.europa.eu/comm/competition/state\\_aid/legislation/horizontal.html](http://ec.europa.eu/comm/competition/state_aid/legislation/horizontal.html).

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7. Specific reporting on R&D&I measures as laid down in point 10.1.1 of the Community Framework for Research and Development and Innovation shall be sent by e-mail together with the annual report to the same e-mail address [stateaidgreffe@ec.europa.eu](mailto:stateaidgreffe@ec.europa.eu), not later than **30<sup>th</sup> June 2012**.

## **II. HOW TO COMPLETE THE ANNUAL REPORT**

### **In SARI**

8. SARI provides Member States with pre-filled information on existing aid measures for which Member States shall complete the annual expenditure. For your information, you also receive aid measures which have expired.
9. By selecting a case from the list of cases, you open the individual case and there you open the expenditure rows which you complete. Where you encode no or zero expenditure, you shall provide a comment by which you provide further information to the Commission services assisting them to evaluate your information and thereby avoiding requests for clarification. In any event, SARI allows users to encode expenditure information, co-financing information, general comments to be a permanent remark and individual comments.
10. Should you identify an error in the pre-completed information, please provide your suggestion by a comment. After verification, the Commission services will correct the information.
11. Before you can encode expenditure information for newly introduced aid measures i.e. those measures which were decided in 2011 or implemented under the General Block Exemption Regulation<sup>4</sup> introduced for the year 2011, you shall verify the pre-completed expenditure rows. If you identify an error or some of the expenditure rows may require a change, you must make a modification request to the Commission services via SARI.
12. About SARI and its use, please see the user manual which you find in SARI.

## **III. WHAT'S NEW**

13. As from 2012, SARI will be the tool through which Member States provide their annual report on state aid expenditure for existing aid measures. A user manual can be found in SARI. Furthermore, an online tutorial gives a short training on SARI. In this respect, amendments and clarification were introduced for some data fields.
14. The guidance for Member States to report on crisis aid for the financial sector has been amended.
15. Annex E which is the guidance on reporting state aid expenditure for financial crisis aid have been amended by providing examples on how to calculate the amount used for the specific aid instrument.

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<sup>4</sup> Commission Regulation (EC) 800/2008, OJ L 214, 9.8.2008.

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### IV. DESCRIPTION OF SOME DATA FIELDS

Field MS Id: Member States use this field to label a case for decentralised data collection. Usually, this field is encoded by the local administrator of SARI.

Field Original title: In the present SARI version, it cannot be excluded that special characters in some languages may still be shown by a "?". It will be correct when SARI is fully multilingual.

Field Classification: Certain categories of State aid measures receive a label through a specific code for the individual measure:

- Financial crisis case
- Temporary Framework case ("TF") – 500K
  - TF – Guarantee
  - TF – Reduced interest rate loans
  - TF – Reduced interest rate loans for production of green products
  - TF – Risk capital
  - TF – Export credit
  - TF – 15K (Agriculture)
- Environmental case: direct impact of aid measure
- Env. case: indirect impact of aid measure

Field Aid number<sup>5</sup>: Aid registration number as attributed by DG Competition.

Field Aid Link: Reference to a previous aid number, e.g. following a renewal or an amendment.

If an old measure is prolonged by which the Commission adopted a new decision, i.e. a new aid number is created, you report the expenditure under the old aid number **only until the old measure expires** and provide a comment that this measure has expired. As from the moment when the new measure becomes operational, you report the expenditure **only under the new aid number**. You will find an example below where an aid measure decided in 2001 was prolonged in 2008.

Title	Aid number	Aid link	Expired	2007	2008	2009	2010
XXX	N x/2001	N xx/2007	Yes	100	<i>do no longer report here</i>		
XXX-prolonged	N xx/2007	N x/2001			100	100	100

<sup>5</sup> As to GBER-cases, the link to DG Competition's case register is provided however details will only be shown as soon as the case information is published on the website.

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Field Permanent remarks: You use this field to keep useful information about the case which is not specific for an individual year of expenditure.

