C&S CLIENT BRIEFINGS

Brussels, July 2026

Clayton & Segura State Aid Lawyers report regularly on the most relevant developments from the capital of Europe on State aid matters.

State Aid Report – July 2026

July 2026 has been a particularly intense month for EU State aid. The Commission launched two public consultations: on the revision of the Regional State Aid Guidelines (RAG) and the Rescue and Restructuring State aid Guidelines. To progress towards technological and strategic autonomy, the Commission launched a call for AI Gigafactories and approved State aid for four new semiconductor facilities in Germany. Furthermore, the Commission approved a large number of measures under the Middle East Crisis Temporary State Aid Framework (METSAF). The green transition also takes a starring role in the Commission's State aid activity this month, with decisions adopted under the Clean Industrial Deal State Aid Framework (CISAF), the EU Emissions Trading System (ETS), and the Climate, Environmental Protection and Energy Aid Guidelines (CEEAG).

At judicial level, the EU courts delivered four judgments in the field of State aid. Notably, in Case C-242/24 P, Commission v Germany, the Court of Justice clarified the circumstances in which private funds collected and distributed under a statutory framework may — or may not — be regarded as state resources for State aid purposes. The Court also delivered its judgment in in Case C-360/25, Schoger II, which confirms that VAT exemptions going beyond the harmonized framework of the VAT Directive may fall within the scope of EU State aid rules.

These developments demonstrate the central role of EU State aid law and policy in the European Union's response to geopolitical challenges and the climate crisis, as well as in the pursuit of its strategic autonomy objectives.

For more information and a full overview of the latest State aid developments, please visit the press releases section on our website.

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NEWS FROM THE EUROPEAN COMMISSION

I. Open consultations

Revision of the Regional State aid guidelines (RAG)

The guidelines set out the legal framework governing the granting of State aid for regional development and territorial cohesion. They aim to promote the economic development of disadvantaged regions in the EU while ensuring a level playing field between Member States. The guidelines also lay down criteria Member States should use to identify the areas that can receive regional aid. Those areas are approved by the Commission in regional aid maps. The current maps will expire at the end of 2027.

The Commission will revise the RAG under which the National Regional Aid Maps applicable from 2028 onwards will be assessed. With the amendments proposed, the Commission takes into consideration regional socio-economic development based on the latest data, as well as the specific challenges of the EU's eastern regions bordering Russia, Belarus and Ukraine.

The Commission plans to adopt the amended guidelines by the end of 2026 to provide Member States sufficient time to prepare and notify their regional aid maps that will enter into force in 2028.

All parties, in particular national and regional authorities that grant aid, are invited to comment on the Commission proposal to amend the Guidelines on regional State aid.

The deadline for responding to the public consultation on the draft Guidelines is the 30th of September 2026.

Clayton & Segura can help you prepare and submit your comments.

For more information, see the Commission's PR.

Draft new rescue and restructuring State aid guidelines

The Commission has launched a public consultation on the draft of new Guidelines on State aid for rescuing and restructuring non-financial undertaking in difficulty (Rescue and Restructuring Guidelines).

The Commission proposes several changes that aim to reflect today's changed economic context. The draft proposes to:

- Include the steel sector in the sectoral scope of the Guidelines.
- Remove certain types of innovative startups from the solvency test of the "undertaking in difficulty" definition
- Include some types of hybrid financial instruments in the determination of equity to assess whether a company is in difficulty.

The Commission invites Member States and all other interested parties to comment on the draft by 4 September 2026. The adoption of the revised Rescue and Restructuring Guidelines is planned for the end of 2026, before the current Guidelines expire on 31 December 2026.

Clayton & Segura can help you prepare and submit your comments.

For more information, see the Commission's PR.

II. Technological independence – EU call for AI Gigafactories

EU launches AI Gigafactories call to boost Europe's computing capacity and unlock more than EUR 30 billion in investment

The EU today launched a call for tenders to establish up to seven AI Gigafactories across Europe, as part of its latest major push to accelerate Europe's technological sovereignty and ambition of becoming the AI Continent.

The Commission aims to mobilise more than EUR 30 billion in investment, up to EUR 10 billion coming from EU and national funding, and at least EUR 20 billion from private investment across the Union.

It will expand Europe's AI computing capacity and give start-ups, scale-ups, small and medium-sized enterprises, industry, academia and public authorities access to infrastructure for training, inference and fine-tuning advanced frontier AI models. The AI Gigafactories may be established in a single Member State, either on one site or across several locations. They may also include cross-border developments in several Member States through distributed AI computing facilities.

Proposals will undergo a competitive evaluation to select the successful projects.

Consortia or Special Purpose Vehicles bringing together companies, public entities, investors and other partners can apply. The deadline is the 12th of November 2026. Following an evaluation process, award decisions are expected by early 2027. The necessary framework and specific contracts will then be signed to allow construction to begin in 2027. Selected AI Gigafactories are expected to begin operations within a maximum of 18 months from the signature.

For more information, see the Commission PR.

III. Foreign Subsidies Regulation

Foreign Subsidies Regulation: first review of the implementation and enforcement

The objective of the Foreign Subsidies Regulation (FSR) adopted in December 2022 is to allow the Commission to identify, assess, and where necessary redress distortive foreign subsidies.

