

# State Aid

*Contributing editor*  
**Ulrich Soltész**



2016

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# State Aid 2016

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# Ireland

Vincent JG Power

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## Overview

### 1 Outline your jurisdiction's state aid policy and track record of compliance and enforcement.

In terms of policy, Ireland is, like all EU member states, willing to provide state aid. Apart from state aid to the banking sector, Ireland would be low to mid-table among EU member states in terms of providing state aid. In 2014, the total non-'financial crisis state aid' provided by Ireland to the economy generally (with the exception of railways) was circa 0.44 per cent of the Irish GDP (down from 0.5 per cent of the Irish GDP in the previous year), which puts Ireland in a low to mid-ranking position in terms of the proportion that state aid represents as a percentage of the member state's GDP. There are indications that the level of state aid being provided by Ireland is reducing; for example, the level of state aid expenditure as a percentage of GDP fell 0.22 per cent of GDP between 2013 and 2014. Ireland has been recognised by the European Commission as one of the member states that has granted less aid as a percentage of GDP in the 2011–2013 period than it had done in the 2008–2010 period. However, in regard to 'crisis aid' (relating to the banking crisis), Ireland was among the four EU member states that provided the highest level of state aid to their banks during 2008–2014. The four member states that provided the most state aid in terms of recapitalisation of banks during those years were Spain, the UK, Germany and Ireland. Also, in terms of policy, Ireland does not favour unduly any state-owned businesses at the expense of non-Irish businesses. In terms of the nationality of recipients, Ireland has offered, and continues to offer, state aid on a non-discriminatory basis. Equally, Ireland does not have a policy of advocating national champions and has not decided merger cases on that basis either.

In terms of compliance with state aid, Ireland has a good and improving, but not perfect, record of compliance with EU state aid law. For example, it has had aid in the maritime and air transport sectors struck down as unlawful aid (eg, Commission Decision 2000/625/EC of 13 June 2000 on the aid scheme implemented by Ireland to promote the transport of Irish livestock by sea to continental Europe OJ 2000 L263/17, and Case SA29064 of 27 March 2013 on the unlawful state aid by Ireland to Aer Lingus, Aer Arann and Dublin Airport Authority, decision available at: [www.ec.europa.eu/competition/state\\_aid/cases/240474/240474\\_1255299\\_30\\_2.pdf](http://www.ec.europa.eu/competition/state_aid/cases/240474/240474_1255299_30_2.pdf)). However, it has a strong record of ensuring that new fiscal or tax measures are not implemented unless and until they have been approved by the European Commission. Moreover, the European Commission's database of cases since 2000 ([www.ec.europa.eu/competition/elojade/isef/index.cfm?clear=1&policy\\_area\\_id=3](http://www.ec.europa.eu/competition/elojade/isef/index.cfm?clear=1&policy_area_id=3)) indicates that there have been only two negative decisions against Ireland with an order for recovery, and only two other negative decisions against Ireland without an order for recovery.

In terms of enforcement, Ireland's courts have been willing to enforce the repayment of state aid where needed (see, for example, in the case of aid provided by Belgium to an Irish company: *Kingdom of Belgium v Ryanair Limited* [2006] IEHC 213 and the sentiments of the Irish High Court in *Ryanair Limited v Revenue Commissioners* [2013] IEHC 327).

In terms of economic sectors, there have been several state aid schemes relating to property, agriculture, food, telecommunications, training, forestry and transport. In recent times, the most significant state aid cases have involved aid provided to banks: in the period between 2008 and 2014 (inclusive), the value of recapitalisation was €91 billion, the value of guarantees was €554 billion, the value of asset relief interventions was €122 billion and the value of liquidity measures other than guarantees was €40 billion.

Despite over 40 years of membership of the EU (Ireland having acceded in 1973), however, there is not a well-developed system of state aid law in Ireland, and until the recent banking crisis, the topic was not widely appreciated or understood in Ireland. Hence, there is not an extensive body of Irish case law on state aid. However, when EU matters do come before Irish courts, there is a strong likelihood that the Irish courts are very influenced by, and aware of, EU precedent and practice.

### 2 Which national authorities monitor compliance with state aid rules and have primary responsibility for dealing with the European Commission on state aid matters?

