



EUROPEAN COMMISSION

Brussels, 30.4.2020  
C(2020) 2940 final

PUBLIC VERSION

This document is made available for information purposes only.

**Subject: State Aid SA.57048 (2020/N) – Greece  
COVID-19: ‘Amendment of the measure for Capped business loans portfolio guarantees for new working capital loans in the current COVID-19 outbreak’**

Excellency,

## 1. PROCEDURE

- (1) By electronic notification of 15 April 2020, Greece notified aid in the form of guarantees on loans and subsidisation of guarantees (‘Amendment of the measure for capped business loans portfolio guarantees for new working capital loans in the current COVID-19 outbreak, “the measure”’) under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (“the Temporary Framework”)<sup>1</sup>. The Greek authorities submitted supplementary information by email of 27 April 2020.
- (2) The Greek authorities confirm that the notification does not contain confidential information.
- (3) Greece exceptionally agrees to waive its rights deriving from Article 342 TFEU, in conjunction with Article 3 of Regulation 1/1958,<sup>2</sup> and to have this Decision adopted and notified in English.

---

<sup>1</sup> Communication from the Commission - Temporary framework for State aid measures to support the economy in the current COVID-19 outbreak, 19 March 2020, C/2020/1863, OJ C 91I, 20.3.2020, p. 1-9.

<sup>2</sup> Regulation No 1 determining the languages to be used by the European Economic Community, OJ 17, 6.10.1958, p. 385.

Κύριος Νίκος Δένδιας  
Υπουργός Εξωτερικών  
Βασιλίσσης Σοφίας 5  
Ελλάδα - 10671 Αθήνα

## 2. DESCRIPTION OF THE MEASURE

- (4) The notified measure alters the aid scheme SA. 56857 (2020/N) '*Capped business loans portfolio guarantees for new working capital loans in the current COVID-19 outbreak*' (henceforth, 'the initial measure') approved by the Commission<sup>3</sup> on 3 April 2020. The initial measure enabled the granting of guarantees on working capital loans under the Temporary Framework to help Greek businesses cover immediate working capital needs and continue their activities during the COVID-19 outbreak.
- (5) The initial measure, as altered by the notified measure, forms part of an overall package of measures of the Greek government. This package of measures aims to ensure that sufficient liquidity remains available in the market, to counter the damage inflicted upon undertakings impacted by the COVID-19 outbreak and to preserve the continuity of economic activity during and after the outbreak. Other measures of the package include the measure notified under SA. 56815 (2020/N) '*Repayable Advance Scheme (RAS) for undertakings under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak*' and the measure notified under SA. 56839 (2020/N) '*Greek COVID measure: Support to SMEs loan obligations in the current COVID-19 outbreak*'.
- (6) The measure is expressly based on Article 107(3)(b) of the Treaty on the Functioning of the European Union ("TFEU"), as interpreted by Section 2 of the Temporary Framework.
- (7) To the extent the scheme is co-financed by European Structural and Investment Funds (ESIF), the measure will be implemented in full compliance with the rules applicable under these Funds.

### 2.1. The nature and form of aid

- (8) The initial measure provided aid to address the impact of COVID-19 on the Greek economy in the form of guarantees on new working capital loans. It provided support to all undertakings active in Greece regardless of their size, with the exception of financial intermediaries (banks), undertakings active in aquaculture, undertakings active in agriculture and in sectors non-eligible by the European Regional Development Fund.
- (9) The notified measure alters the initial measure by;
  - i. Introducing the "COVID-19 Business Guarantee Fund" ('the Fund'), established as an independent unit within the Hellenic Development Bank ("HDB"), responsible for the implementation of the scheme, under the management of the HDB.
  - ii. As regards the type of eligible undertakings, extending the scope of the measure to include the self-employed and introducing new caps and conditions for the provision of guarantees for i) small and medium

---

<sup>3</sup> [https://ec.europa.eu/competition/elojade/isef/case\\_details.cfm?proc\\_code=3\\_SA\\_56857](https://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=3_SA_56857)

enterprises (henceforth, ‘SMEs’) and the self-employed and ii), large enterprises.

