



C&S CLIENT BRIEFINGS



Brussels, September 2025

Maria Segura Catalán, Marianne Clayton and Christopher M. Vollert from Clayton & Segura State Aid Lawyers report regularly on the most relevant developments from the capital of Europe on State aid matters.

State Aid Report – August 2025

August is (traditionally) a summer break in Brussels – However, State aid never sleeps. We took care for you of monitoring interesting developments during the sunny days: the first CISAF approval is out, several calls for evidence have been launched and the Commission published an interesting summary notice in a FSR case.

While August is (really) a summer break for EU Courts, September promises a lot of interesting judgments; we provide an overview of upcoming cases in the [State aid calendar](#).

As always, we have selected the most relevant highlights for you. For more information and a full overview of the State aid news, visit the [press releases](#) section on our website. But for now, let's dive straight into the news from the scene.

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NEWS FROM THE SCENE

Opinion of the European Committee of the Regions on the Clean Industrial Deal

The Committee of the Regions' (CoR) opinion on the Clean Industrial Deal and the need to improve competitiveness has been published in the Official Journal (OJ).

With respect to State aid, the CoR supports the Clean Industrial Deal State Aid Framework (CISAF) as a tool to attract private investment and de-risk projects, citing tenders, auctions, and contracts for difference as good practices. It calls for clearer rules on nuclear supply chains, timely assessment of nuclear projects, and for State aid to also advance territorial cohesion by including local enterprises and cooperatives.

For more information, see the [publication](#) in the OJ.

Call for evidence on technical updates of Emissions Trading System State aid guidelines published

The Commission has launched a Call for Evidence seeking feedback on technical updates to the ETS State Aid Guidelines. Its aim is to include additional sectors, which currently lie outside the existing framework and update the CO₂ emission factors and geographic references based on the latest data.

The review intends to ensure that State aid rules remain compatible with market dynamics while continuing to safeguard a level playing field within the EU.



Interested parties can submit their inputs on the [Have your say](#) portal until 5 September 2025.

For more information, see the Commission's [PR](#).

Commission Launches First Review of Foreign Subsidies Regulation

The Commission has opened its first review of the Foreign Subsidies Regulation ([FSR](#)), inviting feedback from businesses, law firms, Member States, industry associations, researchers, and individuals.

The consultation will gather views on how the FSR is being implemented and enforced, focusing on:

- How foreign subsidies that distort the internal market are assessed;
- Application of the balancing test, weighing positive against negative effects;
- The Commission's own-initiative investigations into potentially distortive subsidies;
- Notification thresholds;
- The complexity and cost of the rules for businesses.

The input will be included in the Commission's FSR Review Report, due to be presented to the European Parliament and the Council.

Contributions can be made via the Commission's [Have Your Say portal](#) until 18 November 2025. Clayton & Segura can support and advise you to prepare and submit your feedback.

For more information, see the Commission's [PR](#).

Commission seeks input on revision of R&R State aid guidelines

The Commission has opened a Call for Evidence and public consultation on its planned revision

of [the Rescue and Restructuring State Aid Guidelines](#), which set the conditions under which EU Member States may grant aid to non-financial undertakings in difficulty under Article 107(3)(c) TFEU.

The revision aims to ensure the Guidelines, in force since 2014, remain effective and aligned with today's economic and geopolitical challenges. Key issues under review include:

- Extending scope to cover the steel sector (currently excluded);
- Adjusting the definition of "undertaking in difficulty" (UiD) to account for innovative start-ups with specific growth models;
- Clarifying UiD criteria, notably the meaning of "own funds" and its relation to equity and solvency;
- Introducing technical changes following recent EU court judgments.

The deadline for feedback is 14 November 2025 via the Commission's [Have Your Say portal](#). Clayton & Segura can support and advise you to prepare and submit your feedback.

For more information, see the Commission's [PR](#).

Overview and Reminders on ongoing Public Consultations

- On 18 July, the Commission opened a public consultation on the [draft Guidelines](#) for the implementation of the [Foreign Subsidies Regulation](#) (FSR). For more information, see the Commission's [PR](#).
- On 14 July, the Commission opened a Call for Evidence and public consultation to gather input on the scope and content of a planned review of the [General Block Exemption Regulation](#) (GBER). For more information, see the [Commission's PR](#).



Deadlines (midnight Brussels time):

5 September 2025	ETS SA guidelines Call for Evidence
11 September 2025	FSR Draft Guidelines Public Consultation
6 October 2025	Planned GBER revision Call for Evidence
14 November 2025	R&R Aid Guidelines revision Call for Evidence
18 November 2025	FSR Review Call for Evidence

As always, Clayton & Segura can assist you to prepare and submit your feedback.

