

ADOPTED

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Committee of Ukraine**

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ANNUAL REPORT

**on granting state aid to undertakings in Ukraine
in 2024**

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Introduction

The annual report on granting state aid to undertakings (hereinafter referred to as state aid) was prepared by the Antimonopoly Committee of Ukraine (hereinafter referred to as the Committee), which is the Authorized Body for State Aid (hereinafter referred to as the Authorized Body) in accordance with part one of Article 8 of the Law of Ukraine “On State Aid to Undertakings” (hereinafter referred to as the Law).

One of Ukraine's obligations under Article 263 of the Association Agreement between Ukraine, of the one part, and the European Union, the European Atomic Energy Community and their Member States, of the other part (hereinafter referred to as the Association Agreement), is to ensure transparency in the field of state aid. To this end, each Party to the Association Agreement annually notifies the other Party of the total amount, types and sectoral breakdown of state aid which may affect trade between the Parties.

In order to fulfill this obligation, the Committee annually presents relevant information in its reports on state aid. The reports for 2017-2023 were sent to the European Commission through the Ukrainian contact point for information exchange.

Taking into account the suspension of certain provisions of the Law due to the introduction of martial law in Ukraine, the Committee implemented the planned priority measures in 2024 in terms of monitoring, improving the regulatory framework, advocating for the state aid system, and fulfilling Ukraine's international obligations in the field of state aid.

1. System for monitoring state aid to undertakings, control over compatibility of such aid with competition

1.1. System for monitoring state aid to undertakings, control over compatibility of such aid with competition

The law establishes the legal framework for monitoring state aid to undertakings, exercising control over compatibility of such aid with competition, obligations of state aid grantors to submit notifications on new and existing state aid, and determines the procedure for recovery of state aid that is incompatible with competition. The law is aimed at ensuring protection and development of competition, increasing transparency of the functioning of the state aid system, and complying with Ukraine's international obligations in the field of state aid.

In order to ensure the effective implementation of the powers vested to the Committee as the Authorized Body for the implementation of Ukraine's international obligations defined in the Association Agreement, a structural unit was established in the Committee in July 2017 - the Department for Monitoring and Control of State Aid (hereinafter referred to as the Department).

The staff of the Department at the end of 2024 was comprised of 27 people. The Department worked in five units with distributed sectoral specialization ensuring the implementation of the powers of the Committee as the Authorized Body for State Aid in accordance with the requirements of the Law.

1.2. Implementation of provisions of the Law of Ukraine “On State Aid to Undertakings”

In connection with the Decree of the President of Ukraine dated February 24, 2022 No. 64/2022 “On the Introduction of Martial Law in Ukraine”, adopted with the Law of Ukraine dated February 24, 2022 No. 2102-IX (as amended), the Verkhovna Rada of Ukraine made several changes to the Law.

On March 21, 2022, the Law of Ukraine No. 2134-IX dated March 15, 2022 “On Amendments to Section VI “Final and Transitional Provisions” of the Budget Code of Ukraine and Other Legislative Acts of Ukraine” entered into force, which amended the Law and established that during the period of martial law and within one year after its termination or cancellation:

the provisions of the Law and other provisions of the legislation arising from this Law would not apply;

all state aid provided during such period would be deemed compatible;

state aid providers would be exempted from the obligation to submit a notification on new state aid and to submit reports on existing state aid.

On April 13, 2022, the Law of Ukraine No. 2175-IX dated April 1, 2022 “On Amendments to Clause 5² of Section 9 “Final and Transitional Provisions” of the Law of Ukraine “On State Aid to Undertakings” regarding the application of its provisions during martial law” entered into force, which simplifies the mechanism for providing state aid to undertakings during martial law and within a year after its termination or cancellation, namely:

- during the period of martial law, the provisions of Articles 6, 7, 9–16 of the Law and other provisions of the legislation arising from the specified Articles of this Law would not apply;
- state aid provided during martial law would be compatible;
- state aid grantors would be exempted from the obligation to notify new state aid and proposals to amend the terms of existing state aid if such state aid was

provided during martial law and within one year after its termination or cancellation, and to submit information on existing state aid provided during martial law and within one year after its termination or cancellation.

At the same time, clause 5² of Section 9 of the Law in accordance with the Law of Ukraine dated 21.05.2024 No. 3720-IX “On Compulsory Civil Liability Insurance of Owners of Land Vehicles” was supplemented with a new paragraph, according to which: “The exceptions provided for by this paragraph shall not apply to granting of state aid through the Entrepreneurship Development Fund (hereinafter referred to as the EDF). The provisions of this Law shall apply to such state aid in full”.

In accordance with paragraph six of part one of section VI of the Law of Ukraine dated May 21, 2024 No. 3720-IX "On Compulsory Civil Liability Insurance of Owners of Land Vehicles", in particular, the above paragraph entered into force and was put into effect from the date of entry into force of the Law of Ukraine dated October 8, 2024 No. 3994-IX "On Amendments to Certain Legislative Acts of Ukraine on Improving the Functions of the National Bank of Ukraine in State Regulation of Financial Services Markets".

The Law of Ukraine dated 08.10.2024 No. 3994-IX “On Amendments to Certain Legislative Acts of Ukraine Regarding Improving the Functions of the National Bank of Ukraine in State Regulation of Financial Services Markets” in turn entered into force on 08.11.2024.

That is, from 08.11.2024, the provisions of the Law apply in full to granting of state aid through the EDF.

1.3. Monitoring of measures to support undertakings during martial law

In order to prepare for the bilateral meeting between Ukraine and the European Commission on the official screening within the framework of chapter 8 "Competition Policy" of the accession negotiations and taking into account the questions from the EU, on July 22, 2024, the Committee submitted a memorandum to the Prime Minister of Ukraine (No. 500-29.1/01-7127e dated July 22, 2024) on the introduction of monitoring of support measures to undertakings provided during martial law.

Pursuant to the resolution of the Vice Prime Minister for European and Euro-Atlantic Integration of Ukraine dated 07.08.2024 No. 23872/2/1-24, ministers, heads of other central executive bodies, and heads of military administrations were instructed to provide the Committee with information on measures to provide support to undertakings implemented during martial law (separately for 2022, 2023, and the first half of 2024).

The resolution also instructed authorities to provide the Committee with information on measures implemented during the reporting period to provide support to undertakings, until the resumption of certain provisions of the Law on submitting notifications about state aid, on a quarterly basis by the 15th day of the month following the reporting quarter.

Information was to be provided to the Committee by state aid grantors in the appropriate form and summarized by the Committee for the purpose of appropriate monitoring.

