

## II

(Acts adopted under the EC Treaty/Euratom Treaty whose publication is not obligatory)

## DECISIONS

## COMMISSION

## COMMISSION DECISION

of 21 March 2007

**on State aid scheme C 18/2006 (ex N 524/2005) (which Italy was planning to implement for small and micro enterprises)**

(notified under document number C(2007) 1175)

(Only the Italian version is authentic)

(Text with EEA relevance)

(2007/335/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community, and in particular the first subparagraph of Article 88(2) thereof,

Having regard to the Agreement on the European Economic Area, and in particular Article 62(1)(a) thereof,

Having called on interested parties to submit their comments pursuant to those provisions <sup>(1)</sup>,

Whereas:

(2) By letter of 16 May 2006, the Commission informed Italy that it had decided to initiate the procedure laid down in Article 88(2) of the EC Treaty in respect of the aid measure.

(3) The Commission decision to initiate the procedure was published in the *Official Journal of the European Union* <sup>(2)</sup>. The Commission called on interested parties to submit their comments.

(4) Italy submitted its comments by letter of 23 June 2006, in which it announced its intention to submit further observations on a specific aspect.

(5) No interested parties submitted comments during the procedure.

(6) The Commission asked for supplementary information by letters of 21 September 2006 and 10 January 2007.

(7) By letter of 30 January 2007, registered as received by the Commission on 2 February 2007, Italy informed the Commission that the notified measure had been withdrawn.

## I. PROCEDURE

(1) By letter of 18 October 2005 the Italian authorities notified the Commission of the above aid scheme. They provided the Commission with further information by letters of 20 December 2005, 13 March 2006 and 27 March 2006. The Commission requested additional information by letters of 10 November 2005 and 8 February 2006.

<sup>(1)</sup> OJ C 146, 22.6.2006, p. 18.

<sup>(2)</sup> See footnote 1.

**II. DETAILED DESCRIPTION OF THE MEASURE**

- (8) The objective of the measure was to promote the growth of small and micro enterprises resulted from an aggregation process (merger with or acquisition of other small and micro enterprises) by means of a tax credit. The budget foreseen for the notified measure was EUR 120 million for 2006, EUR 242 million for 2007 and EUR 122 million for 2008.
- (9) The legal basis of the measure is Article 2 of Decree Law No 106 of 17 June 2005, converted into Law No 156 of 31 July 2005. It contains a standstill clause. The aid scheme has not been put in place.
- (10) Italy already enacted a similar measure in 2005 <sup>(3)</sup> under the Block Exemption Regulation for aid to SMEs <sup>(4)</sup>. That version limits the tax credit to 50 % of the consultancy costs for the merger and acquisition process. The Italian authorities have indicated that, given this ceiling, the take-up of the measure has been limited, with 132 applications for a total tax credit of EUR 3 442 261. Only 46 applications were accepted for a total amount of tax credit of EUR 415 306.

**III. COMMENTS FROM ITALY**

- (11) By letter of 30 January 2007, the Italian authorities informed the Commission that the budget for this measure has been used for other purposes and that the notified measure had not been implemented as it had been withdrawn.

**IV. ASSESSMENT**

- (12) Following the withdrawal of the notification, the procedure no longer has any relevance.

**V. CONCLUSION**

- (13) The Commission has therefore decided to close the procedure laid down in Article 88(2) of the EC Treaty on the ground that it no longer has any relevance following the withdrawal of the measure by Italy,

HAS ADOPTED THIS DECISION:

*Article 1*

After the withdrawal by Italy of the notified measure, the present procedure no longer has any relevance. The Commission has therefore decided to close the procedure initiated under Article 88(2) of the EC Treaty.

*Article 2*

This Decision is addressed to the Republic of Italy.

Done in Brussels, 21 March 2007.

*For the Commission*

Neelie KROES

*Member of the Commission*

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<sup>(3)</sup> Based on Article 9 of Decree Law No 35/2005, converted into Law No 80/2005, registered with the Commission on 21 April 2005 under reference XS 89/05.

<sup>(4)</sup> Commission Regulation (EC) No 70/2001 of 12 January 2001 on the application of Articles 87 and 88 of the EC Treaty to State aid to small and medium-sized enterprises (OJ L 10, 13.1.2001, p. 33).