In Ireland, state aid compliance is monitored by central, rather than local, government. In Ireland, there is no specific designated national authority to monitor compliance with state aid and there is no body that has primary responsibility for dealing with the European Commission on state aid matters. In practice, the Department of Finance (ie, the treasury) has a central role in state aid matters, monitors developments in the area and would engage with the European Commission on state aid generally. Typically, the relevant government department (eg, the Department of Jobs, Enterprise and Innovation or the Department of Transport, Tourism and Sport) would be involved in sectoral aid.

In specific cases, the relevant government department, typically along with the Department of Finance, interacts with the European Commission on state aid matters and typically involves the Irish Permanent Representation to the European Union in Brussels in their discussions with the European Commission.

Legal issues relating to state aid are typically monitored and dealt with on behalf of the state by the Attorney General's Office, but where there is litigation, the Chief State Solicitor's Office would be involved.

The Competition and Consumer Protection Commission is able to monitor distortions of competition in the Irish market but does not have any specific legislative role in regard to state aid.

### 3 Which bodies are primarily in charge of granting aid and receiving aid applications?

State aid may be granted by any state body (or other body using state resources), whether a government department (eg, *Star Marina Limited v Minister for Agriculture Food and the Marine* [2014] IEHC 112), government agency (eg, the Industrial Development Authority), local authority (eg, Cork County Council in the *Swansea Cork Ferries* case (IP/89/397, 31 May 1989)) or central agency (eg, the Revenue Commissioners – for tax breaks, for example), but these agencies are usually very careful about ensuring that any assistance is lawful aid. Applications for assistance that could amount to state aid are typically made to the institution providing the state aid. In Ireland, there is no central state aid agency to grant or approve aid (subject to the European Commission's approval).

### 4 Describe the general procedural and substantive framework.

State aid is generally a public, rather than private, law issue in Ireland. There are no specific codes, statutes or guidelines that serve as a basis for the granting of subsidies, but all expenditure or use of state resources must be ultimately grounded in legislation. There is no special Irish state aid regime over and above what is necessary to implement EU law. In that respect, state aid issues have to be addressed in the context of pre-existing Irish legal regime. This means that EU law will be superior to Irish law where the two

legal systems conflict (in accordance with the EU principle of supremacy and article 29 of the Irish Constitution), laws have to be adopted by the Irish parliament (in accordance with the Constitution), decisions affecting legal rights are invariably taken by the courts, the courts must administer justice in public while all public bodies (eg, those granting or administering state aid) must comply with fair procedures and operate in accordance with constitutional or administrative justice. Where a state body has discretion (eg, a minister having discretion), then the discretion must be exercised fairly and properly. The Irish courts are willing to interfere with such discretion where they believe that it was not exercised in accordance with fair procedures.

### 5 Identify and describe the main national legislation implementing European state aid rules.

There is no main national legislation implementing European state aid rules. Any directive adopted by the EU would be implemented, typically, by way of a statutory instrument (ie, a legally binding Ministerial order), but there is no overarching national legislation implementing EU state aid rules.

### Programmes

### 6 What are the most significant national schemes in place that have been approved by the Commission or that qualify for block exemptions?

There have been several state aid schemes approved for Ireland over time, including schemes relating to, for example, tonnage tax for ships, the production of aluminium, financing the state broadcasters, the Voluntary Health Insurance Board, agriculture, roads, afforestation, the organic sector, airports, forestry, seafood, training and the audiovisual sector. In the banking sector, there have also been schemes approved in regard to the eligible liabilities guarantee scheme as well as aid to specific banks and the National Asset Management Agency.

### 7 Are there any specific rules in place on the implementation of the General Block Exemption Regulation (GBER)?

No, there are no specific rules in place on the implementation of the General Block Exemption Regulation in Ireland.

### Public ownership and SGEI

### 8 Do state aid implications concerning public undertakings, public holdings in company capital and public-private partnerships play a significant role in your country?

To date, state aid implications concerning public undertakings, public holdings in company capital and public-private partnerships have not played a significant role in Ireland. However, Ireland would have to comply with EU state aid law in regard to such matters. There have been some cases where state aid was in issue in privatisations (eg, the sale of B&I Line), and in the health insurance sector (eg, leading to the General Court's judgment in Case T-289/03 *BUPA* [2008] ECR II-81).

### 9 Are there any specific national rules on services of general economic interest?

There are no specific national rules on services of general economic interest (SGEI). However, SGEI has arisen in various specific contexts (eg, bus and rail transport in the context of Regulation 1370/2007) as well as health insurance (eg, Case T-289/03 *BUPA* [2008] ECR II-81).