According to the first report reviewing implementation and enforcement of the FSR since it entered into force, the Commission received 273 formal notifications of concentrations of which around 97% were closed after preliminary review. Regarding submissions in public procurement procedures, the Commission received 5150 submissions from economic operators. Of these cases, the Commission opened four in-depth investigations, one of which resulted in a final decision with commitments while three cases were closed following the withdrawal of the operators from the public procurement procedures. In addition, the Commission has opened two in-depth *ex officio* investigations.

The review of the first three years of FSR enforcement has shown that the instrument is fit for purpose to address distortions in the internal market caused by foreign subsidies.

To address concerns expressed by stakeholders, in particular regarding the administrative burden of data collection and monitoring or reporting obligations, the Commission will launch initiatives to make some targeted adjustments to the FSR procedural framework. These adjustments may include, in particular, increasing the turnover notification threshold through a delegated act or a simplified notification possibility for specific cases or Foreign Financial Contributions (FFCs) under the concentration chapter and under the public procurement chapter, introducing simplifications and clarifications in the forms used for notifications and declarations as well as in reporting.

The draft targeted adjustments should be published in the autumn, giving stakeholders the possibility to submit comments. Based on the feedback and any additional evidence gathered, the Commission will adopt the targeted adjustments in 2027.

For more information, see the Commission's PR.

IV. Social Climate Plan

Commission endorses EUR 60 million Social Climate Plan to support vulnerable households and small companies in the clean transition in Malta

The Social Climate Fund will run until 2032 and provides financial support to EU Member States to finance measures and investments identified in their national Social Climate Plans, ensuring that the clean transition is fair and leaves no one behind.

The Maltese plan is the fourth endorsed to date under the Social Climate Fund.

Malta's plan is based in two pillars:

- Helping vulnerable households improve the energy efficiency of their homes and renovate apartments in public social housing buildings, by energy-efficiency upgrades, such as roof insulation, and the installation of renewable energy systems, including heat pump water heaters and photovoltaic systems with battery storage.

- Expanding sustainable transport options for more than 30 000 vulnerable transport users through door-to-door community transport services. In addition, it will support vulnerable micro-enterprises in transport-dependent sectors by improving access to affordable electric mobility and charging infrastructure, helping them transition to electric vehicles.

The plan will run from 2026 to 2032 and is expected to tackle energy poverty in the country and to reduce greenhouse gas (GHG) emissions by 3 500 tonnes of CO^2. It will mobilize EUR 60.6 million, from which EUR 45.4 million come from the European Union.

For more information, see the Commission's PR.

V. Guidance papers

New guidance on State aid measures for social support and social investments

This guidance assists Member States in designing State aid measures for social support and social investment, as set out in the Clean Industrial Deal. It brings together for the first time available information on State aid for social support and social investments. Furthermore, it presents key State aid instruments and measures that allow national authorities to support social objectives, including:

- Aid for Services of general economic interest.
- Aid for employing workers with disadvantages or disabilities, training aid and knowledge measures benefitting employees.
- Support to households for energy efficiency measures.
- Selected measures with social benefit, including aid to SMEs and startups.

The guidance provides general information on public support measures that do not constitute State aid and explains what types of State aid are allowed under EU rules. This document has informative purposes and should be regarded as a "living tool".

For more information, see the Commission's PR.

State aid guidance on carbon contracts for difference

The Commission has published a guidance to support Member States in designing State aid schemes based on carbon contracts for difference (CCfDs), in compliance with the Guidelines on State aid for climate, environmental protection and energy (CEEAG).

A CCfD is a subsidy agreement between a granting authority and a beneficiary (for instance, a steel or chemicals plant) to help reduce greenhouse gas emissions by removing financial risks for decarbonisation projects. Typically, a CCfD ensures a certain remuneration (strike price) for every tonne of CO_2 the beneficiary avoids emitting. If the market carbon price is lower than the strike price, the granting authority pays the difference to the beneficiary. Conversely, if the market price is higher than the strike price, the beneficiary may either have to pay back the difference or keep the extra revenue.

CCfDs play an important role in achieving the objectives of the Clean Industrial Deal by accelerating decarbonisation in Europe's industrial sectors while boosting their competitiveness.

For more information, see the Commission's PR.

DECISIONS ADOPTED BY THE EUROPEAN COMMISSION

I. Opening of formal investigation

Commission opens in-depth investigation into arbitration award ordering Romania to pay compensation to ten energy investors

Romania established a scheme to support the production of electricity from renewable sources through green certificates, which was approved under State aid rules in July 2011. Romania amended the scheme several times in 2013, 2014 and later. The Commission approved the amendments to the scheme under State aid rules in May 2015 and December 2016.

A group of ten companies that invested in five solar photovoltaic power plants that benefitted from the scheme started arbitration proceedings against Romania following the amendments. The companies claimed compensation for the support they would have received if Romania had not modified the scheme.

They brought the matter before an arbitral tribunal, which found that Romania had infringed the Energy Charter Treaty (ECT) and on the 20th of February 2024 ordered Romania to compensate for losses allegedly suffered due to the modifications. Romania notified the award to the Commission and informed that it had made the payment of EUR 42.2 million required by the tribunal decision.

