

IMPACT ASSESSMENT
ON
THE NATIONAL LEGISLATION IN SPHERE OF STATE AID

/SUMMARY/

The policy of the Bulgarian government in the field of control on state aid is based on the idea that the spending of public funds must be subject to a permanent monitoring from the time of planning to the moment of the actual use, by tracking not only the legality but also the appropriateness of the need for state intervention in accordance with the principles of free competition.

Preparing annual reports on state aid aims to inform the stakeholders, to increase the transparency in the spending of public funds, and to give picture of the size, level and distribution of state aid in Bulgaria at national and regional level.

From the date of accession of Bulgaria to the European Union the evaluation and authorization of state aid is done not by the independent national body - the Commission for Protection of Competition.

The monitoring and evaluation of the compatibility of the state aid with the common market are carried out by the European Commission, which has exclusive jurisdiction to permit state aid. This led to significant changes in the national legislation on public support and primarily to the adoption of the new Law on State Aid, prom. SG issue 86 of 24 October 2006, in force from 01.01.2007

The law provides for the applicable in the cases of coordination of the measures for support procedures for notification of the European Commission, the obligations for those providing the state aid and the powers of the Minister of Finance as the national body responsible for the monitoring, transparency and coordination of the state aid at national, regional and local level.

One of the fundamental principles of EU law is the principle of "direct applicability". It means that the provisions of Community law automatically receive the status of positive law in the domestic legal systems of the Member States and become their integral part. The introduction and operation of Community law by national not imply any legal act of the national legislature.

Moreover – the reception by means of internal acts is inadmissible because any form of intentional incorporation of EU provisions in the domestic legislation would neutralize the specifics of this law and would lead to its equalization with its domestic law. The Court of EU strongly stands for this principle. National courts are obliged to apply EU law on their territory not as internal but as a community law.