### Considerations for aid recipients

### 10 Is there a legal right for businesses to obtain state aid or is the granting of aid completely within the authorities' discretion?

There is no automatic legal right under Irish law to receive state aid. The granting of lawful aid would be within the authorities' discretion unless the putative recipient could point to a legal right (eg, founded on a contract or statute) to receive the state aid. If the aid to be provided was unlawful aid (eg, prohibited aid), then it is submitted that it would be unlawful for an arm of the state (eg, a government minister) to provide the aid and an Irish court should refuse to order the granting of the aid because the Irish court would be acting in breach of its obligations under EU law. There is also case law that shows that the state has been unwilling to provide assistance that it has learned is illegal state aid (eg, *Star Marina Limited v Minister for Agriculture Food and the Marine* [2014] IEHC 112).

### 11 What are the main criteria the national authorities will consider before making an award?

Irish law does not set out the criteria that any national authority needs to consider before making an award of state aid. One would expect that the Irish authorities would be very mindful of, among other factors, the need to comply with EU law and would not provide any assistance that would amount to unlawful state aid.

### 12 What are the main strategic considerations and best practices for successful applications for aid?

Anyone seeking state aid from Ireland should demonstrate how the proposed aid would assist in the fulfilment of an objective of national or regional policy. An examination of cases where state aid has been provided would indicate that aid was provided where there is a specific need to meet a government policy aim (eg, to foster an industry such as tonnage tax in the shipping sector, to address regional development problems or to address a crisis such as special measures relating to dioxin contamination in Ireland). It would also be important to demonstrate that the aid would be lawful and, ideally, would be exempted aid not requiring authorisation by the European Commission. It is also worth bearing in mind the need to comply with the Regulation of Lobbying Act 2015.

### 13 How may unsuccessful applicants challenge national authorities' refusal to grant aid?

Anyone who has been refused state aid could potentially sue the relevant entity that has refused the aid. Such a suit would normally be instituted in the High Court. Such a claim could be on the basis of, for example, a breach of administrative law (eg, improper exercise of discretion). However, it is unclear as to the chances of success of such a claim and the courts would ordinarily be deferential to the executive.

### 14 To what extent is the aid recipient involved in the EU investigation and notification process?

In Ireland, the aid recipient's level of involvement varies from case to case. Ideally, recipients would seek to be involved at all stages of the investigation or notification but cannot insist on participation. Even in cases where a recipient is involved deeply in a case, there will be situations where the Irish government officials will want to have private discussions with the European Commission. In practice, experience shows that a collaborative and interactive approach works best where the public officials can draw on the experience and expertise of the potential beneficiary in engaging with the European Commission, while the aid recipient can contribute knowledge of the sector and 'coalface' information, which the European Commission normally finds very helpful in its deliberations.

### Strategic considerations for competitors

### 15 To which national bodies should competitors address complaints about state aid?

Typically, complainants address their concerns directly to the European Commission rather than addressing the issue domestically, as there is no national body (other than the courts) that is empowered to hear complaints about state aid.

The Irish courts (normally, the Irish High Court) may hear complaints about allegedly illegal state aid (eg, *Dellway Investments Limited and Others v National Asset Management Agency, Ireland and The Attorney General* [2011] IESC 4 and *Pierce trading as Swords Memorial & another v Dublin Cemeteries Committee & others* [2009] IESC 47). The Irish courts are likely to be heavily influenced by the approach taken by the European Commission (eg, *Pierce trading as Swords Memorial & another v Dublin Cemeteries Committee & others* [2009] IESC 47). The Irish courts are mindful of article 4.3 of the Treaty on European Union, which provides: '[p]ursuant to the principle of sincere cooperation, the Union and the Member States shall, in full and mutual respect, assist each other in carrying out tasks which flow from the Treaties' (cited in, for example, *Dellway Investments Limited and Others v National Asset Management Agency, Ireland and The Attorney General* [2011] IESC 4).

Ireland's Competition and Consumer Protection Commission (CCPC) ([www.ccpc.ie](http://www.ccpc.ie)) (which was the Competition Authority ([www.tca.ie](http://www.tca.ie)) until 31 October 2014) does not have the legal power to address state aid issues. However, consideration should be given to the possibility of a complaint to the CCPC in case there is another competition law issue involved that could interest the CCPC.