The Commission's preliminary view is that the arbitration award and its implementation constitute State aid within the meaning of Article 107(1) TFEU, which is incompatible with the internal market. Furthermore, the dispute leading to the arbitration award was an intra-EU dispute, therefore, the Commission will investigate whether the award and its implementation could be in breach of Article 19(1) TFEU and Articles 267 and 344 TFEU, as well as the general principle of autonomy of the EU legal order.

The decision will be made available under the case number SA.113263 in the State aid register. Clayton & Segura will keep you updated in this section when the decision is available and the one-month deadline to submit comments starts.

For more information, see the Commission's PR.

Commission opens in-depth State aid investigation into PostNord Strålfors capital injections

PostNord Strålfors is a firm that operates in communication management. It received four capital injections by its parent company PostNord Strålfors Group AB between 2014 and 2019 worth a total of EUR 15.9 million. PostNord Strålfors Group AB is in turn a subsidiary of PostNord Group AB, which is owned by the Swedish (60%) and Danish (40%) company PostNordAB.

The complainant alleges that the capital injections are imputable to Denmark and Sweden and that a private investor would not have invested the money as PostNord Strålfors was loss-making.

The Commission has doubts on whether the capital injections in 2017, 2018 and 2019 are in line with EU State aid rules. This decision by the Commission follows the line of two other opening formal investigations with regards to the following entities: Post Danmark and PostNord Logistics. The decisions concerning those two firms were a reaction to a judgment of the Court of Justice confirming the General Court's view that the Commission did not conduct a sufficient examination of the capital injection and should have opened a formal investigation procedure.

For more information concerning the decision to open a State aid investigation regarding Post Danmark, see our PR.

The decision will be made available under the case number SA.56621 and SA.56622 in the State aid register.

For further information, see the Commission's PR.

II. EU Chips Act

Germany: EUR 659 million aid for four new semiconductor facilities

The measures will contribute to strengthening the EU's position and autonomy in the semiconductor value chain by supporting the construction of first-of-a-kind facilities, in line with the objectives set out in the Commission's Communication 'A Chips Act for Europe' and the Commission's 2024-2029 Political Guidelines.

The aid will take the form of direct grants for the construction of 4 semiconductor facilities.

The Commission assessed the German measure under EU State aid rules, in particular Article 107(3)(c) TFEU, which enables Member States to grant aid to facilitate the development of certain economic activities subject to certain conditions, and based on the principles set out in the European Chips Act.

The Commission found that the aid has an incentive effect, will have a limited impact on competition and trade within the EU and is necessary and proportionate. At the same time, it also found that it will have wider positive effects for the European semiconductor ecosystem and contribute to strengthening Europe's security of supply.

For further information, see the Commission's PR.

III. Energy and Decarbonisation - CISAF

The Czech Republic: capacity mechanism approved

It is the first capacity mechanism approved under the Clean Industrial Deal State Aid Framework (CISAF) adopted by the Commission on 25 June 2025.

The mechanism seeks to ensure that security of supply is maintained at the lowest possible cost, while supporting the integration of cleaner and more flexible resources into the electricity system. The measure is designed as a market-wide capacity mechanism, which compensates parties that make capacity available during periods of scarcity. These parties include existing and new generation assets, storage and cross-border capacity. There is also a possibility for demand-side response, where consumers get remunerated to lower their consumption in response to reduced electricity supply.

The participating units comply with the applicable CO2 emission limits set out in EU legislation. Aid will be granted through competitive bidding processes.

The capacity mechanism will be financed through consumer charges, with an estimated overall budget ranging from EUR 3.1 billion to EUR 6.2 billion.

The measure will run for 10 years as of July 2026, with contracts for a maximum of 15 years.

The Commission found that the mechanism meets all requirements set out in Annex I of the CISAF, namely that it is necessary, appropriate, proportionate and has a limited impact on competition and trade between Member States.

For more information, see the Commission PR.

Slovenia: EUR 59 million State aid scheme to promote battery energy storage system

The aid scheme will support the installation of at least 370 MWh of new storage capacity. Its purpose is to increase the integration of renewable energy sources in the electricity system through the deployment of stand-alone battery energy storage systems, which will lead to increased stability, reliability and efficiency. The scheme will be financed by the Just Transition Fund and the ETS Modernisation Fund. The aid will take the form of direct grants.

The Commission assessed the scheme under the 2025 Clean Industrial Deal State Aid Framework (CISAF) and found that it is necessary, appropriate and proportionate.

The decision will be made available under the case number SA.122160 in the State aid register.

For more information see the Commission's PR.

The Netherlands: EUR 290 million State aid to support sustainable aviation fuels

The purpose of the two aid schemes is to support projects that produce sustainable aviation fuels (SAF) at different stages of their development. The schemes will provide support to two promising technology pathways: advanced bio-SAF not produced through the Hydroprocessed Esters and Fatty Acids process ('non-HEFA advanced bio-SAF'), and synthetic aviation fuels ('e-SAF').