- iii. As regards the eligible sectors, extending the scope of the measure to provide partial guarantees to new working capital loan capped portfolios due to the impact of COVID-19 for undertakings active in the sectors of aquaculture and agriculture, which were excluded from the initial measure;
- iv. Introducing a new component to the measure by the means of partial or full subsidisation of the guarantee premiums for the loans granted under the notified measure and under the initial measure. Subsidisation will take the form of direct grant in accordance with section 3.1. of the Temporary Framework.

## **2.2. National legal basis**

- (10) In addition to the legal bases of the initial measure,<sup>4</sup> which apply also to the notified measure, the legal bases for the notified measure are the following:
  - Joint Ministerial Decision 22824/ 04-04-2020 (Official Gazette B’ 1168)
  - Joint Ministerial Decision 24406/ 10-04-2020 (Official Gazette B’ 1299)

## **2.3. Draft Decision of the Deputy Minister of Development and Investments on the ‘Establishment of a Fund under the name "COVID-19 Guarantee Fund".Administration of the measure**

- (11) The granting authority of the measure is the Managing Authority of the Operational Program of Entrepreneurship, Competitiveness and Innovation (“EPANEK”). The measure is implemented by the Fund under the management of the HDB.

## **2.4. Budget and duration of the measure**

- (12) The measure will be partly financed by the national budget and partly by EU resources.
- (13) The total budget of the measure will not exceed EUR 2.250 billion, distributed as follows between the two components of the measure;
  - i) As regards the first component of the measure, and in particular the granting of guarantees under sections 3.2. and 3.4. of the Temporary Framework, the budget remains unchanged compared to the initial measure, at no more than EUR 2 billion. The maximum aid amount of EUR 2 billion reflects the total guaranteed amount by the measure. The Greek authorities expect this to result in up to EUR 8 billion of new

---

<sup>4</sup> These are the following: Legislative Act March 20th (Official Gazette A’ 68), Joint Ministerial Decision 19024/17-3-2020 (Official Gazette B’ 915), Law 4314/2014, as amended (Official Gazette A’ 265/23-12-2014), Law 3912/2011 (Official Gazette A’ 17/17-2-2011), and Law 4608/2019 (Official Gazette A’ 66/25-4-2019).

working capital loans to the Greek economy provided by the financial intermediaries.

- ii) As regards the second component of the measure, and in particular the subsidisation of guarantee premiums under section 3.1 of the Temporary Framework, the Greek authorities confirm that the budget will not exceed EUR 250 million.

- (14) Aid may be granted under the measure as from its approval until 31 December 2020.

## **2.5. Beneficiaries**

- (15) The final beneficiaries of the measure are all undertakings active in Greece with the exception of financial intermediaries (banks), and undertakings in sectors non-eligible by the European Regional Development Fund.
- (16) Aid is granted under the measure through credit institutions and other financial institutions as financial intermediaries.
- (17) Aid may not be granted under the measure to undertakings that were already in difficulty within the meaning of the General Block Exemption Regulation (“GBER”),<sup>5</sup> the Agricultural Block Exemption Regulation<sup>6</sup> or the Fisheries Block Exemption Regulation<sup>7</sup> on 31 December 2019.

## **2.6. Sectoral and regional scope of the measure**

- (18) The measure is open to all sectors with exception of the ones mentioned in recital (15). It applies to the whole territory of Greece.

## **2.7. Basic elements of the measure**

- (a) First component of the measure

---

<sup>5</sup> As defined in Article 2(18) of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, OJ L 187 of 26.6.2014, p. 1[, Article 2(14) of Commission Regulation (EU) No 702/2014 of 25 June 2014 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty, OJ L 193 of 1.7.2014, p.1, and Article 3(5) of Commission Regulation (EU) No 1388/2014 of 16 December 2014 declaring certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty, OJ L 369 of 24 December 2014, p. 37.]

<sup>6</sup> As defined in Article 2 (14) of the Commission Regulation (EU) No 702/2014 of 25 June 2014 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty, OJ L 193 of 1.7.2014, p.1.

<sup>7</sup> As defined in Article 3 (5) of the Commission Regulation (EU) No 1388/2014 of 16 December 2014 declaring certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty, OJ L 369 of 24 December 2014, p. 37.

