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Metaxas & Associates Law Firm will be sponsoring the forthcoming **"18th Roundtable with the Government of Greece"** organized by the Economist. The Conference titled "The Big Rethink for Europe: The Big Turning Point for Greece. Brainstorming with World Leaders" will take place at the Divani Apollon Palace on 9-10 July 2014.

The European elections of 22-25 May 2014 were the most important elections to date as the European Union aims to pull through the economic crisis. Voters were given the chance to influence the future political course of Europe. The big rethink for Europe derives from the fact that EU leaders need to implement their strategy for closer economic and political integration in order to restore confidence and stability.

Distinguished personalities from around the world will once again brainstorm, openly discuss and put forward new proposals on the all the issues that this year's 18th annual Roundtable will be covering.

Europe 2050, lessons to be learnt from EU members states on economic recovery, **restructuring the Greek economy**, **privatization schemes** and investment, finance, energy, tourism, shipping, business, technology and innovation are the key topics to be covered at this year's two day government roundtable.

Dr **Antonis Metaxas,** Managing Partner of "**Metaxas and Associates" Law Firm**, will participate in the discussion round on Energy titled "*The Current Status of Power Energy in Europe: Opportunities and Challenges for Greece*" together with Mr Arthouros Zervos, Chairman and CEO of PPC, Mr. Roberto Poti, Vice-President of Edison and Mr. M. Aslanoglou, Vice-President of the Greek Regulatory Authority for Energy (RAE).

More information on the programme of this prominent Conference can be found here: http://www.metaxaslaw.gr/en/news/702-m-a-as-the-official-contributor-of-the-18th-roundtable-with-he-government-of-greece

STATE AID

State aid: Commission approves restructuring aid for Eurobank

The European Commission has found the restructuring plan of Eurobank Group to be in line with EU state aid rules. The plan will enable the bank to become viable in the long term without unduly distorting competition. Greece has committed to a comprehensive set of measures covering both the restructuring of Eurobank's activities and the credit policy of the group. On the basis of the plan, the Commission has approved under EU state aid rules the restructuring aid granted by Greece to Eurobank Ergasias S.A., including recapitalisations by the Hellenic Financial Stability Fund (HFSF) in 2012 and 2013, as well as the HFSF's backstopping of the ongoing recapitalisation. The Commission has also approved Eurobank's acquisition of Nea Proton Bank and New Hellenic Postbank, whose integration within Eurobank will reinforce the viability of the group without unduly distorting competition.

Eurobank's restructuring plan

Since 2008, Greece and the HFSF have granted repeated capital and liquidity support to Eurobank Ergasias S.A. The Commission opened an in-depth investigation in July 2012 to assess whether the measure was in line with EU rules on state aid for banks during the crisis (see IP/12/860).

Eurobank's restructuring plan runs until 2018. It mainly aims at a deeper refocusing on core banking activities in Greece and a return of these operations to strong profitability. Its commitments will be monitored by a trustee.

The Commission also notes positively that for Eurobank's current capital increase, which HFSF is backstopping, the subscription price for the new shares has been determined on the basis of two independent appraisals of the fair value of the bank. This will avoid an excessive dilution of the HFSF which owns more than 90% of Eurobank since its 2013 recapitalisation. Moreover, if the HFSF has to inject a sizeable amount of capital in the context of the ongoing recapitalisation, Greece has committed to further deleverage the international activities of the bank. This enabled the Commission to adopt a decision before the capital increase was closed.

In its assessment, the Commission has taken into account the fact that the difficulties of Eurobank do not come mainly from excessive risk-taking but from the sovereign crisis and the related exceptionally protracted and deep recession which started in 2008. The Commission therefore agreed to a smaller downsizing than for other restructuring cases already approved by the Commission, especially in the domestic market where the Commission accepted that the bank does not deleverage its balance sheet over the restructuring period.

However, the far-reaching restructuring and governance measures to be implemented, such as the downsizing of international operations and non-core activities in Greece, the contribution of shareholders and subordinated creditors or the restructuring of commercial operations in Greece, provide adequate safeguards to limit the distortions of competition created by the state aid and ensure that the bank and its owners sufficiently contribute to the cost of restructuring and recapitalising the bank.

The Commission has therefore approved all capital and liquidity support measures.

Acquisitions of Nea Proton Bank and New Hellenic Postbank by Eurobank

In July 2012 (see IP/12/854) and May 2013, the Commission had opened in-depth investigations into the significant state aid granted to Nea Proton Bank and new Hellenic Postbank, the bridge banks which harboured the activities of Proton Bank and Hellenic Postbank respectively. In July 2013, the two banks were offered for sale. Eurobank was selected as the preferred bidder for both.