### Update and trends

There is an ongoing case concerning alleged state aid provided by Ireland to Apple – the Irish government has stated that detailed and comprehensive responses have been provided to the Commission demonstrating that ‘the appropriate amount of Irish tax was charged in accordance with the relevant legislation, that no selective advantage was given and that there was no State Aid.’ A claim by Aer Lingus and Ryanair for refund of air travel state aid is progressing. In April 2016, the EU’s General Court ordered Ireland to recover state aid given through tax exemptions for alumina production. Interestingly, the level of state aid provided by Ireland appears to be falling, but there is also a greater awareness among businesses operating in Ireland of the need to comply with state aid law. There was a judgment of the Irish High Court on the application of state aid law to publicly owned sports clubs (ie, *Dun Laoghaire Rathdown County Council v West Wood Club Limited* [2015] IEHC 800).

It would be possible to complain to central government if there was alleged unlawful aid being provided (particularly if the aid was provided by local government), but one would typically make the complaint directly to the European Commission after putting the central government on notice of one’s concerns and giving central government a reasonable time to comply.

#### 16 How can competitors find out about possible illegal or incompatible aid from official sources? What publicity is given to the granting of aid?

In Ireland, there is no mandatory publication process (eg, website or public register) for state aid. There are public records of all money expended by the state, but the records are not necessarily at the level of granularity or detail that would make it possible to see every recipient of assistance.

Ireland has freedom of information legislation (embodied primarily in the Freedom of Information Act 2014), which may provide information necessary to identify illegal state aid, but there are limitations to the legislation (see question 17).

#### 17 Give details of any legislation that gives competitors access to documents on state aid granted to beneficiaries?

There is no specific state aid-related Irish legislation. However, there is general legislation that may assist. The Freedom of Information Act 2014 provide access to those who request information to documentation held by various emanations of the state. There are various exceptions to the disclosure of information (eg, meetings of government, information received in confidence, commercial sensitivity and financial and economic interests of the states and public bodies). These exceptions may frustrate putative complainants about illegal state aid.

#### 18 What other publicly available sources can help competitors obtain information about possible illegal or incompatible aid?

Anyone concerned about potentially illegal state aid could also request a member of the Irish parliament to pose ‘parliamentary questions’ to government ministers in Parliament, and this might assist in elucidating the information. Equally, shareholders could pose questions at general meetings, but this is unlikely to elicit sufficient information.

#### 19 Apart from complaints to the national authorities and petitions to national and EU courts, how else may complainants counter illegal or incompatible aid?

Apart from complaints to the Irish authorities and petitions to Irish and EU courts, complainants could raise concerns with third parties (eg, banks that are lending money to the venture or insolvency practitioners involved in the process), but there are few alternatives open to complainants.

### Private enforcement in national courts

#### 20 Which courts will hear private complaints against the award of state aid? Who has standing to bring an action?

In practice, the court that would hear private complaints against the award of state aid would be the High Court of Ireland. This is a court of universal jurisdiction. Appeals from the High Court lie to the Court of Appeal, with the possibility of further appeal, in some cases, to the Supreme Court.

There is the possibility that one of these courts may refer questions of EU law to the Court of Justice of the European Union (CJEU) by way of a preliminary reference (see question 24).

It is worth recalling that the Irish Supreme Court has commented in *Dellway Investments Limited and Others v National Asset Management Agency, Ireland and The Attorney General* [2011] IESC 4:

13. Article 108 [of the TFEU] lays down procedures for the review by the Commission of state aid. Firstly, the Commission is required, in cooperation with Member States, to ‘keep under constant review all systems of aid existing in those States’ (existing aid). Secondly, Article 108(3) obliges Member States to inform the Commission of any plans to grant new state aid. It is a fundamental feature of this scheme that the Commission has the exclusive function of ruling on the compatibility of aid, whether existing or new, with the internal market.

14. The courts of the Member States are obliged to support the Commission in the exercise of its functions. Most importantly, they must give effect to the standstill provision of Article 108(3) and are obliged to make orders, where appropriate, restraining the State from implementing aid where the State in question has failed to notify the Commission or, where notice has been given, without awaiting the Commission decision on compatibility. Aid granted in contravention of Article 108(3) is described as ‘unlawful aid’ (see Commission Notice 2009/C 85/01 of 9th April 2009 on enforcement of State Aid law by national courts, especially paragraph 28). The national court may also be obliged to make orders for the recovery of unlawful aid, a matter which does not arise in the present case. In addition, it is common case that the State duly notified the Commission of its intention to grant the aid in the present case. There is no suggestion of any deficiency in that notification.

