



# State aid in banking and export finance

**Elke Heine and Maja Zeljko**

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These slides accompany the explanation of the acquis to Albania and North Macedonia and can only be used for that purpose. Their content is subject to further development of the acquis and interpretation by the Court of Justice of the European Union.

# State aid control in financial sector

## No bank specific rules prior to financial crisis

- Aid to banks assessed under Rescue & Restructuring Guidelines for undertakings in difficulty; decisions based on the Article 107(3)(c) TFEU

## First Banking Communication adopted in 2008

- Providing conditions under which aid could be granted in crisis context; compatibility of aid with the internal market assessed under Article 107(3)(b) TFEU: aid to remedy a serious disturbance in the economy of the Member State. Together with other *Crisis Communications*:
  - **Recapitalisation Communication**
  - **Restructuring Communication**
  - **Impaired Asset Communication**

# 2013 Banking Communication\*

## Revised Banking Communication since 2013

- Provides for stricter burden sharing
- Requires viability proof (restructuring plan) before aid can be granted
- Complements the other three *Crisis Communications*
- Distinguishes the following main **types of aid**:
  - **Liquidity aid**: temporary in nature; less distortive than capital support. In most cases assessment limited to check minimum necessary & remuneration.
  - **Restructuring aid**: permanent in nature; produces consequences that “*cannot easily be undone*” - the bank continues to operate on the market → restructuring plan must demonstrate long-term viability and address competition distortions
  - **Liquidation aid**: the bank disappears from the market
    - wind-down (no need for the restructuring plan → wind down plan), or
    - sale of business (need for an integration plan with the acquirer).

\* [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52013XC0730\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52013XC0730(01)&from=EN)

# State aid control in export finance

- **Short-term export-credit insurance Communication**

The Communication applies to export-credit insurance with a risk period of **less than two years**.

- a) Marketable risks (list of marketable risk countries)
- b) Non-marketable risks
- c) Temporarily-non marketable risks

[https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52012XC1219\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52012XC1219(01)&from=EN)

- **The OECD Arrangement on Officially Supported Export Credits**

The Arrangement applies to all officially supported export credits with a repayment term of **two years or more** and is fully integrated into EU law through Regulation (EU) No 1233/2011.

[http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?doclanguage=en&cote=tad/pg\(2019\)1](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?doclanguage=en&cote=tad/pg(2019)1)

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32011R1233&from=EN>



***Thank you for your attention!***