In 2024, the Committee received 185 reports. 83 reports were received from state authorities at the national level, and 102 reports from local authorities. In total, providers informed the Committee about 1,457 support measures, of which 175 were from state authorities at the national level and 1,379 from local authorities. The total amount of support measures is approximately UAH 2 billion.

At the national level, the most common forms of support were guarantees, grants, subsidies, customs and tax benefits. The largest number of measures were implemented in the areas of transport, energy, entrepreneurship development, sports and construction.

At the local level, the most common forms of support were capital transfers, subsidies, and tax benefits. The largest number of measures was implemented in the areas of municipal services, transport, healthcare, and socio-economic development of territories.

At the same time, the classification of notified measures to support undertakings as state aid and the assessment of compatibility of state aid can be carried out by the Committee only after the restoration of the effect of individual provisions of the Law in accordance with the procedure established in the Law.

2. Legislative activity in the field of state aid

The Committee constantly takes measures to improve regulatory legal acts in the field of state aid. In 2024, the Cabinet of Ministers of Ukraine adopted **four resolutions**, the Committee being the prime developer thereof. The Committee adopted **two orders** on procedural rules in the field of state aid. Moreover, **9 draft regulatory legal acts** in the field of state aid were approved at the Committee meetings.

The Committee constantly reviews draft regulatory legal acts submitted for clearance by respective central executive authorities for signs of state aid. Despite the suspension of certain provisions of the Law during the martial law period, the Committee considers it necessary to ensure compliance with Ukraine's international obligations in the field of state aid under the Association Agreement. In 2024, 29 draft regulatory legal acts were reviewed and submitted to the Committee for clearance, of which 8 draft regulatory legal acts were commented on - the fact, which the Committee indicated in relevant letters to main developers of these acts.

2.1. Resolutions adopted by the Cabinet of Ministers of Ukraine

During the reporting period, the Cabinet of Ministers of Ukraine adopted **4 resolutions** approving the criteria for assessing compatibility of certain categories of state aid, which were primarily developed by the Committee.

1. Resolution of the Cabinet of Ministers of Ukraine dated 05.01.2024 No. 12 “On adoption of criteria for assessing compatibility of state aid to undertakings **for the provision of services of general economic interest**”.

The Criteria are used to assess compatibility of state aid to undertakings granted to compensate for the costs of undertakings providing services of general economic interest, they also implement provisions of the Commission Decision (EU) of 20 December 2011 (2012/21/EU) on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of compensation for public services granted to certain undertakings entrusted with the provision of services of general economic interest into the national legislation of Ukraine.

In particular, clause 4 of the Criteria reflects the criteria in the Altmark case and establishes that the assessment of the compatibility of state aid is carried out only if these criteria are not met. In the event that the Altmark criteria are met, compensation for the provision of services of general economic interest will not be considered state aid, and therefore the assessment of compatibility of state aid will not be carried out and, in accordance with clause 2 of part two of Article 3 of the Law, the effect of the Law will not extend to such compensation.

The implementation of this approach aligns national legislation with the EU acquis and ensures compliance with the principle of legal certainty.

2. Resolution of the Cabinet of Ministers of Ukraine dated January 12, 2024 No. 26 “On adoption of criteria for assessing compatibility of state aid to undertakings **in the field of civil aviation**”.

The Criteria are used to assess compatibility of state aid to undertakings in the field of civil aviation granted:

- for the provision of airport services to ensure the operation of airports;

- for opening of new air routes;

- for provision of services of general economic interest;

- for provision of passenger transportation by air (state aid of social nature).

The Criteria implement the European Commission Communication "Guidelines on state aid to airports and airlines" (2014/C 99/03); certain provisions of Commission Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union; certain provisions of Commission Decision (EU) of 20 December 2011 (2012/21/EU) on the application of Article 106(2) of the Treaty on the Functioning of the European Union to state aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest; certain provisions of the European Commission Framework Communication on state aid in the form of public service compensation (2011) 2012/C 8/03.

The Criteria, in particular, define:

- eligible investment and operating costs, maximum amount of relevant aid that can be granted;

- conditions for financing non-economic (non-commercial) activities;

- conditions for granting state aid for the provision of services of general economic interest;

- conditions for granting investment aid and conditions for granting operating aid to ensure the functioning of airports;

- separate conditions for granting state aid to ensure the operation of airports with an average annual passenger flow of up to 3 million passengers and cargo flow of up to 200,000 tons;

- conditions for granting state aid for opening of new air routes;

- conditions for granting state aid of social nature for socially important passenger air transport.

The Resolution also provides for amendments to the List of Services of General Economic Interest, adopted with Resolution of the Cabinet of Ministers of Ukraine dated May 23, 2018 No. 420, which has been expanded to include services in the field of civil aviation, taking into account the EU acquis:

airport operation service, if the airport service area or part thereof in the absence of an airport is so isolated that it hinders its social and economic development;

passenger air transportation services on an air route or group of air routes to meet transport needs that cannot be adequately met by existing air routes or other modes of transport.

3. Resolution of the Cabinet of Ministers of Ukraine dated February 13, 2024 No. 161 “On adoption of criteria for assessing compatibility of state aid to undertakings for carrying out activities related to **sports infrastructure**.”

The Criteria apply to assessments of compatibility of state aid granted to undertakings to promote economic activities related to sports infrastructure and set out conditions under which state aid is compatible with competition. The criteria implement, in particular, provisions of Commission Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union.

The Criteria, in particular, envisage:

- the maximum amount of state aid that can be provided to undertakings (the procedures for calculating the maximum amount of operating and investment aid are provided);
- costs (operational and investment) that can be reimbursed to recipients of state aid ;
- that, to ensure the compatibility of state aid, access to the infrastructure must be open to multiple users and provided on a transparent and non-discriminatory basis; the conditions for using the infrastructure, including prices, must be made public.

At the same time, the Criteria establish that if the activity related to the sports infrastructure used for the offering and/or sale of goods (works, services) on the market is necessary for the functioning of such infrastructure or is an integral part of its main non-economic purpose, and the share of such use in the total capacity of the infrastructure (in particular by area or time of use) does not exceed 20%, such activity is ancillary. Accordingly, the activity carried out using the sports infrastructure as a whole is one that is not carried out for the offering and/or sale of goods (works, services) on the market (is not economic).

4. Resolution of the Cabinet of Ministers of Ukraine dated 22.03.2024 No. 323 “On approval of criteria for assessing the compatibility of State aid to undertakings whose activities are related to the use of **port infrastructure facilities**».

The criteria introduce at the national level a clear regulatory definition of the rules and approaches to assessing the compatibility of State aid to undertakings whose activities are related to the use of port infrastructure facilities, ensure the implementation of certain provisions of Commission Regulation (EU) No. 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union, and contribute to compliance with the principle of legal certainty when exercising the powers of the Authorized Authority when assessing the compatibility of State aid.

