



EUROPEAN COMMISSION
Competition DG

Annual report on State aid expenditure 2018 (expenditure of 2017) – Guidelines for Member States

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1. WHAT'S NEW?

There is no major change in the reporting application this year.

2. HOW TO COMPLETE THE REPORT

In order to facilitate the Member States' reporting obligation on the aid granted in a given year, SARI provides a list of existing aid measures¹ by country known to the Commission². These measures contain pre-filled information³ known at the time of the approval of the aid or, for GBER measures, indicated on the summary information sheet. Please verify carefully this information. If an error is detected, the case can be sent back to the Commission by using the functionality “change request”⁴. The “Change request” is available for the profile “user” and for cases in “received status”, and it must be approved by the signatory. To ensure a quick treatment of the request, please also send an email to comp-sari@ec.europa.eu. After verification, the Commission services will make the appropriate changes to the pre-filled information and send the case back to you.

2.1 Old cases (decisions before 2017 and (G)BER information sheets registered before 2017)

All cases arrive in “received status”. Before starting to report expenditure, you may generate or modify expenditure rows and then turn them into “draft”. To display each case, simply select and open individual cases from the list. If no change to the reporting rows is needed then simply do “draft” and the rows created and the expenditure encoded will reappear, as in the previous reporting exercise. If some rows have to be added or deleted (in case no expenditure was ever reported for this row), the user can make necessary changes and then change the status to “draft”. Once the measure is in status “draft”, the user can start fill in the expenditure amounts in the respective expenditure rows. SARI allows users to encode expenditure information, co-financing information, permanent remarks and comments on both the entire case and on individual expenditure rows. Where applicable⁵, Member States can also set a measure to expired status so that the measure will not be resent for reporting in the following reporting exercise.

¹ Financial crisis cases are not included in SARI.

² It is recalled that the service offered by the Commission does not exempt the Member States from the responsibility to report on any aid granted, whether or not reported in the list.

³ See Annex III A of Commission Regulation (EC) No 794/2004 of 21 April 2004 implementing Council Regulation (EC) No 659/1999 laying down detailed rules for the application of Article 93 of the EC Treaty, Official Journal L 140, 30.04.2004.

⁴ The “change request” function was previously limited to new cases, it is now available for all cases.

⁵ When no more expenditure under this measure is expected in the future

2.2 New cases (2017 decisions, (G)BER information sheets registered in 2017 and GBER information sheets registered in 2018 but with “duration start” date in 2017)

For new cases added to SARI in 2018, the reporting rows have to be generated for the first time by a user with the profile “User”.

The user creates for each new case the relevant rows for the reporting year. The objective, instrument, sector, region ... for which State aid expenditure will be reported must be chosen from drop down lists and the reporting row is created on this basis.

The system allows to select only one instrument and one objective per expenditure row. Consequently and exceptionally, in the particular circumstances where several objectives/instruments must be assigned to the same single expenditure row, the case must be sent back to the Commission with appropriate comment indicating (i) the specific multiple conditions that should apply (ii) the justifying reasons for it.

For cases notified or submitted before 2017, it is not possible to delete an existing expenditure rows if expenditure has been already reported. However, new rows can be added or rows for which expenditure has never been reported can be deleted.

This workflow is explained in details in ANNEX B and in the user's manual.

When all relevant expenditure rows have been created/adjusted, the case can be turned into “draft” and the reporting of expenditure amounts can be done.

Member States users can find in the SARI user manual, a detailed descriptions of relevant screens and workflows as implemented in the SARI application⁶.

3. DEADLINE

Member States should ensure that the complete annual report is returned to the Commission by validation in SARI by 30 June 2018 at the latest.

4. WHOM TO CONTACT

Member States can contact the Commission via the functional mailbox on COMP-SARI@ec.europa.eu

⁶ SARI start page, at the bottom of the left column.

ANNEX A: DESCRIPTION OF SOME DATA FIELDS

State aid case section (upper part, from left to right, from top to bottom)

Field "Aid no.": Aid registration number attributed by the Commission services. If there is no number, please put a reference to the Commission decision in the Member State Permanent Remark (if not yet done). This should happen only for old cases.

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

If an old State aid measure is prolonged via a new Commission decision with a new aid number, please report the expenditure which was disbursed until the expiration date of the old measure under the old aid number and afterwards please mark this measure as expired. From the moment the new measure becomes operational, please report the expenditure which was disbursed from the date the measure with the new aid number was valid, under the new number.