Field Primary objective: Data refer to the objective of the aid at the time the aid was approved and not to the final beneficiaries of the aid. For example, the primary objective of a scheme which, at the time the aid was approved, was exclusively earmarked for small and medium-sized enterprises (SMEs) is aid for 'SMEs'. However, another scheme for which all aid was ultimately awarded to SMEs is not regarded as such if, at the time the aid was approved, the scheme was open to all enterprises. Annex B provides a complete list of objectives. This list has been slightly adapted to bring it into line with the list available in the electronic notification system, SANI. If an aid scheme has distinct parts with different primary objectives, e.g. a general economical development scheme may have R&D, employment and training objectives, separate entries have been created for each distinguishable part.

The reporting obligation requires Member States to provide expenditure *inter alia* per primary objective. For aid measures falling under Commission Regulation (EC) No 800/2008<sup>6</sup> ("GBER"), the summary information sheet only refers to objectives. In order to align the GBER-specific objectives with the reporting obligation for Member States, the Commission provides for each objective the corresponding primary objective, according to the match list provided in Annex B – the objective of the individual GBER measure is given in column "Objective" of SARI. You encode no expenditure for the individual objective but mark in the field Type of data "GBER reporting is above" and you provide the expenditure information in the first appearance of the corresponding primary objective. If a GBER measure contains more than one primary objective, you shall report expenditure as per primary objective.<sup>7</sup>

Field Objective: A secondary objective is one for which, in addition to the primary objective, the aid was exclusively earmarked at the time the aid was approved. For example, a scheme for which the primary objective is R&D may have as a secondary objective SME if the aid was earmarked exclusively for SMEs. In this context, all measures approved under Commission Regulation (EC) No 364/2004 of 25 February 2004 amending Regulation (EC) No 70/2001, should be classified as primary objective 'R&D' and secondary objective 'SME'.

In case of a GBER measure, the objective is mentioned here.

Field Sector: Data refer to the single sector to which the aid was exclusively earmarked at the time the aid was approved and not to the final beneficiaries of the aid. Sectoral information is filled in by the Commission services according to the aid decision. If the measure is earmarked for more than three different sectors, the sector information is replaced by the mention "sector specific". The

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<sup>6</sup> OJ L 214, 9.8.2008, p. 3.

<sup>7</sup> If despite multiple primary objectives only one expenditure figure is provided for the entire GBER measure, this figure will be split on a pro-rata basis across all primary objectives unless a zero is provided for all other primary objectives.

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sectoral classification is based on NACE Rev. 2.<sup>8</sup>. If there is a clear mistake, please indicate it by a comment. After verification, the Commission services will correct it.

Field Type of aid: Aid measures are distinguished by 3 categories: scheme, individual application within a scheme and *ad hoc* aid, which is individual aid awarded outside of a scheme.

It is important to distinguish expenditure between an individual application within a scheme and *ad hoc* aid. Expenditure for an individual application within a scheme must already be included in the expenditure for the relevant scheme in order to avoid double counting of expenditure.

Field Assisted regions Art.107(3): Aid may, at the time of approval, be exclusively earmarked for a specific region or group of regions. Where appropriate, a distinction is made between the following categories: 'A' denoting Article 107(3)a TFEU regions, 'C' denoting Article 107(3)c TFEU regions, 'M' denoting a mix of Article 107(3)a TFEU and Article 107(3)c TFEU regions whereas 'N' or empty denoting non-assisted regions.

Field Aid instrument: The name of the aid instrument is repeated from information provided with the notification or the summary information sheet (GBER).

If you need to add or correct an aid instrument for a newly introduced aid measure, you must send a modification request via SARI to the Commission services who will introduce the relevant information, after verification with the case team.

Aid instrument in English language (in SARI)		Translation of the aid instrument	
		<p><b>[!DGT shall include in this section below the translations of the left columns and leave the EN language text unchanged, so the reader in the Member State can compare the EN text with the text in the language of the Member State.]</b></p>	
<b>Main categories</b>	<b>Other categories which will be aggregated under the main category</b>		
Direct grant			
	Interest subsidy		
	Subsidised services		

<sup>8</sup> NACE Rev 2 is the Statistical classification of economic activities in the European Community. See [http://epp.eurostat.ec.europa.eu/portal/page/portal/product\\_details/publication?p\\_product\\_code=KS-RA-07-015](http://epp.eurostat.ec.europa.eu/portal/page/portal/product_details/publication?p_product_code=KS-RA-07-015).