The Resolution establishes clear criteria for determining the compatibility of State aid. In particular, it defines the purpose and forms of State aid; categories of recipients of State aid; maximum amount of State aid that may be granted; conditions and method of calculating the total amount of State aid; costs that may be reimbursed to recipients of State aid.

Only those undertakings that are not in difficulty and carry out activities using port infrastructure facilities can be included in the categories of State aid recipients.

The criteria stipulate that State aid must have an incentive effect and be directed by the recipient to a clearly defined list of costs, namely: investments for new construction, reconstruction, major repairs and technical re-equipment of port infrastructure; investments for new construction, reconstruction, major repairs and technical re-equipment of access infrastructure to port infrastructure; operational dredging.

The criteria also include specific requirements aimed at ensuring openness and non-discrimination in processes related to the granting of State aid.

2.2. Legislative work

The Resolution of the Cabinet of Ministers of Ukraine dated 04.03.2023 No. 220 approved the State Anti-Corruption Program for 2023–2025. The expected strategic result of measure 2.2.6.1 on the implementation of the State Anti-Corruption Program for 2023–2025 is the establishment at the legislative level of legal liability of authorized persons - grantors of State aid for failure to comply with the requirements of the Law on the provision of illegal and incompatible State aid.

To ensure the specified strategic result, the Committee developed a draft Law of Ukraine “On Amendments to the Law of Ukraine “On State Aid to Undertakings” regarding the submission of information on State aid to undertakings and liability for

violation of the requirements of the legislation on State aid to undertakings” (hereinafter referred to as the Draft Law).

The Draft Law was approved at the meeting of the Committee on 14.03.2024 and after its approval with the stakeholders in accordance with the procedure established by law, on 19.09.2024 it was submitted for consideration to the Cabinet of Ministers of Ukraine. The Cabinet of Ministers of Ukraine submitted the Draft Law to the Verkhovna Rada of Ukraine and registered in the Verkhovna Rada of Ukraine on 05.11.2024 under registration number 12181 (hereinafter referred to as Draft Law No. 12181).

Draft Law No. 12181 provides for amendments to the Law according to which: violation by managers and other officials of State aid grantors of the legislation on State aid to undertakings entails liability established by law; the days of commission and detection of relevant offenses will be determined; the powers of the Authorized Body for State Aid will include determining the procedure for processing materials on administrative offenses.

2.3. Draft regulatory legal acts developed and approved at Committee meetings

During the reporting year, the following **9 regulatory legal acts** in the field of State aid were developed and approved at the Committee meetings:

1. Draft Resolution of the Cabinet of Ministers of Ukraine “On Approval of Criteria for Assessing the Compatibility of State Aid to Undertakings **Carrying Out Banking Activities**”¹.

The draft resolution is aimed at implementing into national legislation the provisions of the EU Commission Communication, in particular, the Commission Communication on the application of State aid rules to support measures in favour of banks in the context of the financial crisis from 1 August 2013, which sets out the criteria for the compatibility (admissibility) of State aid in the EU banking sector.

The said draft resolution clarifies the criteria for assessing the compatibility of State aid granted to ensure financial stability and minimize distortions of competition between banks and promote the stability of the banking system in Ukraine.

Thus, according to the draft, State aid is compatible if it is granted for the purpose of:

- recapitalization and impaired asset management;
- liquidity support;

¹ The approval procedure with the interested authorities is ongoing.

liquidation of the bank.

Also, for each of the above-mentioned purposes of granting State aid, the draft resolution defines the conditions for its compatibility.

2. Draft Resolution of the Cabinet of Ministers of Ukraine “On Approval of Criteria for Assessing the Admissibility of State Aid to Economic Entities Provided to **Solve Social and Economic Problems of a National Nature Caused by the Large-Scale Military Aggression of the russian federation Against Ukraine**”².

The draft aims to implement into national legislation the norms of the European Commission Communication No. 2023/C 101/03 “Temporary crisis and transitional framework for state aid».

The said draft resolution defines the criteria for assessing the compatibility of State aid granted to address social and economic problems of a national nature caused by the large-scale military aggression of the russian federation against Ukraine. Thus, in accordance with the provisions of the draft resolution, the conditions for the compatibility of such types of State aid are provided:

1) for the implementation of State aid schemes with a specific budget (State aid with a limited volume);

2) for liquidity support (for financing working capital and for making investments related to the conduct of economic activities by undertakings) in the form of guarantees;

3) for liquidity support (for financing working capital and for making investments related to the conduct of economic activities by undertakings) in the form of preferential loans;

4) to cover additional costs of undertakings due to a significant increase in prices for natural gas, electricity and thermal energy;

5) of an investment nature to accelerate the deployment of renewable energy sources and energy storage;

6) of an operational nature to accelerate the deployment of renewable energy sources and energy storage;

7) for the decarbonization of industrial production processes through electrification and/or the use of renewable energy sources and hydrogen based on electricity, as well as for energy efficiency measures;

8) for additional reduction of electricity consumption;

² The approval procedure with the interested authorities is ongoing.

9) for accelerated investments in sectors strategic for the transition to a carbon-free economy.

3. Draft Resolution of the Cabinet of Ministers of Ukraine “On Approval of Criteria for Assessing the Compatibility of State Aid to Undertakings for **Environmental Protection**”³.

The draft resolution aims to implement into national law the provisions of Regulation (EU) No 651/2014, which provides for the recognition of certain categories of aid compatible with the internal market in accordance with Articles 107 and 108 of the Treaty on the Functioning of the European Union, and European Commission Communication 2022/C 80/01 "Recommendations on State aid for climate, environmental protection and energy”.

The draft resolution proposes to determine the criteria for assessing the compatibility of State aid to undertakings for environmental protection and provides for compatibility conditions for 19 types of State aid, in particular, State aid:

for the deployment of charging or refuelling infrastructure;

for the purchase, lease or retrofit of clean or zero-emission transport;

for the promotion of energy efficiency contracting;

for the implementation of measures that improve energy efficiency in buildings and are implemented by an energy efficiency fund or other financial intermediaries;

to promote the production and use of energy from renewable sources, renewable hydrogen and high-efficiency cogeneration.

The purpose of the State aid, the costs that can be reimbursed to the recipients of State aid, the maximum amount of State aid that can be granted, as well as the conditions for the compatibility of such State aid if the total amount of such aid exceeds the established maximum amount, are determined separately for each type.

4. Draft Resolution of the Cabinet of Ministers of Ukraine “On Amendments to the Criteria Approved by Resolution of the Cabinet of Ministers of Ukraine **No. 348 of April 18, 2023**»⁴.