- (19) As regards the first component of the measure pertaining to the issuance of guarantees in accordance with section 3.2 of the Temporary Framework, the basic elements of the measure remain unchanged compared to the initial measure, with the exceptions indicated below. To implement the measure, the Fund will issue guarantees to banks, partially guaranteeing a portfolio of new working capital loans as described in point (8)(i). In accordance with the notified scheme, the scope of the measure is extended to the self-employed and undertakings active in the sectors of aquaculture and agriculture as described in points (8)(ii) and (8)(iii).
- (20) The notified scheme introduces new caps and conditions for the provision of guarantees for i) SMEs and the self-employed and ii) large enterprises.
- (21) Therefore the basic elements of the first component of the measure are the following:
- (22) The first component of the measure will be implemented through the issuance of guarantees by the Fund to financial intermediaries. The measure will partially guarantee eligible loans originated by financial intermediaries.
- (23) The reference portfolio on the balance sheet of the financial intermediary consists of eligible loans. The Fund will predefine the maximum amount of the reference portfolio for each intermediary.
- (24) The measure concerns a State guarantee that covers 80% of the losses incurred on the individual working capital loans to eligible companies with an additional cap of 40% on the losses incurred in the reference portfolio for SMES and the self-employed and of 30% for large enterprises. The reference portfolio cap is an additional restriction limiting the pay-outs under the measure to maximum 40% of the loans principal in the reference portfolio for SMES and the self-employed and to maximum 30% of the loans principal in the reference portfolio for large enterprises. In practice, the measure will cover up to 80% of the losses on an eligible individual working capital loan originated by a financial intermediary as long as the losses on the total reference portfolio of eligible loans issued by that financial intermediary do not exceed 40% of the total underlying loan principals of that reference portfolio for SMES and the self-employed and 30% for large enterprises.
- (25) The measure will be granting guarantees to amortising and balloon working capital loans. Guarantees can only be granted on new loans.
- (26) Only loans with a maturity from 1 to 5 years are eligible under the measure.
- (27) Under the measure the amount of the loan principal does not exceed:
  - (a) twice the annual wage bill of the beneficiary (including social charges as well as the cost of personnel working on the undertakings site but formally in the payroll of subcontractors) for 2019, or for the last year available. In the case of undertakings created on or after 1 January 2019, the maximum loan must not exceed the estimated annual wage bill for the first two years in operation; or
  - (b) 25% of total turnover of the beneficiary in 2019; or

(c) based on documentation and justification of the liquidity needs of the beneficiary submitted to the Fund, the amount of the loan may be increased to cover the liquidity needs from the moment of granting for the coming 18 months for SMEs and the self-employed and for the coming 12 months for large enterprises. In this case, a business plan will be used.

(d) the loan principal shall not exceed 10% of the portfolio of the credit institution on the beneficiary.

- (28) The guarantee will cover the full maturity of the underlying loan and will hence have a duration from 1 to 5 years.
- (29) The level of guarantee premiums are in line with the ones defined under point 25(a) of the Temporary Framework:

Type of recipient	Credit risk margin for the 1 <sup>st</sup> -year maturity loan	Credit risk margin for the 2nd and 3rd years maturity loan	Credit risk margin for the 4 <sup>th</sup> to 5 <sup>th</sup> years maturity loan
<u>SMEs and self-employed</u>	25bps	50bps	100bps
Large enterprises	50bps	100bps	200bps

- (30) Losses are attributed to the Fund and the financial intermediary at the same time. HDB and the financial intermediaries will contractually agree that both parties will be treated equally with regards to losses on a specific loan. They both share the risk of non-repayment by the final beneficiary proportionally to their risk coverage (80% of the risk assumed by HDB and 20% by the financial intermediary) as long as the reference portfolio cap is not reached. This implies that for every EUR 1 of loss on the underlying loan, 80% of the loss will be absorbed by HDB and 20% by the financial intermediary as long as the reference portfolio cap is not reached. Once the reference portfolio cap is reached, the 100% of the losses will be absorbed by the financial intermediary.
- (31) A guarantee can be called upon submission of request by the credit institution concerned, at any time from the point the debt becomes overdue and until 31 December 2026. The amount of debt covered by the guarantee concerns the outstanding loan principal plus interest for a period of up to 90 days of consecutive arrears (excluding interest on arrears, capitalised interest, expenses), as it stands at the time of the credit event. The amount of debt covered by the guarantee concerns any reduction in the amount of capital and / or interest due (in addition to default interest, capitalised interest, expenses, etc.), as a result of restructuring.
- (32) In addition, the Greek authorities confirm that when the size of the loan decreases over time, the guaranteed amount decreases proportionally.
- (33) Greece also confirms that the mobilisation of the guarantee is contractually linked to specific conditions, which have to be agreed between the parties when the guarantee is initially granted.