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Tax allowance			
	Tax base reduction		
	Tax rate reduction		
	Tax deferment		
	Fiscal measure		
	Other forms of tax advantage		
	Debt-write off		
	Reduction of social security contributions		
Other forms of equity interventions			
	Provision of risk capital		
Soft loan			
	Reimbursable grant		
	Repayable advances		
Guarantee			

**Field Expired:** As the Commission is not always informed of aid schemes which are no longer in operation, please indicate those schemes which have been abolished and those where all payments to aid beneficiaries have been completed.

Please encode a short comment for the relevant case by which you request to move the case into expired. If the use of only one aid instrument has expired while for others expenditure is still expected in future, you mark this particular aid instrument by "Expired for this aid instr." in the field Type of data of the relevant aid instrument.

**Field Co-financed:** Although Community funding itself is excluded, total State aid for each Member State shall include aid measures that are co-financed by Community funding.

In order to identify which measures are co-financed and estimate how much such aid represents in relation to overall state aid, the relevant case has received co-financed 'Yes' or 'No' on the basis of information provided with the notification or summary information sheet. You can also change it.

**Field Co-financing percentage:** In order to estimate the share of national funding in a measure that is co-financed and which can be considered as state aid as defined under

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Article 107(1) TFEU, you shall indicate the national state aid percentage of the total aid.<sup>9</sup> For example, if a measure is co-financed by 75% from Community funding and hence 25% is national funding, then the co-financing percentage is 25. If the co-financing percentage varies over the years, please put the average percentage over the duration of the measure.

When co-financing is set to 'Yes', SARI provides you with the field "co-financing percentage" into which you fill-in the figure.

Field Type of data: Generally, figures should be expressed in terms of actual expenditure (or actual revenue foregone in the case of tax expenditure). Where final data on payments are not available at all, commitments or budget appropriations should be provided. Hence, you may choose Expenditure, Commitment or Budget.<sup>10</sup>

Fields Expenditure: Generally, expenditure information relate to non-crisis aid as well as to crisis-related aid. While the description below on reporting of expenditure is generally applicable for all existing aid measures, please consult Annex D and Annex E respectively which give more guidance on reporting of aid granted under the temporary framework and aid granted to the financial sector.

All historical expenditure can be made visible but only the past 5 years can be updated if necessary. If you update historical data and a significant difference exists between old and revised expenditure, you shall provide a comment.

Starting from the year of the Commission decision, you shall provide either a **figure or zero**. Measures authorised but not yet in force receive a zero. For any zero reporting, you shall provide a comment in order to provide clarity and explanation for the Commission services, as otherwise a need for clarification is likely to arise. Expenditure can be left blank only if an aid measure is included in SARI but is pending a Commission decision and no expenditure has occurred yet.<sup>11</sup>

If aid was granted but partially or fully recovered, you shall not take into account any amount recovered.

Generally, figures should be expressed in terms of actual expenditure (or actual revenue foregone in the case of tax expenditure). Where final data on payments are not available at all, commitments or budget appropriations should be provided. Hence, you may choose Expenditure, Commitment or Budget.<sup>12</sup> Expenditure figures should cover all national aid measures including those that are co-financed. However, EU funding itself shall be excluded. Figures shall be

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<sup>9</sup> Total aid is the national state aid plus the Community aid and aggregates to 100%.

<sup>10</sup> If Commitment or Budget were chosen in previous years and actual expenditure is available for these years, you update the expenditure and indicate Expenditure in Type of data. Please avoid mixing Commitment or Budget with Expenditure for the same aid measure in consecutive years.

<sup>11</sup> For instance in non-notified measures.

<sup>12</sup> If Commitment or Budget were chosen in previous years and actual expenditure is available for these years, you update the expenditure and indicate Expenditure in Type of data. Please avoid mixing Commitment or Budget with Expenditure for the same aid measure in consecutive years.

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expressed in million of the national currency which is in application at the time of the reporting period and which is indicated in SARI.