The draft resolution was developed to update certain provisions of the Criteria for assessing the compatibility of State aid to undertakings to ensure the development of regions and the Criteria for assessing the compatibility of State aid to undertakings to support medium and small businesses, approved by the Resolution of the Cabinet of Ministers of Ukraine dated April 18, 2023 No. 348, in connection with amendments to Commission Regulation (EU) No. 651/2014 declaring certain categories of aid

³ The approval procedure with the interested authorities is ongoing.

⁴ The Cabinet of Ministers of Ukraine adopted Resolution No. 462 of April 18, 2025.

compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union and ensuring compliance of national legislation in the field of state aid to economic entities with the acts of European Union law (the EU acquis).

The draft resolution proposes to amend the:

- Criteria for assessing the compatibility of State aid to undertakings to ensure the development of regions, approved by the Resolution of the Cabinet of Ministers of Ukraine dated April 18, 2023 No. 348, in particular regarding:

- addition of the terms “completion of investments”, “the same or similar economic activity”, “intangible assets”, “tangible assets”;

- clarification of the areas of activity of undertakings that are not subject to these criteria;

- not including value added tax in the amount of eligible costs as such, which are subject to reimbursement;

- determining the rules for combining State aid to ensure the development of regions with any other State aid;

- determining the deadlines for the publication of information by the State aid grantor;

- specifying the amount of eligible costs that can be covered by State aid for medium and small businesses;

- specifying the calculation of the maximum amount of State aid for the implementation of an investment project;

- specifying investments that are considered part of a single investment project;

- obligations for the recipient of State aid in terms of specifying the deadline for relocating activities;

- Criteria for assessing the compatibility of State aid to undertakings to support medium and small businesses, approved by the Resolution of the Cabinet of Ministers of Ukraine dated April 18, 2023 № 348, in particular, regarding:

- addition of the term "startup";

- forms of granting State aid to support startups;

- determination of deadlines for publication of information by the grantor of State aid;

- increase in the maximum amount of State aid to support startups;

- non-inclusion of value added tax in the amount of eligible costs as such subject to reimbursement;

- determination of rules for combining State aid to support small and medium-sized businesses with any other State aid.

5. Draft Resolution of the Cabinet of Ministers of Ukraine “On Approval of Criteria for Assessing the Compatibility of State Aid to Undertakings for the **Deployment of Electronic Communications Networks and/or the Provision of Universal Electronic Communications Services** and Amending Certain Resolutions of the Cabinet of Ministers of Ukraine”⁵.

The draft act has been developed taking into account the provisions of European Union legislation, in particular Commission Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union, European Commission Communication on State aid guidelines for broadband networks 2023/C 36/01, Commission Decision 2012/21/EU of 20.12.2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest and the European Commission Framework Communication on State aid in the form of public service compensation (2011) 2012/C 8/03.

The draft act provides for the establishment of criteria for the compatibility of State aid for undertakings operating in the field of electronic communications. In particular, the purpose and forms of State aid, categories of State aid recipients, the maximum amount of State aid that can be granted, the conditions and method of calculating the total amount of State aid are determined. The draft act also determines the list of costs that can be reimbursed to State aid recipients.

The draft criteria provide for the regulation of State aid for four main areas: the deployment of electronic communications access networks (fixed access, 4G and 5G mobile access, as well as transport networks), the connection of electronic communications services, the provision of targeted social assistance for obtaining universal electronic communications services, and ensuring access to universal electronic communications services, which is a service of general economic interest.

In addition to approving new criteria, the draft resolution provides for amendments to existing government acts. In particular, it is proposed to clarify the concept of “electronic communications network infrastructure” in the criteria for the compatibility of State aid for local infrastructure (Resolution of the Cabinet of Ministers of Ukraine dated 13.10.2023 No. 1087), as well as to expand the list of

⁵ The approval procedure with the interested authorities is ongoing..

services of general economic interest in the field of electronic communications (Resolution of the Cabinet of Ministers of Ukraine dated 23.05.2018 No. 420).

6. Draft Resolution of the Cabinet of Ministers of Ukraine “On Approval of Criteria for Assessing the Compatibility of State Aid to Undertakings for **Conducting Scientific Research, Technical Development and Innovation Activities**”⁶.

The draft resolution was developed to update the current legal regulation of State aid granted to undertakings for conducting scientific research, technical development and innovation activities, taking into account changes in European Union legislation, in particular, Commission Regulation (EU) No. 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union and the European Commission Communication "Framework document on State aid for scientific research, technical development and innovation activities" (2022/C 414/01).

The criteria for assessing the compatibility of State aid to undertakings for conducting scientific research, technical development and innovation activities, which are proposed to be approved by the draft resolution, establish the conditions under which such State aid is compatible for competition, in particular the following:

the purpose of granting State aid is to promote economic activity in the field of scientific research, technological development and innovation;

the incentive effect as a mandatory condition for granting State aid;

vectors of aid – State aid according to these criteria is compatible for: scientific (scientific and technical) project; research infrastructure; testing and experimentation infrastructure; innovation cluster; support for innovative activities of medium and small businesses; process and organizational innovation;

list of eligible costs and features of calculating the maximum amount of State aid;

rules for combining State aid for scientific research, technical development and innovation activities with any other State aid;

a transparent system for disclosing information about the aid granted.

7. Draft Resolution of the Cabinet of Ministers of Ukraine “On Approval of Criteria for Assessing the Compatibility of State Aid to Undertakings for **Professional Training of Employees**”⁷.

The draft act was prepared with the aim of improving the current legal regulation, to ensure the effective functioning of the State aid control and monitoring system, in connection with the amendments made to Commission Regulation (EU)

⁶ The approval procedure with the interested authorities is ongoing.

⁷ The Cabinet of Ministers of Ukraine adopted Resolution No. 673 of June 11, 2025.

No. 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union, as well as taking into account the need to implement the European Commission Communication "Criteria for the analysis of the compatibility of State aid for training subject to individual notification" (2009/C 188/01).

The draft resolution proposes to approve criteria for assessing the compatibility of State aid for professional training of employees, which, in particular, establish:

the purpose of granting State aid is to encourage the employer to improve the professional level of employees;

Eligible costs include: salaries of teaching staff and employees for the time they are undergoing professional training; travel; accommodation; purchase of training materials, tools and equipment directly related to the professional training of employees, and their depreciation to the extent necessary for the professional training of employees; consulting services related to the professional training of employees; administrative, overhead and rental costs for the time employees are undergoing professional training.;

the maximum amount of aid is up to 50% of the total amount of eligible costs, with the possibility of increasing it to 70% in certain cases. However, if the employees work in the maritime transport sector, the maximum amount of State aid may be increased to 100% of the total amount of eligible costs under certain conditions;

incentive effect as a mandatory condition for the granting of State aid;

rules for combining State aid for professional training of employees with any other State aid;

a transparent system for publishing information about the aid granted;

additional conditions for the compatibility of State aid, if its amount exceeds 3 million euros, for one recipient of State aid.