Although the schemes share a common budget, one provides investment aid for SAF production, while the other covers the costs of preparatory works for SAF projects including front-end engineering design studies.

The approved schemes will support projects estimated to produce around 285 kilotonnes of SAF per year, the equivalent of around 3,500 intercontinental flights.

The aid will be awarded on a first-come-first-served basis and will take the form of direct grants payable upon the completion of project milestones. The schemes will cover the period from 2027 until 2031 at the latest. Up to five rounds of funding will take place during this period, depending on the available funding. Beneficiaries of the scheme dedicated to support SAF production will have to prove compliance with the EU criteria for the production of renewable fuels of non-biological origin (RFNBOs) or the EU sustainability criteria for advanced biofuels.

The Commission assessed the schemes under Article 107(3)(c) TFEU and the 2022 Guidelines on State aid for climate, environmental protection and energy (CEEAG) and the 2025 Clean Industrial Deal State Aid Framework (CISAF). It found the aid necessary, appropriate, and proportionate, that it has an incentive effect. Furthermore, the aid will only have a limited impact on competition and trade within the EU.

The decision will be made available under the case numbers SA.121979 and SA.123605 in the State aid register.

For more information see the Commission's PR.

Ireland: EUR 300 million State aid scheme for temporary electricity price relief for energy-intensive companies

The purpose of the scheme is to support energy-intensive companies by compensating them for a share of their electricity costs for a maximum of three years. Through the condition to reinvest a significant share of the aid received in decarbonisation measures, this scheme will contribute to the transition towards a net-zero economy. The scheme will be open to companies active in sectors with a significant risk of activities moving outside the EU to locations where environmental measures are absent or less ambitious.

The aid will be disbursed in the form of a direct grant in the year the eligible costs are incurred, or in the following year. The Irish scheme will run from 4 July 2025 until 31 December 2029.

The Commission found that the Irish scheme is in line with Article 107(3)(c) TFEU and with the conditions set out in the Clean Industrial Deal State Aid Framework (CISAF). In particular:

- the scheme facilitates the development of economic activities in the eligible sectors and aims to preserve the economic viability of companies in these sectors;
- the scheme complies with the condition that the reduced electricity price is at least EUR 50/MW;
- the scheme covers the electricity consumption of beneficiaries for a maximum duration of three years; and
- beneficiaries will be required to invest at least 50% of the aid received in new or modernised assets to reduce electricity system costs, reflecting market and system needs, without increasing fossil fuel use.

For more information, see the Commission's PR.

France: EUR 63 billion State aid to support offshore wind energy

The scheme will support the construction and operation of eleven offshore wind farms, in the North Sea, the Atlantic and the Mediterranean. The windfarms are expected to have a combined capacity of up to 11.1 GW and to generate up to 47.8 TWh of renewable electricity per year, or around 10.6% of France's annual electricity consumption.

The aid will be granted through a transparent and non-discriminatory bidding process. It will take the form of a variable premium under a two-way contract for difference ('CfD'), which will be calculated by comparing a reference price, determined in the tender offer of the beneficiary ('pay as bid'), to the market price for electricity. When the market price is below the reference price, the beneficiaries will receive the difference between the two prices. When the market price is above the reference price, the beneficiaries will have to pay the difference to the French authorities.

The Commission concluded that the scheme was necessary, appropriate and proportionate and in line with the conditions set out in the Clean Industrial Deal State Aid Framework (CISAF).

For further information, see the Commission's PR.

IV. Energy and Decarbonisation - CEEAG

The Netherlands: EUR 103 million State aid scheme to accelerate greening of maritime fleet

The scheme will support the purchase of new clean and zero-emission vessels powered by renewable methanol or renewable hydrogen and the retrofitting of existing vessels to enable them to use these renewable products. It covers different types of vessels, including passenger, cargo and work vessels, mainly operating in the short-sea shipping segment. The support will take the form of direct grants awarded under an open, transparent and non-discriminatory selection process and will be granted between 2027 and 2031.

The Commission assessed the measure under EU State aid rules, in particular Article 107(3)(c) TFEU and the 2022 Climate, Environmental Protection and Energy Aid Guidelines (CEEAG). The Commission concluded that the scheme is necessary, appropriate and proportionate.

The decision will be made available under the case number SA.120994 in the State aid register.

For more information, see the Commission's PR.

V. ETS indirect costs

The Czech Republic, France, the Netherlands, and Slovakia: amendments to ETS indirect cost State aid schemes

The purpose of the schemes is to reduce the risk of energy-intensive companies relocating to countries outside the EU with less ambitious climate policies, resulting in an increase in global greenhouse gas emissions by compensating them for higher electricity prices due to the impact of carbon prices ('indirect emission costs') under the EU Emissions Trading System (ETS).

The amendments approved consist in the following:

- For the Czech Republic, France, and the Netherlands, the scope of their measures is extended to include additional sectors. Slovakia's scheme will be amended to exclude oil & gas companies, which were previously included.
- For the Czech Republic, the Netherlands, and Slovakia, the maximum aid intensity that can be given for sectors that were included in the original schemes is increased from 75% to 80%.
- The Netherlands and Slovakia will increase the total budgets of their respective schemes: from EUR 834.6 million to 3.7 billion for the Netherlands, and from EUR 250 million to EUR 710 million for Slovakia.