(34) The Fund and the financial intermediaries will contractually agree that the advantages of the public guarantee will be passed on to the final beneficiaries to the largest extent possible. Each financial intermediary shall be able to demonstrate that it operates a mechanism that ensures that the advantages are passed on to the largest extent possible to the final beneficiaries in the form of higher volumes of financing, riskier portfolios, lower collateral requirements, lower guarantee premiums or lower interest rates. The pass on mechanism will foresee mostly reduced collaterals, lower than the usual in the market and if needed lower interest rates. After ten years of limitation in their financing, undertakings have a preference for reduced collateral requirements. In addition, the Greek authorities confirm that the measure is open to all banks active in Greece. All banks active in Greece will be able to benefit from the measure when originating eligible loans to final beneficiaries. This ensures that final beneficiaries can compare offers of competing banks assuring that aid is passed on to the largest extent.

(b) Second component of the measure

(35) As regards the second component introduced in the notified measure, it concerns aid in the form of direct grants in accordance with part 3.1 of the Temporary Framework. These direct grants shall be provided by the Fund in order to subsidise fully or partially guarantee premiums of the loans issued in accordance with section 3.2 of the Temporary Framework. The subsidised guarantee premiums under the notified measure will be for new amortising and balloon working capital loans<sup>8</sup> with up to 5 years' maturity, granted under the notified or the initial measure.

(36) The maximum aid amount per undertaking in the form of direct grants for subsidisation of guarantee premiums shall not exceed EUR 800 000, with the exception of undertakings active in the fishery and aquaculture sector and in the primary production of agricultural products. In these cases, the maximum aid amount per undertaking shall not exceed EUR 120 000 for undertakings active in the fishery and aquaculture sector and EUR 100 000 for undertakings active in the primary production of agricultural products respectively.

(37) The amount of the direct grant corresponds to the gross grant equivalent of the (partial or full) guarantee premium subsidisation, estimated at the time of the granting of the guarantee. The amount is calculated taking into account the amount of the loan, the duration of the loan, the guarantee premium that the beneficiary had to pay and the amount of guarantee premium that the beneficiary ultimately paid (if any).

(38) Undertakings active in the processing and marketing of agricultural products are excluded when the aid is conditional on being partly or totally passed on to primary producers, fixed on the basis of the price or quantity of products purchased from primary producers or put on market by such producers;

---

<sup>8</sup> Balloon working capital loans refer to loans that do not fully amortise during their duration and require a larger final payment to pay-off the outstanding amount at the end of the duration

- (39) The Greek authorities have confirmed that aid to undertakings active in the primary production of agricultural products will not be fixed on the basis of the price or quantity of products put on the market;
- (40) The Greek authorities have confirmed that aid to undertakings active in the fishery and aquaculture sectors does not concern any of the categories of aid referred to in Article 1, paragraph (1) (a) to (k), of Commission Regulation (EU) No 717/2014;
- (41) Where an undertaking is active in several sectors to which different maximum amounts apply in accordance with points 22(a) and 23(a) of the Temporary Framework, the granting authorities, by appropriate means such as separation of accounts, ensure that for each of these activities the relevant ceiling is respected and that the highest possible amount is not exceeded in total.

## **2.8. Cumulation**

- (42) The Greek authorities have confirmed that they will comply with the aid ceilings and cumulation maxima regardless of whether the support for the aided project is financed entirely from State resources or partly financed by the Union.
- (43) The Greek authorities confirmed that insofar as a beneficiary may benefit from multiple measures under the Temporary Framework, the maximum thresholds on aid amounts per beneficiary, as specified in the Temporary Framework, will be respected.
- (44) The Greek authorities confirmed that aid granted under section 3.2 of the Temporary Framework will not be cumulated with other aid granted for the same underlying loan principal under section 3.3 of the Temporary Framework, and vice versa.
- (45) The Greek authorities confirmed that aid under the notified measure may be cumulated with other compatible aid and *de minimis* aid provided the cumulation rules under the different *de minimis* Regulations<sup>9</sup> are respected, or with other forms of Union financing, provided that the maximum aid intensities indicated in the relevant Guidelines or Regulations are respected.