Depending on the aid instrument, you shall provide the aid element possibly together with the nominal amount. For direct grant, interest subsidy and any forms of tax exemptions, only the aid element is required. For the categories equity participation, loan and guarantee both the nominal amount of the aid and the corresponding aid element shall be provided.<sup>13</sup>

With respect to crisis aid granted to the financial sector, you shall report only the amount used which is to encode in the field Nominal amount in SARI. For more detail on the calculation method, see Annex E.

As regards aid granted under the temporary framework, see Annex D on the method of calculation of the aid element.

**Comments:** SARI provides to add a comment for the case and for each expenditure row. In any event, you shall provide a comment whenever you wish to inform the Commission services about certain details, e.g. to accompany your zero or 'empty' reporting, to explain a change in historical data, to correct pre-completed case information, or any other comment that gives the reason for your reporting. Your comments are very much appreciated by the Commission services and helps avoiding subsequent requests for clarification.

### **For information only**

**Fields Duration start and Duration end:** this data refer to information which was available when the aid was authorised. In instances where no such information was provided, the case team may have made an estimate on the duration of the aid measure. Only where absolutely necessary, this information shall be changed whereby you shall provide the new Duration end by a comment.

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<sup>13</sup> For example: A loan of €100 million is granted under a particular aid measure. Hence, the nominal amount of the loan is €100 million while the aid element is much smaller, e.g. €1 million.



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### **ANNEX A: DECENTRALIZED DATA COLLECTION IN THE MEMBER STATE**

SARI supports a decentralised collection of data for the annual report if a Member State has organised its state aid management in such way. You will find more detail on distributed input in the SARI user manual.

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### ANNEX B

#### LIST OF PRIMARY AND SECONDARY OBJECTIVES

Closure aid  
Compensation of damages caused by natural disaster  
Culture  
Employment  
Energy saving  
Environmental protection  
Execution of an important project of common Europe  
Heritage conservation  
Innovation  
Promotion of export and internationalisation  
Regional development  
Remedy for a serious disturbance in the economy  
Rescuing firms in difficulty  
Research and development  
Restructuring firms in difficulty  
Risk capital  
Sectoral development  
Services of general economic interest  
SMEs  
Social support to individual consumers  
Training

#### Match list GBER objectives and Primary Objectives<sup>14</sup>

Primary objective	GBER Objective
Employment	Aid for the recruitment of disadvantaged workers in the form of wage subsidies (Art. 40 GBER)
	Aid for the employment of disabled workers in the form of wage subsidies (Art. 41 GBER)
	Aid for compensating the additional costs of employing disabled workers (Art. 42 GBER)
Environmental protection	Investment aid enabling undertakings to go beyond Community standards for environmental protection or increase the level of environmental protection in the absence of Community standards (Art. 18 GBER)
	Aid for the acquisition of transport vehicles which go beyond

<sup>14</sup> The match list only shows those Primary objectives for which a match is possible with GBER objectives.

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	Community standards or which increase the level of environmental protection in absence of Community standards (Art. 19 GBER)
	Aid for early adaptation to future Community standards for SMEs (Art.20 GBER)
	Environmental aid for investment in energy saving measures (Art. 21 GBER)
	Environmental investment aid for high efficiency cogeneration (Art. 22 GBER)
	Environmental aid for the promotion of energy from renewable energy sources (Art. 23 GBER)
	Aid for environmental studies (Art.24 GBER)
	Environmental aid in the form of tax reductions (Art. 25 GBER)
Innovation	Aid to young innovative enterprises (Art. 35 GBER)
	Aid for innovation advisory services and for innovation support services (Art. 36 GBER)
	Aid for the loan of highly qualified personnel (Art. 37 GBER)
Regional development	Regional aid Scheme
	Regional Ad hoc aid (Art. 13.1 GBER)
	Aid for newly created small enterprises (Art.14 GBER)
Research and development	Fundamental research (Art. 31.2.a GBER)
	Industrial research (Art. 31.2.b GBER)
	Experimental development (Art. 31.2.c GBER)
	Aid for technical feasibility studies (Art. 32 GBER)
	Aid for industrial property rights costs for SMEs (Art. 33 GBER)
	Aid for research and development in the agricultural and fisheries sectors (Art. 34 GBER)
Risk capital	Aid in the form of risk capital (Art. 28 - 29 GBER)
SMEs	SME investment and employment aid (Art.15 GBER)
	Aid for small enterprises newly created by female entrepreneurs (Art. 16 GBER)
	Aid for consultancy in favour of SMEs (Art. 26 GBER)
	Aid for SME participation in fairs (Art. 27 GBER)
Training	Specific training (Art. 38.1.GBER)
	General training (Art. 38.2. GBER)