The amendments to the schemes were assessed under EU State aid rules, in particular the ETS State aid guidelines, and the Commission found that they are necessary and appropriate and limited to the minimum necessary and having a limited impact on competition and trade in the EU.

The decision will be made available under the case numbers SA.123662 (the Czech Republic), SA.122969 (France), SA.122999 (the Netherlands) and SA.123428 (Slovakia) in the State aid register.

For more information see the Commission's PR

Italy: amendment to State aid scheme to compensate energy-intensive companies for indirect emission costs

The aid scheme compensates energy-intensive companies for higher electricity prices resulting from carbon costs under the EU Emission Trading Scheme (ETS). The scheme was originally approved by the Commission in July 2021. Under the scheme, compensation is granted to eligible companies through a partial refund of the indirect emission costs incurred in the previous year, with the final payment to be made in 2031.

The amendments consist in:

- Extending the eligibility to companies active in new sectors deemed at risk of relocating as listed in the Annex to the amended ETS State Aid Guidelines.
- Increase in the maximum aid intensity from 75% to 80% of the indirect emissions costs solely for sectors already covered by the scheme.
- Increase in the total estimated budget from EUR 1.5 billion to EUR 3.6 billion, with an increase in the maximum annual budget from EUR 140 million to EUR 600 million.

The Commission assessed the amended scheme under EU State aid rules, in particular the ETS State aid Guidelines. It found that the amended scheme remains necessary and appropriate to support energy-intensive companies in coping with higher electricity prices and to avoid them relocating.

The decision will be made available under the case number SA.122463 in the State aid register.

For further information, see the Commission's PR.

VI. Aid approved under the Middle East Crisis Temporary State Aid Framework (METSAF).

Spain: changes and budget increase to State aid scheme for road transport companies facing increased fuel prices

The scheme, which originally covered the period March to June 2026, will be extended for three months, also covering the period July to August 2026. The estimated budget will be increased to EUR 703 million. In addition, the aid amounts have been adjusted to take account of the temporary reduction of the national excise duty on hydrocarbons. All other conditions of the initial scheme remain the same.

The Commission assessed the prolongations and amendments under Article 107(3)(c) TFEU and Sections 1 and 2.2 of the Middle East Crisis Temporary State Aid Framework (METSAF) and found that they have not affected the conclusions set in the initial scheme and that the latter continues to be necessary, appropriate and proportionate.

The decision will be made available under the case number SA.124070 in the State aid register.

For more information, see the Commission's PR.

Sweden: EUR 149 million State aid for agricultural, fishing and aquaculture companies facing increased fuel and fertiliser prices

The scheme responds to the increase of prices of fuel and fertilisers. The aid will take the form of direct grants. The aid intensity corresponds to 85% of the estimated increase in fuel and nitrogen fertiliser costs for agricultural companies and in fuel costs for the fishery and aquaculture companies. The aid will not exceed EUR 50.000 per company.

The Commission assessed the scheme under Article 107(3)(c) TFEU and Sections 1 and Sections 1 and 2.1 of the Middle East Crisis Temporary State Aid Framework (METSAF). It found that the scheme is necessary, appropriate and proportionate.

For more information, see the Commission's PR.

Spain: EUR 74 million State aid to support maritime transport companies facing increased fuel prices

The scheme aims to mitigate the impact of the increase in marine fuel prices on companies providing regular maritime passenger, roll-on/roll-off and freight transport services on specific routes connecting mainland Spain with the non-peninsular territories of Ceuta and Melilla, the Balearic Islands and the Canary Islands, as well as certain inter-island routes.

The aid will take the form of direct grants and will not exceed 70% of the additional fuel costs. The amount will be based on actual fuel consumption calculated on the basis of a fixed coefficient based on gross tonnage and nautical miles sailed on eligible routes. The scheme will cover the additional fuel costs resulting from the Middle East crisis incurred between 21 March and 21 September 2026.

The Commission assessed the scheme under Article 107(3)(c) TFEU and Sections 1 and 2(3) of the Middle East Crisis Temporary State Aid Framework (METSAF) and found that it is necessary, appropriate and proportionate.

The decision will be made available under the case number SA.122731 in the State aid register.

For more information, see the Commission's PR.

Italy: EUR 300 million State aid for road transport companies facing increased fuel prices

The scheme aims to mitigate the impact of the increase in fuel prices resulting from the Middle East crisis.

The aid will take the form of a tax credit, which may be used to offset any taxes that the company is required to pay to the government, for example income taxes, VAT, or social security contributions, by 31 December 2026. For beneficiaries active in the road transport sector established in Italy or with a registered office in Italy, the aid can cover up to 70% of the additional fuel costs resulting from the Middle East crisis for fuel purchased during the four-month period from March to June 2026.

The Commission assessed the scheme under EU State aid rules, in particular Article 107(3)(c) TFEU, as well as Sections 1 and 2(2) of the Middle East Crisis Temporary State Aid Framework (METSAF). The Commission found that the scheme is in line with the conditions set out in the METSAF, since aid will be granted based on a scheme with a clear estimated budget and will be provided to temporarily support the development of companies active in the road transport sector. The Commission found that it is necessary, appropriate and proportionate.