---

<sup>9</sup> Depending on the sector, the following *de minimis* Regulation are in place; i) Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid, ii) Regulation (EU) 2019/316 amending Regulation (EU) No 1408/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid in the agriculture sector and iii) Commission Regulation (EU) No 717/2014 of 27 June 2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid in the fishery and aquaculture sector



## **2.9. Monitoring and reporting**

The Greek authorities confirm that they will respect the monitoring and reporting obligations laid down in Section 4 of the Temporary Framework.

## **3. ASSESSMENT**

### **3.1. Lawfulness of the measure**

- (46) By notifying the measure before putting it into effect, the Greek authorities have respected their obligations under Article 108(3) TFEU.

### **3.2. Existence of State aid**

- (47) For a measure to be categorised as aid within the meaning of Article 107(1) TFEU, all the conditions set out in that provision must be fulfilled. First, the measure must be imputable to the State and financed through State resources. Second, it must confer an advantage on its recipients. Third, that advantage must be selective in nature. Fourth, the measure must distort or threaten to distort competition and affect trade between Member States.
- (48) The measure is imputable to the State, since it is administered by EPANEK and it is based on the legislative acts listed in recital (10). It is financed through State resources, since it is financed by public funds (recitals (8) and (11)).
- (49) The measure confers an advantage on its beneficiaries in the form of guarantees on loans (section 2.7(a)) and subsidisation of guarantee premiums (section 2.7(b)). The measure thus relieves those beneficiaries of costs, which they would have had to bear under normal market conditions.
- (50) The advantage granted by the measure is selective, since it is awarded only to certain undertakings, active in Greece and undertakings of certain sectors are excluded (as explained in recital (15)).
- (51) The measure is liable to distort competition, since it strengthens the competitive position of its beneficiaries. It also affects trade between Member States, since those beneficiaries are active in sectors in which intra-Union trade exists.
- (52) In view of the above, the Commission concludes that the measure constitutes aid within the meaning of Article 107(1) TFEU. The Greek authorities do not contest that conclusion.

### **3.3. Compatibility**

- (53) Since the measure involves aid within the meaning of Article 107(1) TFEU, it is necessary to consider whether that measure is compatible with the internal market.
- (54) Pursuant to Article 107(3)(b) TFEU the Commission may declare compatible with the internal market aid “*to remedy a serious disturbance in the economy of a Member State*”.
- (55) By adopting the Temporary Framework on 19 March 2020, the Commission acknowledged (Section 2) that “*the COVID-19 outbreak affects all Member*

*States and that the containment measures taken by Member States impact undertakings”. The Commission concluded that “State aid is justified and can be declared compatible with the internal market on the basis of Article 107(3)(b) TFEU, for a limited period, to remedy the liquidity shortage faced by undertakings and ensure that the disruptions caused by the COVID-19 outbreak do not undermine their viability, especially of SMEs”.*

- (56) The measure aims at facilitating the access of firms to external finance at a time when the normal functioning of credit markets is severely disturbed by the COVID-19 outbreak and that outbreak is affecting the wider economy and leading to severe disturbances of the real economy of Member States (recital (5)).
- (57) The measure is one of a series of measures conceived at national level by the Greek authorities to remedy a serious disturbance in their economy. The importance of such measures to stimulate lending by financial intermediaries to enterprises during the COVID-19 outbreak is widely accepted by economic commentators and the measure is of a scale, which can be reasonably anticipated to produce effects across the entire Greek economy. Furthermore, the measure has been designed to meet the requirements for aid (‘Aid in form of direct grants’) described in Section 3.1. of the Temporary Framework, the requirements for aid (“Aid in the form of guarantees on loans”) described in Section 3.2 of the Temporary Framework and the requirements for aid in the form of guarantees channelled through credit institutions or other financial institutions described in Section 3.4 of the Temporary Framework.
- (58) The Commission accordingly considers that the measure is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State and meets all the conditions of the Temporary Framework. In particular:
- i) As regards the first component of the measure in the form of loan guarantees, and in particular the changes to the initial measure introduced by the present decision:
    - Compliance with the provisions of Sections 3.2. and 3.4. of the Temporary Framework was analysed in the initial decision to which the Commission refers (recitals (41) to (46) of the initial decision).
    - The notified alteration of the first component of the measure does not affect the analysis carried out under the initial decision because the extension of the scheme to the self-employed and to undertakings active in the aquaculture and agriculture sectors will not have any effect in terms of distortion of competition, since the relevant provisions of the Temporary Framework continue to be respected.
    - In particular, the measure is granted on the basis of an aid scheme with a budget for loan guarantees, which will not exceed EUR 2 billion (recital (11)). The measure sets minimum levels for guarantee premiums, applied progressively from 25 to 100 bps for SMEs and the self-employed and from 50 to 200 bps for large enterprises on loans with a maturity of up to 5 years (recitals (16) and (18)). It therefore

complies with the guidance in point 25(a) of the Temporary Framework.

