



Margrethe Vestager  
Commissioner for Competition

Strasbourg, May 21st 2015

Dear Commissioner,

Recently, the Portuguese press reported that the Portuguese Government signed an order exempting "Novo Banco", held by the Resolution Fund of the banking sector, of the payment of costs associated with registration of operations and the massive transfer to its sphere of mortgage loans, to consumer or to companies that were in the Banco Espírito Santo (BES) sphere (which kept the toxic assets), after the August 2014 intervention. With this decision, it is estimated that the State will no longer receive more than EUR 85 million.

The application of this order to the case of BES-Novo Banco, left, however, many doubts, because it was only applied to business restructuring operations - and not to a resolution operation, which was what happened to BES. So, in March, the government amended the Legal Framework of Credit Institutions and Financial Companies, to extend these tax benefits to credit institutions that are subject to a measure of resolution.

On the other hand, the Bank of Portugal allowed Novo Banco to deduct about 240 million of BES tax debt, in order to, according to the supervisor, prevent Novo Banco from having a loss of that value, benefiting the liquidity of the institution, which is about to be sold.

1 - Does the Commission believe that these measures can be regarded as State aid within the meaning of Article 107 (1) of the Treaty for the Functioning of the European Union?

2- Does the Commission agree with these tax exemptions to a financial institution, bearing in mind the principle of tax equity?

Best regards,

Ana Gomes  
Member of the European Parliament