8. Draft Resolution of the Cabinet of Ministers of Ukraine “On Approval of Criteria for Assessing the Compatibility of State Aid to Undertakings for **Audiovisual Works**”⁸.

The draft resolution aims to implement the European Commission Communication on State aid for films and other audiovisual works of 15.11.2013 (2013/C 332/01), the relevant provisions of Commission Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union.

⁸ The approval procedure with the interested authorities is ongoing.

The criteria will be used to assess the compatibility of State aid granted to economic operators for the purpose of supporting culture and preserving cultural heritage for the production and distribution of audiovisual works, and will establish the conditions under which such State aid is compatible for competition.

The criteria, in particular, provide for:

- 1) the maximum amount of aid for the preparation of audiovisual works, in particular for writing scripts, shall not exceed 100% of the eligible costs;
- 2) the maximum amount of aid for the direct production of audiovisual works shall not exceed 50% of the eligible costs;
- 3) The maximum amount of aid for the distribution of audiovisual works, in particular for distribution and promotion, is determined as a percentage of eligible costs for this process, which is equal to the percentage at which the percentage of eligible costs for the production aid is determined, and shall not exceed 50% of the eligible costs for the distribution of audiovisual works.

At the same time, the amount of state aid specifically for production may increase:

up to 60% of eligible production costs – for cross-border productions financed by Ukraine and at least one EU Member State and involving audiovisual creators from Ukraine and at least one EU Member State;

up to 100% of eligible production costs – for complex audiovisual works and joint productions involving countries on the list of official development assistance recipients of the Development Assistance Committee of the Organization for Economic Cooperation and Development.

Complex audiovisual works are expected to include, in particular, movies, the only original version of which was created in the state language or in the state language and the language(s) of the indigenous peoples of Ukraine, or in Ukrainian sign language, short movies, movies created by persons acting as directors for the first or second time, documentary movies, etc.

9. Draft resolution of the Cabinet of Ministers of Ukraine “On approval of criteria for assessing the compatibility of certain categories of State aid to undertakings granted to promote certain types of economic activity or certain economic sectors”⁹.

The draft resolution was developed with the aim of implementing the provisions of Articles 262–267 of the Association Agreement, creating legal mechanisms for the implementation of the provisions of the Law, and ensuring a

⁹ The Cabinet of Ministers of Ukraine adopted Resolution No. 805 dated July 7, 2025.

regulatory framework for assessing the compatibility of state aid granted to promote certain types of economic activity or certain economic sectors. These criteria will apply if the state aid measure is not covered by the approved criteria for assessing the compatibility of certain categories of state aid and taking into account the requirements of Article 264 of the Association Agreement.

The draft resolution transposes into national law the general principles for assessing the compatibility of State aid aimed at achieving the objectives of Article 107(3)(c) of the Treaty on the Functioning of the EU, which are based on grouping positive and negative conditions. Positive conditions include promoting the development of certain types of economic activity, namely: promoting a clearly defined type of activity; no violation of legislation; and a stimulating effect. Negative conditions include avoiding unjustified negative effects for competition, namely: the necessity of State aid; the reasonableness of State aid; the proportionality of State aid; avoiding/minimizing distortion of competition; and transparency of granting State aid.

An important step in the assessment is to balance the positive and negative effects of the aid, i.e., State aid will be considered compatible if its positive effects outweigh the negative ones.

The adoption of these draft resolutions of the Cabinet of Ministers of Ukraine will enable the introduction of improved approaches to assessing State aid to undertakings in the relevant areas and sectors at the national level and will ensure the proper functioning of the system for monitoring and controlling State aid to undertakings in Ukraine in accordance with the requirements of the Association Agreement.

2.4. Other regulatory legal acts in the field of state aid

During the reporting period, the Committee adopted **two orders**, which were registered with the Ministry of Justice of Ukraine.

1. Order of the Committee dated March 14, 2024, No. 12-пп “On Approval of Amendments to the Order of the Antimonopoly Committee of Ukraine dated December 28, 2015, No. 43-пп” registered with the Ministry of Justice of Ukraine on April 1, 2024, under No. 473/41818, was adopted with the aim of improving the monitoring of State aid to undertakings during the collection and analysis of information on State aid to undertakings and the mechanism for submitting information on existing State aid to undertakings to the Committee.

2. Order of the Committee dated November 28, 2024, No. 23-пп “On Approval of Amendments to the Procedure for Submitting and Forming Notifications on New

State Aid and Amendments to the Terms of Existing State Aid,” registered with the Ministry of Justice of Ukraine on December 19, 2024, under No. 1955/43300.

The order enhances the mechanism for submitting notifications on new state aid granted to compensate for losses caused by natural disasters or emergencies by supplementing the Procedure with a new notification form for this purpose (Annex 4).

In addition, the order improves Annexes 1 and 2 by supplementing them with a new purpose of State aid, namely: aid of a social nature provided to individual consumers, provided that such aid is granted without discrimination related to the origin of the relevant goods. The order clarifies the mechanism for refusing to consider a notification and other provisions in accordance with changes in the current legislation.

3. Inventory of schemes to support undertakings using state or local resources

The Association Agreement requires Ukraine to ensure the establishment of a fully functioning State aid control system. Article 267 of the Association Agreement sets out specific obligations to establish a complete register of existing State aid schemes. The Association Agreement also obliges Ukraine to bring all existing aid schemes into line with EU State aid rules.

The European Commission's Progress Report on Ukraine under the 2023 European Union Enlargement Package states that Ukraine should, in particular, prepare a reliable and complete inventory of State aid schemes implemented before the establishment of the authority responsible for State aid control in Ukraine in 2024.

The Committee was designated as one of those responsible for implementing paragraph 66 of the Action Plan for the Implementation of the European Commission Recommendation, presented in the Progress Report on Ukraine within the framework of the 2024 European Union Enlargement Package, approved by the Order of the Cabinet of Ministers of Ukraine No. 133-r dated 09.02.2024 (hereinafter referred to as Order No. 133-r)¹⁰.

¹⁰ Declared invalid and replaced by the updated Action Plan for the implementation of the recommendations of the European Commission presented in the Progress Report on Ukraine within the framework of the 2024 European Union Enlargement Package, in accordance with the order of the Cabinet of Ministers of Ukraine dated March 28, 2025 No. 300-r. (paragraph 97).