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.

For individual aid granted within a scheme, please encode the amount of the expenditure twice; once under the individual aid measure and once under the corresponding scheme.

If the qualification "Ad Hoc" or "individual application" is wrong (for example Individual application within a scheme is encoded rather than ad hoc) please request a change by using the "change request" button and send an email to COMP-SARI@ec.europa.eu, This distinction is important for the aggregation of data in the State aid scoreboard, for ex. Individual application within a scheme are excluded from the totals (to avoid double counting with the scheme expenditure); Ad Hoc measures are included in the State aid scoreboard aggregates.

Field "Co-financed": SARI indicates for every case whether it is co-financed or not. This is based on information provided in the notification or summary information sheet. For all cases with a decision year \geq 2016, the co-financed information is automatically pre-filled, when the information is available in the notification form or the summary information sheet. For other cases,

the "Co-financed" status must be changed by Member State users if necessary.

Field "Member State permanent remarks": Member States can use this field to enter useful information about the case which is not related to an individual year or particular expenditure. From 2015 on this field is only active for Member State users.

Field "European Commission permanent remarks": DG COMP uses this field to mention useful information about the case which is not specifically related to an individual year or particular expenditure. This field is only active for European Commission users.

Field "Classification": Certain categories of State aid measures receive a label through a specific code for the individual measure i.a. Environmental case: "direct impact of aid measure", "Env. case: indirect impact of aid measure", "Broadband case".

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

Fields "Duration start" and "Duration end": this data refer to information which was available when the aid was authorised. If this information was not provided by the Member States, the DG COMP case team may have made an estimate of the duration of the aid measure. If you want this information to be changed, please enter a request by using the "change request" button and send an email to COMP-SARI@ec.europa.eu .

Fields "Annual budget" and "Overall Budget": The fields contain information for the annual and/or total measure budget as declared by Member States in SANI. Depending of the case type, information can be available only in the field Annual or in the field Overall budget. A scheme will normally have an annual budget while an ad hoc measure will only contain information on the total budget.

Fields "Total aid amount" and "Total annual aid amount": In order to facilitate the verification by the Member States of the expenditure figures, the sum of all the aid amounts over all the years (including the amount in the reporting year) is computed in the "Total aid amount" field. In the "Total annual aid amount" field the total aid amount for the reporting year is reported.

"Case Expenditure Rows" section

Field "Aid instrument": The name of the aid instrument is taken from the information provided in the notification or the summary information sheet.

Field "Primary objective": Data refer to the objective (only applicable for non-block exempted measures) of the aid at the time the aid was approved and not to the final beneficiaries of the aid. If an aid scheme has several primary objectives, separate rows can be created in SARI.

Field "Secondary objective": this field appears only for non-block exempted measures and provides the secondary objective for which the aid was exclusively earmarked at the time the aid was approved⁷.

Field "Objective" : this field appears for block exempted measure only and provides the block exempted measure objective, from a list pre-filled with the objectives on the summary information sheet.

Field "Assisted region(s) Art.107(3)": Aid may at the time of approval be exclusively earmarked for a specific region or a group of regions. A distinction is made between the following categories: "A" refers to Article 107(3)(a) TFEU regions, "C" referring to Article 107(3)(c) TFEU regions, "M" referring to regions of which a part falls under Article 107(3)(a) TFEU and a part under Article 107(3)(c) TFEU and "N" or no value corresponds with non-assisted regions.

Field "Sector": Values here refer to the single sector for which the aid was earmarked at the time the aid was approved and not to the final beneficiaries of the aid. If the measure targeted more than three different sectors, the mention "not sector specific" appears. The sectoral classification is based on NACE Rev. 2⁸.

Field "Expired": In SARI, "expired" means that there won't be expenditure anymore under this measure. When finalising the data entry for a measure, Member States will receive a message asking them whether the measure should be "set to expire" in the following situations:

- The duration of the measure expires during or at the end of the reporting year
- The "Duration end" date of the measure precedes the reporting year
- The "Duration end" field is empty

Expired cases will not appear in the list of cases to report the following year.

Moreover, when a measure is completed before its formal end date, Member States users can set it to expire even if it has not reached their formal end date.

⁷ 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.