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### ANNEX C – MEMBER STATE SUPPORT DESK

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<p>Mr Marek TOTH</p> <p><a href="mailto:marek.toth@ec.europa.eu">marek.toth@ec.europa.eu</a>; +32 229-66262</p>	<p>Austria, Cyprus, Czech Republic, Denmark, Latvia, Slovakia</p> <p>Backup for: Germany, Estonia, Hungary, Finland, Malta, Netherlands, Poland, Slovenia,</p>
<p>Ms Maria Auxiliadora VALPUESTA CONTRERAS</p> <p><a href="mailto:maria-auxiliadora.valpuesta-contreras@ec.europa.eu">maria-auxiliadora.valpuesta-contreras@ec.europa.eu</a>; +32 229-67294</p>	<p>Italy, Spain</p> <p>Backup for: France</p>

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### **ANNEX D – Guidance for reporting on aid granted under the Temporary Framework**

#### **Introduction**

The Autumn 2012 State Aid Scoreboard will report again on Temporary Framework ("TF") issues from a state aid perspective. It will use data received in the annual report, usually in aggregated form, as background to its analysis.

As for all other aid measures, complete reports on expenditure must be provided on TF measures implemented in the reporting year 2011. In particular, data are requested for the nominal amount (e.g. the nominal amount of a loan granted or a guarantee issued) and for the relevant aid element of these measures.

#### **Guidance**

##### *General method*

- a) In instances where a TF measure is (i) a new *ad hoc* measure, (ii) a new scheme or (iii) a new framework scheme under which a number of new schemes may be implemented, the Member State simply reports expenditure under this TF measure.
- b) In instances where a TF measure (i) modifies an existing aid measure or (ii) the Member State uses one or more existing aid measures for its implementation, and hence aid is granted under TF conditions, the Member State reports the aid amounts (including the aid element) under the corresponding TF measure. By contrast, all aid that falls outside the aforementioned conditions (i) and (ii) shall be reported under the case number of the initially authorised non-TF measure.

In addition, the Member State is requested to provide in comment the case number of the existing scheme(s) for which the TF conditions apply.

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### ANNEX E – Guidance: Reporting on financial crisis cases for the State aid Scoreboard Autumn 2012 update

#### Introduction

The State Aid Scoreboard Autumn 2012 update will again report on the financial crisis from a State aid perspective. It will use data on financial crisis cases received in the annual reports from Member States, usually in aggregated form, as background to its analysis.

The total maximum volume of crisis measures approved until 1/10/2011 by the European Commission of around €4506.5 billion – as outlined in the autumn 2011 update<sup>15</sup> - represents the overall maximum amount of guarantee umbrellas, rescue and restructuring packages and other measures set up by Member States. The aid impact of these measures can only be assessed *ex post* depending on the actual implementation of the measures. The nominal amount (actual use) of crisis aid implemented in 2010 stood at €1608 billion.

As for all other aid measures, in accordance to Articles 5 and 6 and Annex III A of Commission Regulation (EC) No 794/2004, complete reports on expenditure shall be provided on financial crisis measures implemented in the reporting year 2011. Estimates provided in previous years shall be replaced by definitive data.

Like in the autumn 2011 State Aid Scoreboard, the aid granted to financial institutions is expressed by (i) **the approved amount of aid** and (ii) **the actually used amount of aid**. Since the aid element of such aid is not calculated for financial crisis cases, Member States have no longer to report it. While the approved amount of aid can be established from the Commission's decisions, the actually used amount of aid is based on expenditure reported by Member States. We have included for recapitalisation and impaired assets measures our internal estimates on the actually used amount of aid. In case Member States consider that the amount provided is not correct they can replace it providing a brief explanation in comment. When a measure does not include any value provided in advance by the Commission either the estimates is not available or no expenditure have been estimated for the year 2011. The scope of the information which has to be provided by Member States depends on the type of aid instrument - i.e. guarantees on liabilities, liquidity measures other than guarantees, recapitalisation and impaired assets. This is outlined below in more detail.

