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Legal Bulletin

Competition

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1. Clearer state aid procedures

Clearer procedures for the granting of state aid

Government Emergency Ordinance No. 77/2014 on the national procedures concerning state aid and for the amendment and supplementation of Competition Law No. 21/1996 ("GEO 77/2014") was published in the Official Journal of Romania, Part I No. 893 of 9 December 2014.

GEO 77/2014 clarifies the procedures for public spending meant to encourage the business environment and it applies in view of the Romanian State's obligations on accessing European funds during the period 2014-2020. Putting in place a mechanism for the control and supervision of both suppliers' and beneficiaries', as well as regarding Competition Council's competences and obligations in the implementation of state aid (including *de minimis* aid) will eventually smooth the absorption of European funds. In addition, the provisions on inter-institutional consulting and on taking local and national measures seek to boost the efficiency of state aid allocation.

In a nutshell, the new provisions as introduced by GEO 77/2014 are as follows:

- State aid or *de minimis* aid will be granted further to an opportunity analysis, and if the measure originates from central public authorities, it will be accompanied by a Memorandum of the Government concerning its compliance with the economic and financial policies of the Romanian State.
- The Competition Council will cooperate with the initiator or the supplier of the state aid or *de minimis* aid for the purpose of issuing an endorsement on the compliance with the relevant EU rules, including for the measures of general economic interest. If it does not take the endorsement into account, the supplier must provide reasons in this respect.
- Implementation of a preliminary discussion between the Competition Council experts and the initiators.



- Establishment of the State Aid Registry ("ReGAS"), a computerised system containing a database on the granted state aid, which will be managed by the Competition Council. This measure is a prerequisite in order to be able to access European funds.
- Amendments to Competition Law No. 21/1996 as regards the establishment of commissions and the organisation of the Competition Council in what concerns the positions of General Secretary and Deputy General Secretary.

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Editors

Ţuca Zbârcea & Asociații's team specialising in **Competition** offers legal advice on the application of full scale competition law matters including antitrust, domestic and cross-border transactions (mergers, acquisitions, joint ventures etc.), as well as State aid. Our lawyers are regularly advocating for clients' rights before the national competition authorities, as well as in litigation before the judicial courts in a variety of disputes. Moreover, the firm has developed a practice in the competition compliance (e.g. prior assessment of potential exposure, training programs) helping clients in avoiding sanctioning pursuant to breach of competition laws. In addition, our lawyers specialised in a large number of unfair competition matters, supporting clients' cases both in front of relevant authority, as well as in court.

The firm's Competition practice is constantly ranked first by international legal directories such as Chambers Europe or other similar publications.



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