⁸ NACE Rev. 2 is the statistical classification of economic activities in the European Community. See <http://ec.europa.eu/eurostat/documents/3859598/5902521/KS-RA-07-015-EN.PDF/dd5443f5-b886-40e4-920d-9df03590ff91?version=1.0>.

If a user sets a case to expire by mistake, the case can be reactivated by pushing the button "Set to expire no". If the measure has already been submitted to the Commission, only the Commission can reactivate the case.

If only one aid instrument of a measure has expired and the others are still active, users can mark this particular aid instrument by "Expired for this aid instr." in the field "Type of data" for this aid instrument.

Fields Expenditure: Expenditure information presented here concerns non-crisis aid.

The aid instrument for a measure defines whether the Member States should report expenditure only in the column "aid element" or both in this column and in the column "nominal amount".

Whenever the aid instrument is a direct grant, an interest subsidy or a form of aid award that corresponds to its nominal amount, only the aid element has to be filled out. When the aid instrument is a loan, a guarantee, equity participation, a tax advantage, a tax exemption or other forms of tax advantage and tax deferral, an extra field "nominal amount" will be created automatically in SARI⁹.

Please fill out the actual expenditure (or actual revenue foregone in the case of tax expenditure). If final data on payments is not yet available, please provide the amounts corresponding to commitments or budget appropriations and choose the appropriate value in the "Type of data" column (see also the explanation on Field "Type of data"). Figures shall be expressed in the national currency which is in force at the time of the reporting period.

In line with the principle of own responsibility for the correctness and quality of the data reported, as of this year, Member States do not have to justify any longer why no expenditure has been made on an active aid measure. Therefore they can report zero as expenditure without having to give additional explanation¹⁰.

When Member States report expenditure for cases for which a recovery procedure has been launched (final decision = "Negative decision with recovery"), the full amount of the aid disbursed has to be reported, irrespective of the fact that the aid was partially or fully recovered. No correction for the past shall be made. In SARI the aid is reported at the time it was disbursed. The fact that it is recovered later on has no impact on the reporting.

⁹ For example: A loan of EUR 100 million is granted under a particular aid measure. Hence, the nominal amount of the loan is EUR 100 million while the aid element is much smaller, e.g. EUR 1 million.

¹⁰ The Commission nevertheless reserves the right to request additional explanation when zero is reported.

Member States shall provide in the field "Aid element" (and if applicable also in the field "Nominal amount") the **full amount of aid granted under a measure, including the part co-financed by Structural Funds**. Member States shall also provide the figure corresponding to the percentage of national financing in the field "National Co-financing" (previously called "Co-financed (%)")¹¹.

Expenditure reported in the previous years is visible and can be updated up to 5 years in the past. Please provide a comment if a significant¹² difference exists between the old and the new amount. If Member States want to correct expenditure for expired measures they need to ask COM to reactivate them.

Field "National Co-financing percentage": The co-financing percentage has to be provided for every year with an expenditure reported.

Field "Type of data": One of the following values shall be filled out in this field:

- Expenditure
- Commitment
- Budget
- Expired for this aid instr.

As a rule, figures shall be expressed as actual expenditure (or actual revenue foregone in the case of tax expenditure). Where final data on payments are not available, commitments or budget appropriations can be provided instead. When using Commitments or Budget appropriation, this must be understood as estimates of the actual expenditure, it should be therefore reported instead of expenditure in the year the expenditure was actually made¹³ and should be replaced by the actual expenditure when it is available. Amounts granted should not be recorded twice i.e. once as "commitment" in year "t" and once as "actual expenditure" in year "t+1".

If Commitment or Budget were chosen in previous years and the actual expenditure is now available for these years, please update the amount(s) and replace "Commitment" or "Budget" by "Expenditure" in the column "Type of data".

¹¹ Example: In 2014 an aid amount of EUR 200 million is provided to beneficiaries under the co-financed aid measure X and this expenditure is co-financed for 85% via European Union funds and for 15% through national funding. Member States should encode "200" in the field "Aid element" and "15" in the new field "National Co-financing".

¹² A difference of more than 20 % is considered to be significant.

¹³ For example if EUR 1 million was committed in year t-1 for an expenditure made in year t but the the actual expenditure in year t is not yet known at the time of reporting, the commitment must be used as an estimate for the expenditure in year t; If the actual expenditure is known later, then in the next reporting exercise, the estimate must be replaced by the actual figure.