In addition to the Committee, those responsible for its implementation were State aid grantors (central executive bodies, regional, Kyiv and Sevastopol city state administrations (military administrations), local self-government bodies).

Paragraph 66 of the Action Plan for the Implementation of the European Commission Recommendations, approved by Order No. 133-r, provided for a two-stage completion of the inventory:

1) submission by State aid grantors of information on support schemes for undertakings at the expense of state or local resources that existed on the day the Law came into force - within two months after the resumption of the obligation of State aid grantors to submit information on existing State aid;

2) creation of a register of State aid schemes for undertakings based on information submitted by State aid grantors on schemes to support undertakings from state or local resources that existed on the date of entry into force of the Law – within six months after the submission by State aid grantors of information on existing State aid.

Therefore, in 2024, the Committee focused its efforts on preparatory work to complete the inventory of existing State aid schemes under the conditions of suspension of certain provisions of the Law in accordance with paragraph 52 of Section 9 “Final and Transitional Provisions” of the Law.

By Order of the Chairman of the Committee dated 20th May 2024 No. 46-OD, the Plan for conducting an inventory of schemes to support undertakings at the expense of state or local resources that existed on the day the Law came into force for 2024 (hereinafter referred to as Order 46-OD), which, in particular, provided for the implementation of such measures:

- formation and filling of the internal list of measures that may contain signs of support schemes;

- analysis of measures for the presence of signs of support schemes;

- holding relevant events (meetings, consultations, etc.) with State aid grantors to collect additional information on support schemes, consultations with experts of the EU Project "Competition and State aid Rules and Practices Alignment with the EU *Acquis* " (hereinafter referred to as the "COMPASA" Project);

- formation of an internal list of support schemes;

- obtaining expert opinions from the "COMPASA" Project on the formed list of support schemes;

- preparation and submission to the Committee of a report on the inventory of support schemes;

- preparation and submission of proposals to the Cabinet of Ministers of Ukraine on the inventory of support schemes in order to inform the grantors of such support to undertakings.

The report on the inventory of support schemes contained a description of the work carried out by the Committee during May - September 2024 in cooperation with the main grantors of State aid (ministries, other central executive bodies) and the COMPASA Project, as well as the measures taken by the Committee to implement Order No. 133-r and Order No. 46-OD.

The annexes to the report on the inventory of support schemes include: a list of potential support schemes and regulatory legal acts that may contain State aid measures that existed on the date of entry into force of the Law (Annex 1 to the report); copies of minutes of meetings with central executive bodies (hereinafter referred to as the CEBs) (Annex 2 to the report).

The information provided in the report on the inventory of support schemes can be used by State aid grantors who, in accordance with the Action Plan for the Implementation of the European Commission's Recommendations, must submit notifications to the Committee regarding potential existing State aid schemes after the resumption of certain provisions of the Law suspended during the martial law.

The Committee analyzed over 140 measures identified by the COMPASA Project or identified during the Committee's joint work with the CEBs.

Such measures were combined into 75 potential existing State aid schemes depending on the economic sphere and purpose of support. Between June and August 2024, the Committee sent requests to ministries and other central government bodies in whose legal regulation the aforementioned schemes are implemented.

The Committee, together with experts from the COMPASA Project, held 19 meetings with the main State aid grantors. After conducting a joint analysis of support measures and schemes, 56 schemes were identified that contain signs of existing State aid.

19 schemes were excluded from the list of potential existing State aid schemes due to information received from State aid grantors. In particular, due to the expiration of the scheme's validity period, loss of relevance of the specific measure, the scheme fell under the exclusion from the scope of the Law.

Schemes that contain signs of existing State aid are related to support in the following areas: energy (3 schemes); energy efficiency (4 schemes); environment (7 schemes); strategic industries (1 scheme); transport, postal services, road management (8 schemes); education and scientific and technical activities,

technology transfer (6 schemes); investment policy and entrepreneurship development (4 schemes); activity (1 scheme); inter-budgetary relations and local budgets (1 scheme); state regional policy (1 scheme); healthcare (1 scheme); food industry (1 scheme); social policy (2 schemes); physical culture and sports (1 scheme); culture and protection of cultural heritage (6 schemes); media (1 scheme); tourism (1 scheme); public-private partnership (1 scheme); construction and management of state-owned objects (2 schemes); export-import activities (1 scheme); other support measures (3 schemes).

Detailed information on these schemes, indicating the responsible CEBs, is provided in Section 3 and Annex 1 to the report on the inventory of support schemes.

After the resumption of the obligation of State aid grantors to submit information on existing State aid, the above-mentioned schemes must be notified to the Committee in accordance with the procedure established by the Law, in accordance with paragraph 66 of the Action Plan for the Implementation of the European Commission Recommendations, approved by Order No. 133-r (as amended by Order of the Cabinet of Ministers of Ukraine dated March 28, 2025 No. 300-r). The Committee will determine whether these schemes are State aid and assess their compatibility for competition in accordance with the procedure established by the Law. State aid schemes assessed by the Committee will be entered into the register of existing State aid.

At the same time, before restoring the operation of certain provisions of the Law, State aid grantors should consider bringing potential existing State aid schemes into line with the Law and the criteria for assessing the compatibility of State aid in the relevant areas.

The report on the inventory of support schemes was sent to the Prime Minister of Ukraine by the report of the Chairman of the Committee dated 30.12.2024 № 500-29.1/01-12635e and its English version was sent to the EU side through the Ministry of Economy of Ukraine to implement the agreements reached during the 9th meeting of the Ukraine-EU Association Committee in trade format.

The said report can be found at the link: <http://surl.li/sdozsp>.

4. Raising awareness in the field of State aid

In order to further develop an effective State aid system, one of the priority areas of the Committee's work, as in previous years, remains the dissemination of knowledge about state aid.

During 2024, conducted:

- ✓ **18 round tables** and other mass events;
- ✓ **12 speeches** on State aid issues at conferences, seminars and meetings.

In 2024, the Committee upon written appeals from grantors and recipients of State aid, provided about 15 written individual explanations on the application of legislation in the field of State aid.

Also, taking into account the frequent requests from grantors and recipients of State aid, the Committee, having summarized the received questions and law enforcement practice, provided **4 clarifications**.

- Regarding **support for performing the functions of the administrator** (responsible for ensuring the functioning) of the electronic trading system (Committee clarification dated 14.11.2024 No. 1-yy/dd).