NEWS FROM THE EUROPEAN COMMISSION

First CISAF Approval: EUR 11 billion French State aid scheme to support offshore wind energy

On 5 August, the Commission approved a EUR 11 billion French scheme which will be running for 20 years to support the construction and operation of three floating offshore wind farms (one off Southern Brittany and two in the Mediterranean). Each will have a capacity of 500 MW, producing enough electricity to power around 450,000 households annually. Aid will be granted via a competitive bidding process, with resilience and supply chain diversification as key criteria.

The Commission confirmed that the French support scheme meets the criteria of the [Clean Industrial Deal State Aid Framework \(CISAF\)](#), specifically sections 3 and 4.1.2, as the aid takes the form of direct price support via a two-way contract for difference (CfD) awarded through a transparent, non-discriminatory competitive bidding process.

In its assessment, the Commission concluded that the scheme is necessary, appropriate, and proportionate to accelerate the EU's transition to a net-zero economy and to support key activities aligned with the Clean Industrial Deal.

For more information, see the Commission's [PR](#).

FSR: European Commission Summary Notice on the In-Depth Investigation in the ADNOC / Covestro case published

Following the formal opening of an in-depth investigation under the Foreign Subsidies Regulation (Regulation (EU) 2022/2560) on 28 July 2025, the Commission has published a summary notice on 12 August 2025 regarding the planned acquisition of German chemical producer Covestro AG by Abu Dhabi National Oil Company (ADNOC), a state-controlled oil and gas producer from the United Arab Emirates ([FS.100156](#), see our PR [here](#)).

The transaction was notified on 15 May 2025. The Commission's preliminary assessment found sufficient indications that the parties may have benefited from foreign subsidies liable to distort competition in the EU internal market. These include:

- Unlimited guarantee – deriving from ADNOC's exemption from UAE bankruptcy laws in the three years prior to the bid, potentially enabling the company to obtain more favourable financing conditions.
- Capital increase – a commitment by ADNOC to inject capital into Covestro as part of the acquisition process, also within the three-year period, with indications it was not on market terms and was limited to Covestro.
- Other foreign financial contributions to ADNOC that may qualify as foreign subsidies, which will be examined further.

The Commission's preliminary view is that the unlimited guarantee falls under Article 5(1)(b)



FSR and the capital increase under Article 5(1)(d) FSR, making them most likely to distort the internal market. These measures may have strengthened ADNOC's position in the bidding process—potentially deterring rival bidders or enabling a higher-than-market valuation—and could give the combined entity post-transaction advantages such as preferential financing and investment strategies not aligned with market conditions. The investigation will assess both the impact on the acquisition process and any competitive effects within the EU market after completion.

For more information, see the Commission's [summary notice](#).

State aid scheme for forest planting in Denmark approved

The Commission has approved a EUR 626 million scheme to support the conversion of farmland into forests in Denmark. The programme runs until 31 December 2030 and will provide direct grants covering up to 100% of eligible costs, including planting, maintenance, and loss of farming income. Additional compensation will be given for land designated as 'untouched forest'. The scheme aims to advance the EU's Common Agricultural Policy goals, strengthen environmental protection,

and support Denmark's plan to convert around 10% of its land into nature and forest by 2045.

The Commission approved the scheme under the [2022 Guidelines for State aid in the agricultural and forestry sectors and in rural areas](#) finding it necessary, appropriate and proportionate to facilitate the economic activity of owners of agricultural land suitable for afforestation.

For more information, see the Commission's [PR](#).

STATE AID CALENDAR

Upcoming:

3 September 2025	GC Judgment; Case T-784/22 <i>Zásilkovna v Commission</i>
9 September 2025	ECJ Hearing; Case C-337/24 P <i>Denmark v Commission (Déroit de Fehmarn)</i>
11 September 2025	ECJ Judgment; Case C-59/23 P <i>Austria v Commission (Centrale nucléaire Paks II)</i>
1 October 2025	ECJ Hearing; Case C-545/24 <i>Utiledulci</i>

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Clayton & Segura are state aid lawyers with more than 20 years of experience. At Clayton & Segura, we work exclusively in the field of State aid and provide comprehensive support to our clients.

All the contents of the C&S Client Briefings are duly protected by the rules of intellectual and industrial property.

Until next time in October, catch some of the early autumn vibes, but don't forget to follow us on [LinkedIn](#) or contact us at info@claytonsegura.com for your favourite EU State aid newsletter!



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