#### 21 What are the available grounds for bringing a private enforcement action?

The most likely basis for the claim would be articles 107–109 of the Treaty on the Functioning of the European Union (TFEU) or any decision adopted thereunder. If one was seeking to strike down assistance as illegal state aid, then one might well seek a declaration that the assistance amounted to state aid or that any assistance provided should be given only in strict compliance with any European Commission decision (*Dellway Investments Limited and Others v National Asset Management Agency, Ireland and The Attorney General* [2011] IESC 4). It would also be possible to seek an injunction (eg, to prevent any action that would be contrary to EU law (eg, the provision of illegal state aid)).

#### 22 Who defends an action challenging the legality of state aid? How may defendants defeat a challenge?

Such claims would be defended by the state (ie, Ireland). The Attorney General is automatically joined as a defendant in any proceedings against the state. Typically, the body that received or provided the aid would also be a defendant (eg, the National Asset Management Agency in *Dellway Investments Limited and Others v National Asset Management Agency, Ireland and The Attorney General* [2011] IESC 4).

#### 23 Have the national courts been petitioned to enforce compliance with EU state aid rules or the standstill obligation under article 108(3) TFEU? What is the national courts’ track record for enforcement?

Bearing in mind that Ireland has been a member state of the EU for over 40 years, there have been very few cases on state aid before the Irish courts. However, in the relatively few cases, the courts have been willing to comply with EU state aid law and order compliance. It is very likely that the Irish courts will be guided by the EU law on compliance and enforcement. The Irish courts have also been mindful of the relatively limited role of member state courts in this area and have not been willing to stray outside their limited role. For example, Cooke J in the High Court case of *Shannon LNG Limited & another v Commission for Energy Regulation & others* [2013] IEHC 568 said:

133. It must be borne in mind that in any event a national Court has no function in deciding whether an alleged State aid is compatible or incompatible with the internal market: that is an exclusive competence of the European Commission. It is true that where there is *prima facie* evidence of the proposed grant of an aid which has not been notified

to the European Commission as required by Article 108(3), a national court has jurisdiction based upon paragraph 4 of that Article to injunct its implementation. In the present case, however, quite apart from the fact that no actual aid has been identified as about to be granted and that the new regime will not in any event be introduced until at least October 2014,...., the Court has evidence before it that the applicants' contentions under this heading are the subject of a complaint (case No. SA 33518) made to the Commission in 2011, which is currently under consideration by it. It would therefore be unnecessary and possibly improper for this Court to make any determination in respect of these contentions given that if there is any substance to them, the applicants' position will be fully protected by appropriate decision of the European Commission.

The limited role of member state courts (including the Irish ones) was also recognised by the Supreme Court in *Dellway Investments Limited and Others v National Asset Management Agency, Ireland and The Attorney General* [2011] IESC 4:

14. The courts of the Member States are obliged to support the Commission in the exercise of its functions. Most importantly, they must give effect to the standstill provision of Article 108(3) and are obliged to make orders, where appropriate, restraining the State from implementing aid where the State in question has failed to notify the Commission or, where notice has been given, without awaiting the Commission decision on compatibility. Aid granted in contravention of Article 108(3) is described as 'unlawful aid' (see Commission Notice 2009/C 85/01 of 9th April 2009 on enforcement of State Aid law by national courts, especially paragraph 28). The national court may also be obliged to make orders for the recovery of unlawful aid, a matter which does not arise in the present case...

The Irish courts will pay due regard to any clearance decisions of the European Commission in regard to state aid (eg, *Quinn Insurance Limited [in administration] v Assurance Companies Act 1909* [2011] IEHC 382), but will nonetheless exercise their jurisdiction where it is proper to do so.

#### 24 Is there a mechanism under your jurisdiction's rules of procedure that allows national courts to refer a question on state aid to the Commission and to stay proceedings?

It is possible for Irish courts to refer certain questions to the CJEU under article 267 of the TFEU. The CJEU has jurisdiction to give preliminary rulings concerning:

- the interpretation of the Treaties; and
- the validity and interpretation of acts of the institutions, bodies, offices or agencies of the Union.

