

## **Abstract**

This thesis focuses on state aid law as a specific part of EU competition law. State aid is therefore primarily set in the context of protection of competition in the EU internal market. Furthermore, the thesis provides an interpretation of Article 107, paragraph 1 of the Treaty on the Functioning of the European Union, which contains four attributes of state aid: state resources, favoring certain undertaking or the production of certain goods, distortion of competition and effect on trade between EU Member States. Analysis of the attribute "effect on trade between Member States" is made in a separate part of the work. In this section, the work seeks to explore how European Commission and the Court of Justice of the European Union approach and interpret this attribute. Attention is paid especially to decision-making activities of the European Commission in recent years. Decisions of the Commission, as a body authoritatively determining whether a measure constitutes state aid, as well as the compatibility of state aid with the internal market, could also indicate the direction in which the state aid law will develop in the future. The analysis of the Commission's decisions found that not even potentially affects trade between Member States a measure with purely local impact. Such measure will therefore not be considered state aid under the Article 107, paragraph 1 of the Treaty on the Functioning of the European Union. Local impact of measures can be drawn primarily from the size of the undertaking, the nature of its activities and the amount of aid. The thesis also includes a brief description of the proceedings before the European Commission in matters of state aid.