

Brussels, 7th October 2008

State aid: Commissioner Kroes announces guidance for bank recapitalisation and guarantee schemes

"I am happy to announce that the Commission will very shortly issue guidance, permitting rapid assessment of the state aid compatibility of national recapitalisation or guarantee schemes, and of individual cases in which such schemes are applied," European Commissioner for Competition Neelie Kroes stated at the press conference closing the EU's Council of Economics and Finance Ministers in Luxembourg on 7th October.

"That guidance will be based on our recent experience with state interventions, to rescue individual banks, as well as of a number of recently announced national schemes."

"I can already say that the Danish scheme contains a number of positive elements which are likely to be mentioned in our guidance. I am also pleased with the undertakings given in my conversation last night with Ireland's Finance Minister Brian Lenihan regarding the Irish scheme, in order that concerns about discrimination and a lack of appropriate limits and controls can be put aside."

"These cases confirm the value of prior contact and ongoing dialogue with the Commission in order to design, from the beginning, schemes that can achieve their objective of preserving financial stability while also preserving a fair level playing field for other banks and Member States."

The Commission intends to issue the guidance later this week or early next week.