A state aid question would typically fall under the former heading. State aid issues would typically arise, insofar as they do, before the Irish High Court and it has shown a willingness to refer EU law questions generally to the CJEU on EU matters generally. Equally, if a state aid issue arose in the Supreme Court (ie, the final court of appeal in Ireland) then it may even be

obliged to bring the matter before the CJEU. If a state aid issue were to be raised in an Irish court and the conditions for the application of article 267 were met then it is very likely that the Irish court would refer the matter to the CJEU.

#### 25 Which party bears the burden of proof? How easy is it to discharge?

In Irish courts, it is the party that asserts that the assistance is state aid and that it is either lawful or unlawful that bears the burden of proof. It would be on the basis of the 'balance of probabilities' (ie, the civil rather than the criminal standard of proof). It should be relatively easy, provided all the facts are available, to demonstrate that the assistance is, or is not, aid. However, Cooke J said in paragraph 123 of his judgment in *Shannon LNG Limited & another v Commission for Energy Regulation & others* [2013] IEHC 568:

*[w]hile the principle of the hierarchy of norms means that the legislative measures considered in this judgment cannot be regarded as curtailing the inherent scope of the primary competition rules of the [TFEU], it is nevertheless the practical reality that a party to litigation who seeks to assert that a commercial practice authorised or directed under the legislation infringes article 102 TFEU or the State aid rules, faces a difficult onus of proof.*

#### 26 What is the role of economic evidence in the decision-making process?

The Irish courts are generally willing to accept economic evidence. However, the decision is ultimately one for the courts and not any economist giving evidence to the court or assisting the judge. The Irish courts are adversarial rather than inquisitive and, typically, they do not use assessors so the evidence would be submitted by expert witnesses called by the parties and the matter would ultimately be decided upon by the court.

#### 27 What is the usual time frame for court proceedings at first instance and on appeal?

If court proceedings are urgent in nature (eg, an application for an injunction) then proceedings can be instituted and concluded very quickly (eg, in a matter of hours or days if needed). If proceedings involve more long-term proceedings then there could be much slower proceedings over a number of years. State aid cases are generally not short or quick cases.

#### 28 What are the conditions and procedures for grant of interim relief against unlawfully granted aid?

The conditions for the granting of an interlocutory injunction (the closest analogy) would be:

- there is a fair question to be determined at the trial of the action;
- damages will not be an adequate remedy for the plaintiff if he or she is successful at the trial; and
- the balance of convenience favours the granting of the injunction rather than refusing the injunction.

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**29 What are the conditions for competitors to obtain damages for award of unlawful state aid or a breach of the standstill obligation in article 108(3) TFEU? How do national courts calculate damages?**

There is no practice yet established by the Irish courts in this regard. One would assume that the Irish courts would approach the matter on the basis of any EU or other member state precedent or practice.

**State actions to recover incompatible aid**

**30 What is the relevant legislation for the recovery of incompatible aid and who enforces it?**

There is no specific Irish legislation on the recovery of incompatible state aid. The claim would be based on EU law.

**31 What is the legal basis for recovery? Are there any grounds for recovery that are purely based on national law?**

The legal basis for recovery would ordinarily be an EU decision (eg, *Kingdom of Belgium v Ryanair* [2006] IEHC 213).

**32 How is recovery effected?**

If the recipient does not voluntarily return the illegal aid then the procedure for recovery would normally be:

- a court procedure whereby there is an application to the court to seek recovery; or
- an amended tax assessment by the Revenue Commissioners where the illegal aid was a tax break and the beneficiary received illegal state aid.

**33 How may beneficiaries of aid challenge recovery actions by the state?**

In Ireland, very few beneficiaries of state aid challenge recovery actions by the state. Based on the limited precedent of *Kingdom of Belgium v Ryanair* [2006] IEHC 213, it would appear that the Irish courts would be unlikely to frustrate the enforcement of an EU recovery decision.

**34 Is there a possibility to obtain interim relief against a recovery order? How may aid recipients receive damages for recovery of incompatible aid?**

If the European Commission has ordered the recovery of illegal state aid then it is unlikely that an Irish court would grant interim relief preventing recovery of the aid (*Kingdom of Belgium v Ryanair* [2006] IEHC 213). Indeed, it would very probably be unlawful, under EU law, for an Irish court to undermine the work of the European Commission in the area of state aid. It is more likely that interim relief against such a European Commission recovery order should be sought from the General Court of the European Union rather than the Irish court as the latter would not have any jurisdiction to annul the European Commission's decision or have power to ignore it.



## Getting the Deal Through

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