To facilitate the reporting on financial crisis aid we have indicated in SARI under which financial crisis instrument the measures related to your respective Member State have been classified; see table below on financial crisis instruments. In case Member States consider that another type of instrument fits better with the implementation of the measure, they should indicate which type of instrument and provide a brief explanation in comment.

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<sup>15</sup> See Report on [http://ec.europa.eu/competition/state\\_aid/studies\\_reports/studies\\_reports.html](http://ec.europa.eu/competition/state_aid/studies_reports/studies_reports.html).

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Financial crisis instrument in English language (in SARI)	Translation of the aid instrument  [!DGT shall include in this section below the translations of the left columns and leave the EN language text unchanged, so the reader in the Member State can compare the EN text with the text in the language of the Member State.]
Guarantee on liability	
Liquidity measures other than guarantees on liabilities	
Recapitalisation	
Impaired assets	
<i>If instrument is not established yet</i>	
To be assessed <sup>16</sup>	

### Guidance

*Please provide the data per financial crisis scheme and per individually approved aid measure (ad-hoc measure or individual application of a scheme).*

#### 1. Aid instrument: Guarantee on liabilities

**A) Please provide the overall volume of outstanding guarantees in 2011 calculated as the average of end of quarter (31 March; 30 June; 30 September; 31 December) outstanding amounts.**

The concept of "outstanding financial crisis aid" is aimed to adequately capture the outstanding amount of guarantees on liabilities, i.e. the amount of guarantees which might be called by the beneficiaries (and would then result in a payment by the State).

Hence, the outstanding amount is defined as the amount of guarantees *granted* minus the amount of guarantees which have already *expired* (or covering liabilities which have reached their maturity). In other words, the outstanding amount refers to the average exposure of the State in a given year. You provide this aid amount in the SARI field "Nominal amount".

The outstanding amount has to be calculated according to the methodology which is explained in the examples below.

#### Box 1: examples

<sup>16</sup> At the approval of the measure, the financial crisis aid instrument may not have been established and hence is marked as such.

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A guarantee of 10000 million is provided in Q4 (quarter 4) of year t. The guarantee will expire in Q2 of the year t+2. In Q3 of the year t+1 an overall amount worth 4 billions of financial instruments covered by the guarantee comes to maturity. This implies that from Q3 onwards the outstanding amount of guarantee is 6000 million.

The correct way to report the actually used aid amount for this guarantee in each year is:

Year t: 2500 million

Outstanding amount at the end of each quarter: Q1=0, Q2=0, Q3=0, Q4=10

Total=10000

Average outstanding amount of year t is  $10000/4 = 2500$  million

Year t+1: 8000 million

Outstanding amount at the end of each quarter: Q1=10, Q2=10, Q3=6, Q4=6

Total=32000

Average outstanding amount of year t+1 is  $32000/4 = 8000$  million

Year t+2: 3000 million

Outstanding amount at the end of each quarter: Q1=6, Q2=6, Q3=0, Q4=0

Total=12000

Average outstanding amount of year t+2 is  $12000/4 = 3000$  million

### **B) Please provide the additional amount of new aid granted in the year 2011.**

In addition to the information on the outstanding amount of aid, further information is required on new aid granted in order to enable rounding-up state aid expenditure across all financial sector instruments<sup>17</sup>.

Member State must report the nominal amount of all newly granted guarantees on liabilities during 2011, which have not been rolled over – i.e. they need to pay attention in avoiding double counting with respect to prolonged guarantees covering the same kind and amount of liabilities (pure roll-over should not be counted). You provide this aid amount in the SARI field "Aid element".

The examples below show how to report this amount for each instrument:

Box 2: examples

Year t = 2011<sup>18</sup>

Example 1:

In year t the state guarantees liabilities amounting to 10000 million for a specific bank and this expires in the second quarter of year t+2. The correct way to report the actually used amount for this guarantee on the liability measure is:

<sup>17</sup> The same methodology to report expenditure on guarantees on liabilities was used in 2008 and 2009 State Aid Scoreboard. In the next Scoreboard, for the sake of transparency, we have considered the scope to report the used amount of guarantees on liabilities and liquidity measures according to both concepts (average outstanding amounts and new aid actually granted). It should be noticed that such methodology mirror that used for recapitalisation and impaired assets.