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Comments: Users can add comments related to the entire case and/or for each specific expenditure row.

ANNEX B: GENERATION OF EXPENDITURE ROWS AND NEW WORKFLOW

2017 decisions and information sheets registered in 2017

All cases sent to Member States have a "received status" allowing users to generate relevant expenditure rows. By default, for all new cases, the cases are received without any pre generated expenditure rows.

The expenditure rows will be defined by choosing the relevant combinations of the dimensions appearing in drop down lists, based on the information provided in the (G)BER submissions or notifications:

- Aid instrument : only one aid instrument must be chosen for one expenditure row
- Primary objective: for non-(G)BER cases only, one primary objective can be chosen
- (Secondary) objective: One objective can be chosen if one primary objective has been selected otherwise the information is mandatory (e.g. (G)BER cases)
- Region(s): One or several region(s) can be chosen.
- Assisted region(s): One or several assisted region status(es), corresponding to the previously selected regions, can be chosen.
- Sector(s): One or several sector(s) can be chosen.

In the particular cases where several objectives or instruments must be assigned to the same single expenditure row, the case must be sent back to the Commission.

As soon as the user has defined the appropriate combination(s) on which expenditure should be reported, the case can be set to draft to start providing expenditure as in previous reporting exercises.

ANNEX C: DETAILED DESCRIPTION OF VALIDATION RULES

1. Mandatory fields and the corresponding rules

The warning messages appear only when the case is in status "draft".

The warning message(s) will only disappear if you press the button "Save" after you have corrected the information or provided the requested comments. Otherwise the system will maintain the warning message(s) until the case is finalized.

"Aid element" missing

Solutions:

- Provide the amount corresponding to the aid element (zero is allowed)
or
- Add a comment under the section "Missing reporting".

Standard comments:

- Case not used during the reporting year
- Further disaggregation of the aid element by objective or region is not possible
- Other, please explain.

"Type of data" missing

Solutions:

- Select a "type of data" from the drop-down menu
or
- Provide a comment under the section "Missing reporting"
 - * If in an expenditure row the field "aid element" contains a figure, the user will have the option to select "type of data" from the drop-down menu and will not need to provide a comment.
 - * If a comment under the section "Missing reporting" is already provided for another reason (e.g. "case is not used in the reporting year"), the user will not need to provide additional comment.

Standard comments:

- Case not used during the reporting year
- Further disaggregation of the aid element by objective or region is not possible
- Other, please explain.

"Nominal amount" missing

Solutions:

- Provide the figure corresponding to the nominal amount (zero is allowed if the field "aid element" is empty or contains zero as well)
or
- Provide a comment under the section "Missing Nominal amount".

Standard comments:

- Tax measure, the exact nominal amount cannot be determined.
- Other, please explain.

"National Co-financing" percentage missing

Solutions:

- Provide the percentage of the total aid that is co-financed through national sources (zero is allowed in case the field "Aid element" contains a figure)
or
- Provide a comment under the section "Missing reporting".

Standard comments:

- Case not used during the reporting year
- Further disaggregation of the aid element by objective or region is not possible
- Other, please explain.

"Case expiry" warning message

Also see Annex A on field "Expired".

Solutions:

- Tick the box expired
or

- Explain in a comment why you need to keep the case active after the end date.

Standard comments:

- Residual payments as a result of earlier contracts and commitments
- Tax measure, payments continue a few years after the end of the measure
- Other, please explain.

Aid amount exceeds foreseen budget

This error message appears when the expenditure exceeds the annual or total budget. To facilitate the verification process, the field "Budget" shows the figures for the annual and total budget as notified by Member States to the Commission and the field "Total aid amount" displays the sum of the aid disbursed for a case since it entered into effect and the field "Total annual aid amount" shows the amount of aid paid out in the reporting year.

If the field "Overall budget" is empty, it will be considered to be zero which will trigger the warning message in case an amount other than zero is reported.

Solutions:

- Introduce correct expenditure figures
or
- Explain in a comment why the budget has been exceeded.

For GBER cases (= cases with the "procedure codes "X" or "XR", "XS", "XT") the warning message will appear if the "Total annual aid amount" for the reporting year exceeds the foreseen "Annual budget" by more than 20 %. If the field "Annual budget" field is empty, verification will be made against the figure in the field "Overall budget". If both fields are empty, the value for both fields will be considered to be zero. This will generate a warning message as soon as an amount other than zero is reported.