The explanations state, in particular, that support from state or local resources for the performance of the function of an electronic trading system administrator (hereinafter referred to as the ETS) does not constitute State aid under the Law under one of the following conditions:

if it is aimed at carrying out non-economic activities, in particular, at exercising public authority; or

if the support provider acts on the same terms as a market economy operator in a similar situation; or

if these functions are classified as services of general economic interest (hereinafter referred to as SGEI), if the conditions under which the granting of an advantage is excluded are cumulatively (simultaneously) fulfilled, namely:

the undertaking receiving the compensation fulfils the obligations to provide SGEI specified in the contract and/or regulatory and/or administrative act;

the mechanism for calculating the compensation ensures that the economic entity receiving it is not given an economic advantage over other competitors;

the compensation is not excessive;

the undertaking providing SGEI must be selected through a competitive procedure that allows for the selection of the offer at the lowest price, or the amount of compensation is comparable to the costs of a typical undertaking (which carries out or may carry out economic activities similar to those of the recipient of State aid)

if it possesses all the necessary means that meet the requirements for providing the services.

If, as a result of the review of the notification of State aid regarding support for the performance of the function of the ETS administrator as for the provision of SGEI, it is established that the conditions under which the provision of an advantage for the conduct of certain types of economic activity is excluded are not met, then the relevant support may be recognized as State aid in accordance with the Law.

To ensure the compatibility of such State aid, the conditions for its provision must comply with the provisions of the Criteria for Assessing the Compatibility of State Aid to Undertakings for the Provision of Services of General Economic Interest, approved by Resolution of the Cabinet of Ministers of Ukraine dated 05.01.2024 No. 12, and, in particular, provide for the imposition of an obligation to provide SGEI on the provider of such service in accordance with the contract, regulatory (administrative) or other act of the grantor (grantors) of State aid, which must contain information about:

the content and duration of the obligations to provide the specified services;

the name of the undertaking and, if necessary, the territory in which the specified services are provided by it;

a list of any exclusive or special rights granted by a state authority or local government body to the economic entity in relation to the provision of the specified services;

the methodology for calculating, monitoring and reviewing the compensation;

the mechanism for avoiding and recovering overcompensation.

Therefore, if State aid grantors and recipients take into account the provisions provided for in the clarifications when implementing support measures to perform the functions of the administrator (responsible for ensuring the functioning) of the ETS, compliance with State aid legislation will be ensured.

- Regarding support in the **field of postal services, including the provision of services of general economic interest** (Committee clarification dated 21.11.2024 No. 2-yy/dd).

These explanations, in particular, highlight the issue of the application of State aid rules to support measures for the provision of postal services, as for the provision of SGEI. This is explained by the fact that certain postal services may be related to the satisfaction of particularly important general needs of citizens, cannot be provided

on a commercial basis without state support and, accordingly, for their provision, the state compensates for reasonable costs.

At the same time, measures to support undertakings at the expense of state or local resources in the field of postal services, such as for the provision of SGEI, do not constitute State aid under the Law if the conditions that exclude the granting of an advantage to these undertakings are cumulatively (simultaneously) fulfilled, namely:

the undertakings receiving compensation fulfills its obligations to provide the SGEI specified in the contract and/or regulatory and/or administrative act;

the mechanism for calculating the compensation ensures that the undertaking receiving it is not given an economic advantage over other competitors;

the compensation is not excessive;

the undertaking providing the SGEI is selected through a competitive procedure that allows for the selection of the offer at the lowest price, or the amount of compensation is comparable to the costs of a typical undertaking (which carries out or may carry out similar economic activities with the recipient of State aid) if it possesses all the necessary means that meet the requirements for the provision of such services.

- Regarding support **for railway transport undertakings** (Committee clarification dated 21.11.2024 No. 3-yy/dd).

The explanations, in particular, state that support for railway transport undertakings for the construction, development and maintenance of railway infrastructure does not constitute State aid within the meaning of the Law if such railway infrastructure falls within the scope of a natural monopoly and has open access for all users.

At the same time, the explanations specify the criteria according to which State aid granted to railway transport undertakings may be deemed compatible in accordance with the requirements of EU legislation, namely:

1) transport coordination: which includes measures aimed at improving the operation of the transport system as a whole, such as developing infrastructure, reducing noise pollution, improving safety and interoperability, removing technical barriers, and funding research and development;

2) rolling stock renewal: determines the conditions under which State aid for the acquisition of new rolling stock or the modernization of existing rolling stock may be declared compatible with the internal market.

In particular, the clarifications consider the following categories of State aid::

aid for transport coordination, aimed at improving the efficiency and interoperability of transport systems;

aid for the restructuring of railway undertakings, ensuring the restoration of their financial viability;

environmental aid, aimed at reducing the environmental impact of transport activities;

aid to compensate for the costs of providing passenger transport services that are SGEI. Particular attention is paid to the requirements of Regulation (EC) No. 1370/2007 of the European Parliament and of the Council of 23 October 2007 on public passenger transport services by rail and by road and repealing Council Regulations (EEC) No. 1191/69 and No. 1107/70 regarding such aid.

If, as a result of the review of the notification of State aid, it is established that such support is State aid in accordance with the Law, the Committee will assess the compatibility of such State aid in accordance with the criteria approved by the Cabinet of Ministers of Ukraine or, in the absence of such criteria, in accordance with the relevant acts of the European Union acquis, depending on the purpose of granting State aid.

It is worth noting that the clarifications were prepared by the Committee in implementation of the Action Plan for the preparation of the bilateral screening meeting between Ukraine and the European Commission under Chapter 8 Competition Policy, approved by the order of the Chairman of the Committee dated 07.08.2024 No. 61-OD “On some issues of preparation for the bilateral screening meeting under Chapter 8 Competition Policy”.

The said Plan provides for tasks to implement certain provisions of European Union law, namely the Commission Notice on the application of the competition rules to the postal sector and on the assessment of certain State measures relating to postal services (98/C 39/02) and the Commission Notice – Community Guidelines on State aid to railway undertakings (2008/C 184/07).

Therefore, the provision of clarifications ensures the approximation of national legislation in the field of State aid to the EU acquis and, accordingly, the use of approaches to the application of State aid rules in the fields of postal services and rail transport, similar to those in the EU.

- Regarding the application of State aid legislation to State aid granted through the Entrepreneurship Development Fund (Committee clarification dated 24.12.2024 No. 4-yy/dd).

The above clarifications were prepared in connection with the amendments to paragraph 52 of Section 9 “Final and Transitional Provisions” of the Law, which was

supplemented by a paragraph in accordance with the Law of Ukraine dated 21 May 2024 No. 3720-IX, taking into account the provisions of the Law of Ukraine dated 08 October 2024 No. 3994-IX.

In the clarifications, the Committee described the general approaches to the application of State aid legislation to aid granted through the Entrepreneurship Development Fund.