Under the EU state aid rules, and in particular under the Restructuring Communication (see IP/09/1180), banks that received state aid are normally not allowed to buy assets during the restructuring period, so as to avoid crowding out investors that operate without state aid and to ensure that the aid is strictly limited to the cost of restructuring.

However, in this case, no non-aided investors submitted valid offers for the two bridge banks during the open, transparent and non-discriminatory sale processes. Eurobank also benefits from synergies with the two banks and from their large deposit base, which in turn reinforces Eurobank's viability and reduces the restructuring costs of both Eurobank and the acquired entities. In addition, the transactions will not trigger any additional state aid for Eurobank in the future since the acquired entities were adequately capitalised. Finally, none of the two bridge banks was viable on a standalone basis, so that their sale to a viable group was necessary to restore financial stability. Both banks will therefore exit the market as autonomous competitors. In these exceptional circumstances the Commission considered the acquisitions to be no obstacle to the restructuring of Eurobank. The Commission has also approved the aid received by Nea Proton Bank and new Hellenic Postbank on the basis of Eurobank's restructuring plan.

State aid: Commission facilitates support for important projects of common European interest

The European Commission has adopted a new Communication setting out criteria under which Member States can grant public support for the implementation of Important Projects of Common European Interest (IPCEIs) in line with EU state aid rules. The communication is part of the State Aid Modernisation (SAM) (see IP/12/458), setting an ambitious modernisation programme of state aid control to foster sustainable, smart and inclusive growth.The Communication will enter into force on 1 July 2014.

Article 107(3)(b) of the Treaty on the Functioning of the European Union (TFEU) allows Member States to grant state aid to promote the execution of important projects of common European interest. However, there is no general framework setting out how the Commission would assess the conformity of such projects with the state aid rules. Only the 2008 Environmental Aid Guidelines and the

2006 Research and Development and Innovation Framework contained some provisions on support for IPCEIs. However, those rules were limited to projects in the field of environmental protection and research whereas today's communication provides clear criteria for the assessment of any project with a high potential of furthering EU objectives, even in fields where no guidance was available before.

ENERGY

Paving the way for European energy security

Completing the internal energy market, saving energy, increasing domestic energy production as well as diversifying sources, routes and counterparties of energy imports: these are ways to reduce the EU’s energy dependence. Energy leaders discuss the crucial issue today in Brussels at the high-level conference "Paving the way for a European Energy Security Strategy", organised by the European Commission. European Commission President José Manuel Barroso will provide orientations on a "European Energy Security Strategy", which the European Commission intends to present ahead of the European Council of 26 and 27 of June. EU Energy Commissioner Günther H. Oettinger will focus on how to strengthen Europe's security of supply and Polish Prime Minister Donald Tusk will present his proposal for an Energy Union for Europe.

Representatives from Member States and third countries as well as energy companies, regulators, business and consumer associations, think-tanks gather today in Brussels to discuss ways to reduce the EU’s energy dependence. In the morning participants will focus on energy demand and production, energy efficiency, integrating the internal energy market, diversifying energy sources and routes and the role of the EU’s external energy policy. In the afternoon European Commission President Barroso, Energy Commissioner Oettinger and Poland’s Prime Minister Tusk will further discuss how to strengthen Europe's security of supply.

EU Energy Commissioner Oettinger added: "The Commission is intensively working on a new European Energy Security Strategy. As there is no miracle solution for increasing energy security, we have to address the issue from different angles. We need to diversify our supplier countries, especially in the field of gas. The development of the Southern Corridor, which will enable gas deliveries from Azerbaijan as from the end of 2019 is crucial in this respect. In addition, we need to intensify our efforts in the area of energy efficiency. A key element for increasing energy security is of course the completion of the internal energy market and upgrading the gas and electricity infrastructure in the EU. The first call for proposals under the Connecting Europe Facility that helps to finance important projects is now open. In the first round €750 million - out of a total of 5.85 billion until 2020 - will be made available".

Commission approves Czech scheme supporting renewable energy

The European Commission has found that a Czech scheme supporting the production of electricity from renewable energy sources is in line with the EU state aid rules. The Commission concluded in particular that the scheme will further EU energy objectives without unduly distorting competition in the Single Market.

Commission Vice President in charge of competition policy Joaquín Almunia said: "The implementation of the scheme helps the Czech Republic to meet its renewable energy targets and achieve its Europe 2020 goals in line with EU state aid rules."

The Czech scheme grants feed-in tariffs and green bonuses to electricity produced from the following renewable energy sources: hydropower, wind, solar, biomass, biogas and geothermal.