Solutions:

- Introduce correct expenditure figures
or
- Explain in a comment why the budget is exceeded with more than 20 %.

2. History of data input

In order to facilitate data recording and verification, this feature allows to see how expenditure figures have been modified since they were first encoded and by whom. This history is displayed by clicking on the clock icon next to the "Aid element" column in the "Case Expenditure Rows" section in SARI.

ANNEX D: METHODS OF ASSESSING THE AID ELEMENT

Member States have to calculate the aid element in such way that it reflects closely the market conditions. The Communication from the Commission on the revision of the method for setting the reference and discount rates offers more guidance on this: http://ec.europa.eu/competition/state_aid/legislation/reference_rates.html.

It is reminded that for the purpose of transparency, equal treatment and effective monitoring, the GBER applies only to aid in respect of which it is possible to calculate precisely the gross grant equivalent ex ante without the need to undertake a risk assessment ('transparent aid'). For certain specific aid instruments, such as loans, guarantees, tax measures, risk finance measures and, in particular, repayable advances, this Regulation defines the conditions under which they can be considered transparent. Aid comprised in guarantees should be considered as transparent if the gross grant equivalent has been calculated on the basis of safe-harbour premiums laid down for the respective type of undertaking. In the case of small and medium-sized enterprises (SMEs), the [Commission Notice on the application of Articles 87 and 88 of the EC Treaty to State aid in the form of guarantees](#) indicates levels of annual premium above which a State guarantee would be deemed not to constitute aid. See Article 5 of [Commission Regulation \(EU\) No 651/2014 of 17 June 2014](#) for further guidance.

ANNEX E: ADDITIONAL GUIDANCE FOR REPORTING ON AID GRANTED IN THE AGRICULTURAL AND FORESTRY SECTORS

Contact point within DG AGRI

Ms Katalin Kisban (+32 2 2975898) can be reached via the functional mailbox AGRI-STATE-AIDS-NOTIFICATIONS@ec.europa.eu.

DESCRIPTION OF SOME SPECIFIC DATA FIELDS

Fields for aid related to natural disasters, adverse climatic event which can be assimilated to natural disaster, animal diseases, plant pests:

- Field Payment conditions: if Yes or No the conditions for payment are conform to Articles 25, 26 or 30 of Regulation (EU) No 702/2014.
- Field Case "Diseases concerned": briefly specify the animal diseases/plant pests concerned using scientific expression.
- Fields Case Type, Case Timing and Case Location: briefly specify the kind of the event, the period when it happened and the location.
- Field Case Magnitude: % of the lost caused by the event.

Fields for aid to cover RDP measures:

- Field "Co-financed": always encode whether the measure was an RDP measure, thus co-financed, by choosing the option "yes"
- Field "Member State permanent remark": introduce the support rate by the EAFRD.

Field Primary objective: Data refer to the primary objective of the aid at the time the aid was authorised/published. The objectives of authorised aid (N, NN and C cases) follow the structure of the Guidelines¹⁴ whereas the objectives for block exempted aid (XA cases) follow the articles of Regulation (EU) No

¹⁴ Community Guidelines for State Aid in the Agriculture and Forestry Sector 2007 to 2013 (OJ C 319, 27.12.2006, p 1) or European Union Guidelines for State aid in the agricultural and forestry sectors and in rural areas 2014 to 2020 (OJ C 204 of 1.7.2014, p. 1).

702/2014¹⁵. The objective cannot be altered in SARI because it results from the notification form/decision for authorised aid and from the summary information sheet/summary information for block exempted aid. If an aid scheme has several primary objectives, separate expenditure rows will be created for each primary objective.

Field Aid Intensity – In this field, please encode the real aid intensity of the aid actually paid to the beneficiaries in the reporting year.

Field Number of beneficiaries – In this field, please encode the actual number of beneficiaries. In case of subsidised services, the beneficiaries are the final beneficiaries, i.e. the undertakings active in the agricultural or forestry sector and not the service provider, who is merely the recipient of the aid.

Field Aid per beneficiary – This field comprises of an automatic formula for calculation of the average aid per beneficiary. If you fill in the fields "aid element" and "number of beneficiaries", the value of the "aid per beneficiary" will be automatically displayed.

¹⁵ Commission Regulation (EU) No 702/2014 of 25 June 2014 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (OJ L 193 of 1.7.2014, p.1).