<sup>18</sup> Please note that the reference to the year t+1 and t+2 is just included for clarifications purpose, nevertheless Member States have just to report data for the year 2011.



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Year t: 10000 million

Year t+1: 0

Year t+2: 0

Example 2:

In the second quarter of year t the state gives a guarantee on liabilities amounting to 10000 million for a specific bank, which is rolled over (prolonged) every three months. In the third quarter of the year t+1 the guarantee on liabilities is no longer prolonged. The correct way to report the actually used amount for this guarantee on liability measure is:

Year t: 10000 million

Year t+1: 0

Example 3:

In year t the state guarantees liabilities amounting to 10000 million, for a specific bank on a three months roll-over basis until the end of the first quarter of year t. In the second quarter of year t there is no guarantee on liabilities for this bank. A new guarantee on liabilities amounting to 7 billion is granted in the third quarter of year t, maturing in the first quarter of the year t+1. The correct way to report the actually used amount for this guarantee is:

Year t: 17000 million (10000 million plus 7000 million)

Year t+1: 0

Example 4:

In year t the state guarantees liabilities amounting to 10 billion for a specific bank on a three months roll-over basis until the end of the first quarter of year t. In the second quarter of year t the guarantee is rolled-over for the same amount. In the third quarter the guarantee is extended up to 20 billion. The guarantee will mature in the second quarter of the year t+1. The correct way to report the actually used amount for this guarantee is:

Year t: 20000 million (10000 million plus (20000-10000) million)

Year t+1: 0

### 2. Aid instrument: Liquidity measures other than guarantees on liabilities:

**A) Please provide the overall volume of outstanding guarantees in 2011 calculated as the average of end of quarter (31 March; 30 June; 30 September; 31 December) outstanding amounts.**

The concept of "outstanding financial crisis aid" is aimed to adequately capture the outstanding amount of liquidity measures other than guarantees, i.e. the amount of liquidity measures which has not yet been returned by financial institutions. In other words, the outstanding amount refers to the average exposure of the State in a given year. You provide this aid amount in the SARI field "Nominal amount".

The examples given above in box 1 for guarantees on liabilities apply for liquidity measures in the same way.

**B) Please provide the new additional amount of aid granted in the year 2011.**

## Instructions for Member States to provide the annual report on state aid expenditure

In addition to the information on the outstanding amount of aid, further information are required on the new aid granted in order to enable rounding-up state aid expenditure across all financial sector instruments<sup>19</sup>. You provide this aid amount in the SARI field "Aid element".

The examples given above in box 2 for guarantees on liabilities apply for liquidity measures in the same way.

### 3. Aid instrument: Recapitalisation measures

#### A) Please Report the overall nominal amount of the recapitalisation for 2011.

The capital injection has to be reported just once in the year it refers to. For this reason, even if part of the capital is returned by the beneficiary, this will not affect the way to report on the measure. You provide this aid amount in the SARI field "Nominal amount" and leave the field "Aid element" empty.

Box 3: example

In year t the state injects 10 billion in the capital of a bank. In year t+1 the bank returns to the government 5 billion. The correct way to report the actually used aid amount for this recapitalisation is:

Year t: 10000 million

Year t+1: 0

### 4. Aid instrument: Impaired assets

#### A) Please report the nominal amount implemented in 2011 calculated as the transfer value of the assets minus their market value, in accordance with the impaired assets communication. The decision usually specifies it.

As in the case of recapitalisation, impaired assets measures need to be reported only once in the year it refers to. You provide this aid amount in the SARI field "Nominal amount" and leave the field "Aid element" empty.

The example provided above in box 3 for recapitalisation applies to impaired assets too.

## General reminder

### A) Restructuring aid:

How to avoid double counting in case of aid granted as rescue aid which remains active during the restructuring phase.

