

SGEI Framework - set maximum annual amount of the compensation

1. **Page title:** Please insert the full SGEI topic reference (e.g. "SGEI Decision") and a short title (e.g. "Overcompensation")
2. **Table:** Fill in **only the green** fields. Please respect the instructions (they are essential to optimise search).
3. **Questions:** Please create 1 question page per question
4. **Creation date:** fill in following the pattern **yy y.mm.dd** (e.g. 2017.03.17)
5. When ready, click on **Save** at the bottom of the page:
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SGEI topic	SGEI Framework
Key words	set maximum annual amount of the compensation SGEI_Framework
Member State	BG
Question	<p>Is it acceptable when entrusting a service of general economic interest under the SGEI Framework, the Entrusting public authority to set in the Entrustment Act a maximum annual amount (value limit) of the compensation for the provision of the service of general economic interest, taking into account that the parameters for calculating the compensation are in accordance with that predetermined maximum annual amount? We specify that in this situation the maximum annual amount of the compensation would not create obstacles for the provision of the compensation in compliance with the Entrustment Act.</p> <p>Considering the urgency of the matter above, we would be very grateful if we receive an answer to our question as soon as possible.</p>
Creation Date	2020.03.06
COMP Reply	<p>Under the European Union framework for State aid in the form of public service compensation (OJ C 8, 11.1.2012, p. 15-22) the amount of compensation can be established on the basis of either expected costs and revenues, or the costs and revenues actually incurred, or a combination of the two, depending on the efficiency incentives that the Member State wishes to provide from the outset. The net cost necessary, or expected to be necessary, to discharge the public service obligations should be calculated using the net avoided cost methodology where this is required by Union or national legislation and in other cases where this is possible.</p> <p>It is perfectly possible to impose a cap or maximum annual amount. If a maximum annual amount is laid down in the entrustment act, but the net costs turn out to be lower than the maximum annual amount established, the Member State cannot grant the maximum amount, but only the net costs incurred.</p> <p><i>Disclaimer: This reply does not represent a formal and definite position of the European Commission but is only an informal guidance provided by the services of DG Competition to facilitate the application of the GBER. It is therefore not binding and cannot create legal certainty or legitimate expectations.</i></p>
COMP Reply date	2020.03.18
COMP Responsible	<input checked="" type="checkbox"/> COMP-F-III ESTATE-AID-WIKI

¹ SGEI topics:

- Concept of SGEI
- SGEI Communication
- SGEI de minimis regulation
- SGEI Decision
- SGEI Framework
- SGEI package and other rules (e.g. public procurement, GBER, EU funds)
- SSGEs and public procurement
- Application of State aid rules and the rules on public contracts and service concessions to SGEIs
- Applicability of internal market rules to SGEIs and SSGEs
- Applicability of the services directive to SGEIs and SSGEs

² AT, BE, BG, HR, CY, CZ, DE, DK, EE, EFTA, EL, ES, FI, FR, HU, IE, IT, LT, LU, LV, MT, NL, PL, PT, RO, SK, SE, SI, UK.