The Commission has assessed the support on the basis of the 2008 Environmental Aid Guidelines as for most of the technologies the possibility to enter into the scheme was phased out at the end of 2013. The Czech authorities have committed to a series of amendments in order to bring the scheme in line with the guidelines. They concern, in particular, the modalities of collecting the special surcharge to finance the support, and also introduce mechanisms to avoid that renewable energy producers receive excessive compensation above and beyond additional costs incurred by producing renewable energy.

Today's decision only concerns installations commissioned since 1 January 2013. The Czech budget for 2014 foresees in total around € 91 million for such installations. The decision does not cover support granted to renewable electricity installations put into operation before 1 January 2013.

ANTITRUST

The General Court upholds the fine of €1.06 billion imposed on Intel for having abused its dominant position

Intel's action against the Commission's decision is dismissed in its entirety. By decision of 13 May 2009 the Commission imposed a fine of €1.06 billion on Intel, the American microchip manufacturer, for having abused its dominant position on the market for x86 central processing units (CPUs), in infringement of the competition rules of the EU and the European Economic Area (EEA).

According to the Commission, Intel abused its dominant position on the worldwide market for x86 CPUs from October 2002 to October 2007, by implementing a strategy aimed at foreclosing from the market its only serious competitor, Advanced Micro Devices, Inc.

According to the Commission, the abuse was characterised by several measures adopted by Intel vis-à-vis its own customers (computer manufacturers) and the European retailer of microelectronic devices, Media-Saturn-Holding.

Accordingly, Intel granted rebates to four major computer manufacturers (Dell, Lenovo, HP and NEC) on the condition that they purchased from Intel all or almost all of their x86 CPUs. Similarly, Intel awarded payments to Media-Saturn, which were conditioned on its selling exclusively computers containing Intel's x86 CPUs. According to the Commission, those rebates and payments induced the loyalty of the four manufacturers listed above and of Media-Saturn and thus significantly diminished the ability of Intel's competitors to compete on the merits of their x86 CPUs. Intel's anti-competitive conduct thereby resulted in a reduction of consumer choice and in lower incentives to innovate.

Moreover, Intel awarded three computer manufacturers (HP, Acer and Lenovo) payments which were conditional upon their postponing or cancelling the launch of AMD CPU-based products and/or putting restrictions on the distribution of those products.

On the basis of the 2006 Guidelines, the Commission imposed a fine on Intel of €1.06 billion, which is the highest fine ever imposed by the Commission on a single company for an infringement of the competition rules.

Intel brought an action against the Commission's decision before the General Court, seeking the annulment of that decision or, at least, a substantial reduction of the fine.

In its judgment, the General Court dismisses the action and thus upholds the Commission's decision.

The General Court finds, inter alia, that the rebates granted to Dell, HP, NEC and Lenovo are exclusivity rebates. Such rebates are, when applied by an undertaking in a dominant position, incompatible with the objective of undistorted competition within the common market. They are not based – save in exceptional circumstances – on an economic transaction which justifies such a financial advantage, but are designed to remove or restrict the purchaser's freedom to choose his sources of supply and to deny other producers access to the market. That type of rebate constitutes an abuse of a dominant position if there is no objective justification for granting it. Exclusivity rebates granted by an undertaking in a dominant position are, by their very nature, capable of restricting competition and foreclosing competitors from the market. It is thus not necessary to show that they are capable of restricting competition on a case by case basis in the light of the facts of the individual case.

TRADE

The Commission is about to publish EU Trade defense Guidelines

Four draft guidelines on the application of trade defence instruments were presented by EU Commissioner for Trade, Karel De Gucht, to the College of Commissioners for adoption.

The EU guidelines are intended to be part of the modernisation of the EU's trade defence instruments. The guidelines codify and clarify the Commission's existing practice in four fields: (i) the choice of an analogue country in trade defence investigations; (ii) the calculation of the injury margin; (iii) the application of the Union interest test; and (iv) the duration and expiry of measures.

While the guidelines will not be binding, their publication will provide companies involved in trade defence proceedings with more predictability.

One of the main points of controversy is the guidelines on "Union interest". EU legislation provides that measures should not be imposed, even when there is a finding of dumping and injury, if such measures would be against the Union interest. This legal provision is rarely used in practice, and in previous cases (with only a few exceptions) the focus for assessing the Union interest was on the market of the product concerned. In the guidelines, it would now be acknowledged that the Commission should take into account broader interests, such as other EU policies. Some EU Member States fear that this would politicise – and thereby weaken – the trade defence instruments.

Further, several Member States would have preferred to see the guidelines adopted at the same time as the legislative amendments, which have not yet been adopted after the European Parliament proposed several amendments to the Commission's proposal. The Commission, however, wants to adopt the guidelines as soon as possible and in any event before the new Commission comes into place in October 2014.

It is expected that the guidelines proposal will be presented to the other Commissioners in June 2014 and that adoption will follow soon after.

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