The decision will be made available under the case number SA.120994 in the State aid register.

For more information, see the Commission's PR.

Luxembourg: EUR 54 million State aid for road and rail transport firms facing increased fuel prices

The scheme was approved under the Middle East Crisis Temporary State Aid Framework (METSAF).

The aid will take the form of direct grants. The aid can cover up to 70% of the additional fuel costs resulting from the Middle East crisis incurred between 1 March and 31 December 2026.

The Commission assessed the scheme under EU State aid rules, in particular Article 107(3)(c) TFEU and Sections 1 and 2.2 of the METSAF. It found that the scheme is necessary, appropriate, proportionate and that it does not affect trading conditions.

For more information, see the Commission's PR.

Greece: EUR 41 million State aid for agricultural companies facing increased fertiliser prices

The aid will take the form of direct grants and will cover 15% of the total cost for fertilisers purchased from 15 March 2026 until 31 August 2026. There is an individual limit to the aid at EUR 50,000.

The Commission assessed the scheme under EU State aid rules, in particular Article 107(3)(c) TFEU, as well as Sections 1 and 2.1 of the Middle East Crisis Temporary State Aid Framework (METSAF). It found that the scheme is in line with the conditions set out in the METSAF. In particular, aid will be granted based on a scheme with a clear estimated budget, and aid will be provided to temporarily support the development of companies active in primary production of agricultural products. Furthermore, the Commission concluded that the scheme is necessary, appropriate and proportionate to facilitate the development of an economic activity and does not adversely affect trading conditions to an extent contrary to the common interest.

For more information, see the Commission's PR.

Spain: changes and budget increase to two fuel price State aid schemes

The Commission has approved changes and a budget increase on two State aid schemes for agricultural and fishery companies facing increased fuel prices due to the Middle East crisis. The amendments were approved under the Middle East Crisis Temporary State Aid Framework (METSAF) adopted by the Commission on 29 April 2026.

Spain notified a budget increase of EUR 55 million, bringing the total budget to EUR 109 million, on a scheme for agricultural producers approved by the Commission on 2 June 2026. An extension of the period covered from 1 July to 31 December 2026 and a modification to the calculation of the aid granted under the measure were also notified.

In addition, Spain notified a budget increase of EUR 10 million, bringing the total budget to EUR 35 million, and a modification to the calculation of the aid granted under a scheme for fishing companies approved by the Commission on 4 June 2026.

The Commission assessed both amendments under EU State aid rules, in particular Article 107(3)(c) of the TFEU, which enables Member States to support the development of certain economic activities subject to certain conditions, as well as Sections 1 and 2.1 of the METSAF. The Commission found that the amended schemes are necessary, appropriate and proportionate.

The non-confidential versions of the decisions will be made available under case numbers SA.123882 and SA.123883, in the State aid register on the Commission's competition website.

For more information, see the Commission's PR.

Ireland: EUR 2 million State aid for horticulture companies facing increased fuel prices

The aid scheme, which will run until 31 December 2026, was approved under the Middle East Crisis Temporary State Aid Framework (METSAF). It aims to mitigate the impact of the increase in fuel prices on companies active in the primary production of agricultural products, in particular growers of fruit and vegetable crops using heated horticultural structures.

The aid will take the form of direct grants and will cover the additional fuel costs resulting from the Middle East crisis incurred between 1 March and 31 December 2026.

The Commission found that the scheme complies with EU State aid rules as it is necessary, appropriate and proportionate to facilitate the development of an economic activity and does not adversely affect trading conditions to an extent contrary to the common interest.

The non-confidential version of the decision will be made available under the case number SA.123707 in the State aid register.

For further information, see the Commission's PR.

VII. National Investment and Development Banks

Hungary: EUR 2 billion Capital injection into development bank MFB

The Commission approved an EUR 2 billion capital injection into development bank Magyar Fejlesztési Bank (MFB), which will be funded by the Recovery and Resilience Facility.

The aim is to provide the bank with the capacity to ensure financing in various sectors with market failures, such as infrastructure, agriculture, environmental protection, education, tourism, sports, urban and rural development, and regional convergence.

The Commission assessed the Hungarian measure under EU State aid rules, in particular Article 107(3)(c)

TFEU, which enables Member States to support the development of certain economic activities under certain conditions. The Commission found that the measure facilitates the development of economic activities, including for infrastructure, agriculture, environmental protection, education, tourism, sports, rural development, regional convergence and urban development, is necessary and appropriate to achieve the objectives pursued and is proportionate as it is limited to bridging market gaps, so that distortions of competition are minimised.

With regards to its compatibility with the internal market, Hungary has committed to several measures, including the limitation of financial activities to relevant market failures and the implementation of measures to prevent crowding out private sector operators, to ensure that MFB will not undercut private financial institutions active in the Hungarian market.

For further information, see the Commission PR.