From November 8, 2024, the provisions of the Law apply to State aid granted through the Entrepreneurship Development Fund in full. Therefore, if support is granted through the Entrepreneurship Development Fund to undertakings at the expense of state or local resources, creates advantages for the production of certain types of goods or the performance of certain types of economic activities, distorts or threatens to distort economic competition, then such support contains elements of State aid and requires notification to the Committee.

It is worth noting that, in accordance with Article 5 of the Law, State aid is compatible if, in particular, it is granted for the purpose of compensating for losses caused by man-made or natural emergencies. If such State aid is granted through the Entrepreneurship Development Fund, the granting of such State aid must be notified to the Committee in accordance with Article 9 of the Law in the form and content provided for in Annex 4 to the Committee's order of 28.11.2024 No. 23-rp.

At the same time, the clarifications state that State aid in accordance with Part One of Article 6 of the Law may be recognized as compatible if granted for such purposes:

- promoting the socio-economic development of regions with low living standards or high unemployment;
- implementing national development programs or solving national social and economic problems;
- promoting certain types of economic activity or certain economic spheres, or undertakings in certain economic zones, provided that this does not contradict international treaties of Ukraine, the binding nature of which has been approved by the Verkhovna Rada of Ukraine;
- supporting culture, creative industries, tourism and the preservation of cultural heritage, if the impact of such State aid on competition is insignificant.

To assess the compatibility of State aid for competition, the grantor of State aid granted through the Entrepreneurship Development Fund must submit a notification of such State aid to the Committee in accordance with Article 9 of the Law and, accordingly, in the form and content in accordance with Annexes 1–3 to the Procedure

for submitting and processing notifications of new State aid and amendments to the terms of existing State aid, approved by the Committee's order dated 04.03.2016 No. 2-rp, registered with the Ministry of Justice of Ukraine on 04.04.2016 under No. 501/28631 (as amended).

The clarifications also state that the legislation of Ukraine does not provide for the Committee to adopt a decision on recognizing State aid as de minimis, i.e. the grantor must decide for itself whether such state aid is de minimis.

If the amount of State aid granted to undertakings does not exceed the thresholds per undertaking (taking into account the possible combination with other State aid measures) determined by paragraph 9 of part one of Article 1 of the Law, and, accordingly, falls under the definition of de minimis State aid, then such aid will not be subject to notification to the Committee.

At the same time, State aid grantors are obliged to submit to the Committee, in accordance with the procedure established by it, information on the existing State aid, its purpose, forms, sources, recipients and their shares in the total amount of State aid provided during the previous financial year within the framework of the relevant scheme or information that State aid was not provided during the reporting year.

5. International cooperation in the field of State aid

During 2024, the Committee continued its cooperation with the COMPASA Project in the field of developing State aid control system.

The Committee's work with experts from the COMPASA Project focused on the following areas:

- 1) legislative activity in the field of State aid.

The Committee received around 63 expert opinions and consultations from the experts of the COMPASA Project upon Committee's requests regarding the development of regulatory legal acts and individual issues of the application of legislation in the field of State aid;

- 2) creating communication materials to raise awareness of State aid rules in Ukraine, in particular:

- 6 educational videos on the criteria for assessing the compatibility of State aid;
- e-brochures on the achievements of the Committee and the COMPASA Project in the field of State aid in 2023;
- infographics entitled “What are the criteria for State aid and why should we adopt them?”;
- e-brochures on the importance of adopting the criteria for compatibility of State aid;
- infographics with explanations on the concept of the State aid scheme;

3) The COMPASA Project conducted an analysis and provided an opinion on draft law No. 12181;

4) 16 training webinars were held for Committee employees;

5) The COMPASA Project provided support to the Committee's specialists in preparing for the bilateral meeting between Ukraine and the European Commission on the implementation of the official screening within the framework of the negotiating chapter 8 "Competition Policy", in particular:

- conducted mock negotiation sessions;
- provided comments on improving presentations;
- prepared a glossary of English-language State aid terms;

6) The COMPASA Project has prepared a report with proposals for a list of aid objectives that could be used primarily for the implementation of block exemptions, describing the experience in EU Member States, as well as a concept that can be used in Ukraine to ensure better optimization of State aid granting;

7) The experts of the COMPASA Project provided support to the Committee in the process of preparing the Report on the inventory of schemes to support undertakings at the expense of state or local resources that existed on the day the Law came into force;

8) The COMPASA Project organized two study visits for Committee staff to Romania and Croatia to exchange experiences on the application of State aid rules on the country's path to EU accession.

Conclusions and areas for further work of the Committee in 2025

Conclusions

1. During 2024, the effect of certain articles of the Law remained suspended due to the martial law. Starting from 08.11.2024, the effect of the provisions of the Law was partially restored, namely, the application of the provisions of the Law to the provision of State aid through the Entrepreneurship Development Fund was restored.

Reform 4 of Section 6 of the Ukraine Plan, approved by the Resolution of the Cabinet of Ministers of Ukraine dated March 18, 2024 No. 244-r (as amended), provides for the entry into force of updated legislation on State aid, including on services of general economic interest, with the full restoration of State aid control by the Committee in the 4th quarter of 2025.

At the same time, until the Law is fully restored, the granting of State aid in Ukraine must be carried out in compliance with Ukraine's international obligations under the Association Agreement on State aid.

2. Another priority remained reforming and improving the system of monitoring and control of State aid, in particular by improving the regulatory framework. Bringing national legislation in the field of State aid into line with relevant EU law and ensuring its effective implementation and application is an important component of the negotiation process for Ukraine's accession to the EU.

3. In order to further develop an effective State aid system, one of the priority areas of the Committee's work remains the dissemination of information on State aid and advocacy of the State aid system. Also, taking into account the requests of State aid grantors and recipients, the Committee has provided and continues to provide

generalized clarifications on the application of State aid legislation in the most relevant areas and conducts relevant advocacy activities (meetings, round tables, etc).

Areas

Taking into account the analysis and practical work of the Committee during 2024, the following **priority areas for the Committee's further work in 2025 can be identified:**

- ensuring the functioning of the State aid control system, in particular, by taking measures aimed at restoring the operation of certain provisions of the Law;
 - improving and harmonizing with EU legal acts the regulatory and legal regulation in the field of State aid;
 - monitoring measures to support undertakings;
 - providing clarifications on the application of legislation in the field of State aid to undertakings;
 - advocating for the State aid system in terms of the development of State aid schemes by grantors;
 - digitalization and improvement of the State aid register;
 - ensuring the information of the European Commission on the provision of State aid in Ukraine in accordance with the requirements of the Association Agreement.
-