Example 1:

A bank received rescue recapitalisation of 10 billion in year t, then the recapitalisation is confirmed in the restructuring in year t, and another 5 billion recapitalisation is

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<sup>19</sup> The same methodology to report expenditure on guarantees on liabilities was used in 2008 and 2009 State Aid Scoreboard. In the next Scoreboard, for the sake of transparency, we have considered the scope to report the used amount of guarantees on liabilities and liquidity measures according to both concepts (average outstanding amounts and new aid actually granted). It should be noticed that such methodology mirror that used for recapitalisation and impaired assets.

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given in year t: the total amount of aid in year t given to the bank is 15 billion (10 billion rescue aid plus 5 billion restructuring aid); however, it is not 25 billion (10 billion rescue aid plus 15 billion restructuring).

### **Example 2:**

A bank received guarantees on liabilities of 10 billion in year t, then the guarantees on liabilities are confirmed in the restructuring in year t+1, and another 5 billion guarantees on liabilities is given in year t+1: the total amount of aid given to the bank is 10 billion in year t and 5 billion in year t+1 (10 billion in the rescue phase in year t plus 5 billion in the restructuring phase in year t+1); however, it is not 25 billion (10 billion rescue aid plus 15 billion restructuring).

**B) In all instances where you report a zero value in 2011, please provide reasons in comment.**

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### **ANNEX F – HISTORY OF MOST IMPORTANT CHANGES**

#### *Introduced in 2011*

##### **Amended guidance on reporting crisis aid for the financial sector**

The guidance for Member States to report crisis aid for the financial sector has been amended. See Annex E.

#### *Introduced in 2010*

##### **New column: Category**

For the purpose to identify certain categories of State aid measures more easily, a specific code is given to the individual case. You will find the specific codes further below.

##### **Primary objective – Match with objective(s) of aid measures falling under Commission Regulation (EC) No 800/2008**

The reporting obligation requires Member States to provide expenditure *inter alia* per primary objective. For aid measures falling under Commission Regulation (EC) No 800/2008<sup>20</sup> (hereinafter "GBER"), the summary information only recognises objectives. In this respect, the Commission provides for each objective the corresponding primary objective, according to the match list provided in Annex B – the objective of the individual GBER measure is given in column "Secondary Objective".

##### **Guidance: Reporting on financial crisis cases**

##### **Guidance: Reporting on aid granted under Temporary Framework conditions**

The Commission provides further guidance as to the reporting on financial crisis cases and aid granted under the Temporary Framework conditions; see annexes D and E.

#### *Introduced in 2009*

##### **Simplified categories for the field "Assisted region(s) Article 87"**

The categories identifying the different regions pursuant to Article 87(3)a) and c) have been simplified.

##### **Sector codes pursuant to NACE Rev 2**

With the entry into force of Regulation (EC) 1893/2006 of the European Parliament and of the Council<sup>21</sup>, the statistical classification of economic activities in the Community shall use the NACE Revision 2 as from 1 January 2008.

As to all existing measures, the Commission services converted the sector code according to the conversion table provided by Eurostat<sup>22</sup>. With regard to measures decided in 2008, the new codes were introduced as provided either through SANI or by the case handler.

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<sup>20</sup> OJ L 214, 9.8.2008, p. 3

<sup>21</sup> OJ L 393, 30.12.2006, p. 1

<sup>22</sup> [http://epp.eurostat.ec.europa.eu/portal/page/portal/product\\_details/publication?p\\_product\\_code=KS-RA-07-015](http://epp.eurostat.ec.europa.eu/portal/page/portal/product_details/publication?p_product_code=KS-RA-07-015)

## **Instructions for Member States to provide the annual report on state aid expenditure**

### **Link to state aid case register**

While the aid number generally allows activating a link that shows the case register information when doubled-clicked, the new DG Competition case register will show GBER cases only when they become displayed in the course of the foreseeable future.

### ***Introduced prior 2009***

Expired aid measures are visible in the spreadsheet but the rows are painted grey. No data should be added to these measures unless the measure has been incorrectly marked as expired in which case this should be pointed out in "Comments and explanations from Member State" column. To reduce the length of the spreadsheet, expired measures can be hidden by setting the filter of this column to "No".

The aid number allows activating a link that shows the case register information when doubled-clicked.