

SUMMARY INFORMATION SHEET ON AID MEASURES IN FORCE ON 1ST MAY 2004 (EXISTING AID)

1. GENERAL ASPECTS

Country: POLAND

Title of the aid measure (English):

Abandonment of the profit collection from some companies controlled by the State Treasury;

Title of the aid measure (Original language):

Zaniechanie poboru wpłat z zysku od niektórych jednoosobowych spółek Skarbu Państwa;

Legal basis (precise reference):

The Ordinance of the Minister of Finance of 23 December 2003, on the abandonment of the profit collection from some companies controlled by the State Treasury (Journal of Laws of 2003 No 229, item 2285);

Ministry or other administrative body responsible for the measure and its implementation:

Ministry of Finance;

Person(s) to contact:

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Level at which the measure is administered (central government, regional, other)?

Central government;

When did the measure enter into effect?

The abandonment relates to the advance payments of the profits collected from some companies controlled by the State Treasury from 1 January 2003;

What is the duration of the measure (expiry date)?

The abandonment relates to the advance payments of the profits collected from some companies controlled by the State Treasury to 31 December 2006;

2. DESCRIPTION OF THE MEASURE

Which transport sector is eligible (rail, aviation, maritime, etc.)?

Rail;

What are the main aim(s) and objectives of the aid?

The measure consists in the resignation from the collection of part of companies' profit for a certain period of time.

The measure relates only to the companies in the Polish State Railways (PKP) Group transferred to the State Treasury as a security. Because the a.m. part of profits in principle is not designed to cover the liabilities arisen due to the execution of agreements on guarantees and sureties, under normal market conditions secured guarantor should not collect the profit of the companies. However, if in some cases the market conditions are not met, the measure shall be treated as restructuring aid (the measure is included in the restructuring program of PKP notified to the Commission under the procedure foreseen in annex IV to the Accession Treaty);

Form of the measure (scheme, ad hoc, individual)

Scheme;

What are the instruments (or forms) of aid:

Abandonment of the part of companies' profits collection;

For each instrument of aid please give a short description of the conditions applying to the instrument.

According to the Law of 1 December 1995 on collection of the profits of the companies wholly controlled by the State Treasury (Journal of Laws of 1995, No 154 item 792), these companies are obliged to remit 15 % of their net profit (after income tax has been paid) into State budget. The Ordinance on the abandonment of the profit collection from some companies controlled by the State Treasury abandoned collection of a.m. profits from certain companies (mentioned in point on eligible beneficiaries) for period from 1 January 2003 to 31 December 2006.

See also explanations on the main aim of the measure.

Budget: give the overall budget made available for the measure (in local currency and Euro)

The amount of aid depends on the profits worked out by the beneficiaries, as the payments from which the State Treasury resigned amount to 15 % of net profit. The estimated amount of support obtained on the basis of the measure in question by eligible beneficiaries (PKP and its subsidiaries) amounts to:

2003 – PLN 10 100 thousand,

2004 – PLN 8 200 thousand,

2005 – PLN 7 600 thousand,

2006 – PLN 5 300 thousand.

The estimated overall budget in Euro amounts to: 6 975,9 thousand (average foreign exchange rate announced by the National Bank of Poland prevailing as at the 20th August 2004 (Tabela kursów nr 163/A/NBP/2004 z dnia 2004-08-20) – 1 EUR = 4.4725 PLN).

Is the budget adopted annually? If yes, what is the average annual budget?

No;

Specify the eligible beneficiaries (i.a. their character and estimated number).

Eligible beneficiaries are the Polish State Railways (PKP) and its subsidiaries, whose shares were transferred to the State Treasury, represented by the Ministry of Finance in order to secure the liabilities arisen due to the execution of agreements on guarantees and sureties, concluded on the basis of Article 32(5) and 32(6) of the Law of 8 September 2000 on commercialisation, restructuring and privatisation of "Polish State Railways" State Enterprise (Journal of Laws of 2000, No 84 item 948, as amended).

Is the aid available on non-discriminatory basis, open to all potential beneficiaries, irrespective of nationality?

There is a fixed number of beneficiaries – the Companies of the PKP Group (the measure relates only to the subsidiaries of PKP transferred as a security to the State Treasury).

What are the eligible costs?

The eligible costs are 15 % of the companies' profits.

What is the maximum aid intensity?

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Specify the criteria according to which the amount of aid and/or the aid intensity has been calculated.

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Does the measure provide "operating aid"? If "Yes", please provide details.

No;

If the measure relates to services of general economic interest or public service obligations, please specify by what means this task has been entrusted to the undertaking and how compensation is calculated

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May the aid in question be cumulated with any other aid measures in operation and if so, does the measure contain provisions limiting the cumulation of aid?

Yes, the measure in question may be cumulated with other aid measures. The Ordinance of 23 December 2003 on the abandonment of the profit collection from some companies controlled by the State Treasury, does not contain any provisions limiting the cumulation of aid.

Does the aid measure fall within existing exemption regulations or guidelines? If so, please specify.

The measure in principle should not be treated as State aid in the meaning of Article 87 of the EC Treaty, because it meets normal market conditions. However, if in particular cases such conditions are not met, the following provisions apply:

- Article 3(1) (d) of Regulation (EEC) No 1107/70 of the Council of 4 June 1970 on the granting of aids for transport by rail, road and inland waterway.

- Community Guidelines on State aid for rescuing and restructuring firms in difficulty
(*Official Journal C 288, 09.10.1999, p. 0002-0018*);