VIII. Infrastructure

Germany: EUR 52 million for the construction of a multifunctional arena in Würzburg

The arena is designed to host sports events, concerts, and other cultural and social events, with a capacity of up to 7,000 visitors. The non-profit foundation Zukunftsstiftung Würzburg will develop the arena via a project company. After completion, it will lease the building to an operator, selected through an open, competitive, transparent and non-discriminatory procedure.

The Commission assessed the measure under Article 107(3)(c) of the TFEU. It found the measure to be appropriate to achieve the objectives of strengthening sport and cultural economic activities contributing to the economic development of the area concerned and necessary given the absence of sufficient private financing. In addition, the Commission found the measure proportionate, as it is limited to what is required to achieve the project's objectives, while its effects on competition and trade between Member States remain limited.

The non-confidential version of the decision will be made available under the case number SA.120605 in the State Aid Register on the Commission's competition website once any confidentiality issues have been resolved.

For further information, see the Commission's PR.

IX. Services of General Economic Interest (SGEI)

France: prolongation of compensation to La Banque Postale to facilitate access to banking services

The measure extends the existing scheme by three years, from 2027 to 2029, and provides EUR 682 million in compensation for the additional period.

The prolonged measure is a service of general economic interest (SGEI) entrusted to La Banque Postale which aims at ensuring banking accessibility throughout the country. The mission promotes financial inclusion by guaranteeing universal, free-of-charge and unconditional access to basic banking services through the *Livret A*, a State-regulated savings account. France has updated the compensation mechanism to reflect evolving market conditions and to ensure that it remains adapted to current circumstances.

The Commission analysed the measure under EU State aid rules, in particular Article 106(2) TFEU and the 2012 SGEI Framework. It found that the measure continues to comply with all conditions, including that the compensation is limited to the net cost of providing the public service, so it excludes any risk of overcompensation.

The non-confidential version of the decision will be made available under case number SA.121101 in the State aid register on the Commission's competition website once any confidentiality issues have been resolved.

For more information, see the Commission's PR.

X. Agriculture

The Netherlands: EUR 715 million to permanently reduce ammonia emissions affecting Natura 2000 areas

Natura 2000 is a coordinated network of nature protection areas across the European Union, which aim is to halt biodiversity loss by protecting endangered species, rare habitats, and ecosystems.

Ammonia emissions result in nitrogen deposition on overburdened Natura 2000 areas in the Netherlands. This scheme facilitates the voluntary definitive and irrevocable closure of livestock farming sites that cause these emissions.

The aid scheme will be open to micro, small and medium-sized livestock farmers of dairy cattle, turkeys, chickens and pigs, as well as veal calves, dairy goats, rabbits, meat ducks and other cattle. The scheme prioritises livestock farming sites located partially or entirely within an overburdened Natura 2000 area or within a 1,000-metre range of such an area. Under the scheme, the aid will take the form of direct grants in the range of 100 - 110% of the eligible costs. The scheme will run for five years.

The Commission assessed the scheme under Article 107(3)(c) TFEU and the 2022 Guidelines for State aid in the agricultural and forestry sectors and in rural areas. It found that it was necessary and appropriate to improve the environment and nature quality. In addition, it found that the scheme is proportionate and will have a limited impact on competition and trade between Member States.

The decision will be made available under the case number SA.122041 in the State aid register.

For more information, see the Commission's PR.

Italy: EUR 500 million scheme for farmers affected by floods and landslides in Italy

The scheme is open to companies of all sizes, active in primary agricultural production, processing and in marketing of agricultural products. Under the scheme, the aid will take the form of direct grants covering up to 100% of the investment costs for restoring the production potential up to the level existing before the natural disasters, and up to 100% of the damages suffered by companies as a direct consequence of the natural disasters. This includes material damage, loss of income and costs resulting from the natural disaster. The scheme will run until 17 September 2028.

The Commission assessed the scheme under Article 107(2)(b) TFEU, which allows Member States to grant aid to make good the damage caused by natural disasters or exceptional occurrences. The scheme only compensates for the damages effectively caused by floods and landslides, that qualify as natural disasters.

The Commission also assessed the investment part of the scheme under Article 107(3)(c) of the TFEU, which allows Member States to support the development of certain economic activities under certain conditions, and the Guidelines for State aid in the agricultural and forestry sectors and in rural areas. It found that the scheme is necessary, appropriate, proportionate and will have a limited impact on competition and trade between Member States.

The decision will be made available under the case number SA.122427 in the State aid register.

For more information, see the Commission's PR.

NEWS FROM THE EFTA SURVEILLANCE AUTHORITY

Iceland: production grant scheme for news and news-related media services in Iceland renewed

The renewed grant scheme's objective is to support news services and democratic debate, and to strengthen the position of the Icelandic language.

The costs that could be eligible include salaries for editorial staff and payment to contractors creating news and news-related content.

The scheme covers two types of support:

- general subsidies covering part of the operational costs of producing news and current affairs content, and;
- supplementary subsidies for providers offering continuous nationwide news services.

It will run until the 1st of January 2031. The annual budget for the general subsidies is set at ISK 500 million in 2026 and ISK 800 million from 2027 onwards. The supplementary subsidies have an annual budget of ISK 100 million in 2026 and ISK 300 million from 2027 onwards.

