



## State aid: Commission approves €1.14 billion Hungarian scheme to support companies in context of Russia's invasion of Ukraine

Brussels, 20 June 2022

The European Commission has approved a €1.14 billion (HUF 442.37 billion) Hungarian scheme to support companies across sectors in the context of Russia's invasion of Ukraine. The scheme was approved under the State aid [Temporary Crisis Framework, adopted by the Commission on 23 March 2022](#), based on Article 107(3)(b) of the Treaty on the Functioning of the European Union ('TFEU'), recognising that the EU economy is experiencing a serious disturbance.

Executive Vice-President Margrethe **Vestager**, in charge of competition policy, said: "*With this more than €1 billion scheme, Hungary will support companies across sectors affected by the current geopolitical crisis and the related sanctions. This is an important step to mitigate the economic impact of Russia's invasion of Ukraine. We continue to stand with Ukraine and its people. At the same time, we continue working closely with Member States to ensure that national support measures can be put in place in a timely, coordinated and effective way, while protecting the level playing field in the Single Market.*"

### The Hungarian measure

Hungary notified to the Commission under the Temporary Crisis Framework an approximately €1.14 billion (HUF 442.37 billion) scheme to support companies across sectors in the context of Russia's invasion of Ukraine.

Under this measure, the aid will take the form of: (i) direct grants, (ii) tax reductions, (iii) equity and (iv) loans.

The measure will be open to companies of all sizes and active in all sectors, with the exception of the financial sector, that are negatively affected by the economic effects of the current geopolitical crisis and the related sanctions.

The Commission found that the Hungarian scheme is in line with the conditions set out in the Temporary Crisis Framework. In particular, the aid (i) will not exceed €35,000 per company active in the primary production of agricultural products, fishery and aquaculture sector and €400,000 per company active in all other sectors; and (ii) will be granted no later than 31 December 2022.

Furthermore, the public support will come subject to conditions to limit undue distortions of competition, including safeguards to ensure that the advantage is passed on to the final beneficiaries by the financial intermediaries.

The Commission concluded that the Hungarian scheme is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State, in line with Article 107(3)(b) TFEU and the conditions set out in the Temporary Crisis Framework.

On this basis, the Commission approved the aid measure under EU State aid rules.

### Background

On [23 March 2022](#), the Commission adopted the State aid [Temporary Crisis Framework](#) to enable Member States to use the flexibility foreseen under State aid rules to support the economy in the context of Russia's invasion of Ukraine.

The Temporary Crisis Framework provides for the following types of aid, which can be granted by Member States:

- **Limited amounts of aid**, in any form, of up to €35,000 for companies affected by the crisis active in the agriculture, fisheries and aquaculture sectors and of up to €400,000 per company affected by the crisis active in all other sectors;
- **Liquidity support in form of State guarantees and subsidised loans**; and
- **Aid to compensate for high energy prices**. The aid, which can be granted in any form, will

partially compensate companies, in particular intensive energy users, for additional costs due to exceptional gas and electricity price increases. The overall aid per beneficiary cannot exceed 30% of the eligible costs, up to a maximum of €2 million at any given point in time. When the company incurs operating losses, further aid may be necessary to ensure the continuation of an economic activity. Therefore, for energy-intensive users, the aid intensities are higher and Member States may grant aid exceeding these ceilings, up to €25 million, and for companies active in particularly affected sectors and sub-sectors up to €50 million.

Sanctioned Russian-controlled entities will be excluded from the scope of these measures.

The Temporary Crisis Framework includes a number of safeguards:

- **Proportional methodology**, requiring a link between the amount of aid that can be granted to businesses and the scale of their economic activity and exposure to the economic effects of the crisis;
- **Eligibility conditions**, for example defining energy intensive users as businesses for which the purchase of energy products amount to at least 3% of their production value; and
- **Sustainability requirements**. Member States are invited to consider, in a non discriminatory way, setting up requirements related to environmental protection or security of supply when granting aid for additional costs due to exceptionally high gas and electricity prices.

The Temporary Crisis Framework will be in place until 31 December 2022. With a view to ensuring legal certainty, the Commission will assess before that date if it needs to be extended. Moreover, during its period of application, the Commission will keep the content and scope of the Framework under review in the light of developments regarding the energy markets, other input markets and the general economic situation.

The Temporary Crisis Framework complements the ample possibilities for Member States to design measures in line with existing EU State aid rules. For example, EU State aid rules enable Member States to help companies cope with liquidity shortages and needing urgent rescue aid. Furthermore, Article 107(2)(b) of the Treaty on the Functioning of the European Union enables Member States to compensate companies for the damage directly caused by an exceptional occurrence, such as those caused by the current crisis.

Furthermore, on [19 March 2020](#), the Commission adopted a Temporary Framework in the context of the coronavirus outbreak. The COVID Temporary Framework was amended on [3 April](#), [8 May](#), [29 June](#), [13 October](#) 2020, [28 January](#) and [18 November](#) 2021.

The non-confidential version of the decision will be made available under the case number SA.103089 in the [State aid register](#) on the Commission's [competition](#) website once any confidentiality issues have been resolved. New publications of State aid decisions on the internet and in the Official Journal are listed in the [Competition Weekly e-News](#).

More information on the Temporary Crisis Framework and other actions taken by the Commission to address the economic impact of Russia's invasion of Ukraine can be found [here](#).

IP/22/3751

Press contacts:

[Arianna PODESTA](#) (+32 2 298 70 24)

[Maria TSONI](#) (+32 2 299 05 26)

General public inquiries: [Europe Direct](#) by phone [00 800 67 89 10 11](#) or by [email](#)