The EFTA Surveillance Authority (ESA) assessed the scheme directly under Article 61(3)(c) of the EEA Agreement. Weighing up the positive effects of the aid for the development of the activities and the negative effects in terms of distortions of competition and adverse effects on trade, it has concluded that the scheme is compatible.

For further information, see ESA's PR.

NEWS FROM THE COURTS

Court of Justice rules that Austrian VAT exemption for financial-sector services constitutes State aid

The Court of Justice has delivered its judgment in Case C-360/25, Schoger II, concerning an Austrian VAT exemption for services provided between undertakings mainly active in the banking, insurance or pension fund sectors.

The request for a preliminary ruling was made by the Austrian Federal Finance Court. The referring court asked whether Article 107(1) TFEU is to be interpreted as meaning that a VAT exemption for services — which are not otherwise exempt — supplied between undertakings primarily carrying out operations relating to the banking, insurance, or pension fund sectors constitute State aid within the meaning of Article 107(1) TFEU.

The Court held that such an exemption constitutes State aid within the meaning of Article 107(1) TFEU. The measure was imputable to the State as it went beyond what was provided by the European rules regarding VAT. Indeed, a tax exemption established by a Member State is imputable to the European Union, and not to that State, only if it merely reproduces a clear and precise obligation laid down in a directive, which was not the case here. The other conditions set by Article 107(1) TFEU were all met: the measure involved a loss of State resources through foregone tax revenue conferred a selective advantage on certain financial-sector undertakings that could not be justified and was liable to distort competition and affect trade between Member States.

The judgment is relevant for national tax measures and sector-specific exemptions, as it confirms that VAT exemptions going beyond the harmonized framework of the VAT Directive and conferring a selective advantage to certain enterprises may fall within the scope of EU State aid rules.

For further information, see the Court of Justice's judgment.

Court of Justice rules on German energy levy-based support scheme for combined heat and power generation

The Court of Justice rendered its judgment on the Commission's appeal in Case C-242/24 P, Commission v Germany concerning German support measures for combined heat and power generation.

The General Court's judgment in Case T-409/21, annulled the Commission's decision on German measures supporting combined heat and power plants and related installations taking the form of bonuses, as well as a cap on the amount of the levy that network operators may recover from hydrogen producers (Case SA. 53308). The General Court had found that the Commission had not demonstrated that the measures involved State resources within the meaning of Article 107(1) TFEU.

The Court of Justice, following AG Spielmann's opinion of 24 October 2025, confirmed that conclusion, rejecting the Commission's arguments on the existence of State resources.

The judgment is relevant for the assessment of energy levy-based support schemes and the implications of the Case C-379/98 PreussenElektra, as it further clarifies the circumstances in which private funds collected and distributed under a statutory framework may — or may not — be regarded as State resources for State aid purposes.

For further information, see the Court of Justice's judgment.

The General Court upholds Commission decision requesting recovery of unlawful aid granted under Czech agricultural support schemes

Two Czech agricultural companies, Úsovsko Agro and Úsovsko Eko, challenged a Commission decision requiring the Czech Republic to recover unlawful State aid granted to large enterprises under orchard restructuring and irrigation support schemes.

The Commission decision, adopted in April 2024, found that the Czech authorities had unlawfully granted aid to several large agricultural companies before formally notifying amended schemes extending eligibility to large enterprises.

Before the General Court, the applicants argued that the Commission had failed to provide adequate reasoning, had wrongly assessed the compatibility of the aid with the internal market, and had infringed their right to be heard.

The Court in Cases T-310/24 and T-311/24, has held that the decision was sufficiently reasoned. In particular, the Court has considered that the Commission had adequately explained the scope of its decision, identifying with sufficient clarity the aid schemes concerned, the period covered, the reasons to consider the aid granted before the Commission's authorisation as unlawful new aid as well as sufficiently identified the aid subject to recovery.

The Court has further found that the Commission had correctly applied the 2014 Agricultural State Aid Guidelines, and explained that counterfactual scenarios submitted in support of an aid application must be provided at the time of the application and not only once the Commission opens the formal investigation procedure.

Regarding the rights of defence, the Court has also recalled that aid beneficiaries may only be given the opportunity to submit observations during the formal State aid investigation.

For more information, see the full judgment

The General Court dismisses two actions brought by Ryanair regarding Italy's COVID-19 airline compensation scheme

The General Court has rejected actions for annulment against two decisions adopted by the Commission regarding Italian support granted on the basis of the COVID-19 framework.

Italy notified an aid scheme of EUR 130 million to certain airlines holding an Italian licence in October 2020. The Commission approved the scheme which Ryanair challenged before the General Court. Italy then amended and extended the aid scheme, which was approved by the Commission.

The General Court rendered two separate judgments (Case T-268/21 RENV, and Case T-538/24) finding that neither the holding of Italian licence nor the employees' minimum remuneration requirement entails an infringement of the principle of non-discrimination or a restriction of the freedom to provide services and the freedom of establishment. Furthermore, the Court recalled that the Commission may assess the general characteristics of an aid scheme without having to carry out an individual analysis of each award.

For further information, see the Court of Justice of the European Union's PR.

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Clayton & Segura are state aid lawyers with more than 20 years of experience.

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