- Also, the Commission notes that the maximum loan amount per beneficiary covered by guarantees granted under the first component of the measure is limited in line with point 25(d) of the Temporary Framework. Specifically, the Commission considers such aid to be proportionate in the present case, since it includes a maximum ceiling linked to the actual liquidity needs of the beneficiary, self-declared but verifiable by the aid granting authority, from the moment of granting for the coming 18 months for SMEs and the self-employed and for the coming 12 months for large enterprises.
  - Hence, the Commission can maintain its original conclusions on the compatibility of the measure with the internal market as regards the component of the measure that concerns guarantees as elaborated in the initial decision.
- ii) As regards the component of the measure in the form of direct grants for the subsidisation of guarantee premiums, introduced by the present decision:
- The maximum aid amount per undertaking under the measure, with the exception of undertakings active in the fishery and aquaculture sector and in the primary production of agriculture products, does not exceed EUR 800 000 (recital (19)). The maximum aid amount per undertaking does not exceed EUR 120 000 for undertakings active in the fishery and aquaculture sector and EUR 100 000 for undertakings active in the primary production of agricultural products respectively (recital (19)); hence the conditions set out in point 22(a) and 23(a) of the Temporary Framework are met.
  - The measure is granted on the basis of an aid scheme with a budget for subsidisation of guarantee premiums of EUR 250 million (recital (11)), hence the condition set out in point 22(b) of the Temporary Framework is met.
  - Aid will not be granted to undertakings, which were already in difficulty on 31 December 2019 within the meaning of the General Block Exemption Regulation, the Agricultural Block Exemption Regulation or the Fisheries Block Exemption Regulation (recital (17)). The measure therefore complies with point 22(c) of the Temporary Framework.
  - Direct grants for subsidisation of guarantee premiums can be granted under the measure by 31 December 2020 at the latest (recital (12)). The measure therefore complies with point 22(d) of the Temporary Framework.
  - Undertakings active in the processing and marketing of agricultural products are excluded when the aid is conditional on being partly or totally passed on to primary producers, fixed on the basis of the price or quantity of products purchased from primary producers or put on

the market by such producers (recital (22), hence the condition set out in point 22(e) of the Temporary Framework is met.

- Aid to undertakings active in the primary production of agricultural products will not be fixed on the basis of the price or quantity of products put on the market (recital (23), hence the condition set out in point 23(b) of the Temporary Framework is met.
- Aid to undertakings active in the fishery and aquaculture sectors does not concern any of the categories of aid referred to in Article 1, paragraph (1) (a) to (k), of Commission Regulation (EU) No 717/2014<sup>20</sup> (recital (24), hence the condition set out in point 23(c) of the Temporary Framework is met.
- Where an undertaking is active in several sectors to which different maximum amounts apply in accordance with points 22(a) and 23(a) of the Temporary Framework, the granting authority, by appropriate means such as separation of accounts, ensures that for each of these activities the relevant ceiling is respected and that the highest possible amount is not exceeded in total (recital 25), as laid down in point 23bis of the Temporary Framework.
- The Greek authorities have confirmed that they will respect cumulation rules regarding combination with de minimis aid and aid for other purposes (recitals (26) to (29)).
- The Greek authorities have confirmed that they will respect the monitoring and reporting rules laid down in Section 4 of the Temporary Framework (recital (30)).

#### **4. COMPLIANCE WITH INTRINSICALLY LINKED PROVISIONS OF DIRECTIVE 2014/59/EU AND REGULATION (EU) 806/2014**

- (59) Without prejudice to the possible application of Directive 2014/59/EU on bank recovery and resolution (“**BRRD**”)<sup>10</sup> and of Regulation (EU) 806/2014 on the Single Resolution Mechanism (“**SRMR**”),<sup>11</sup> in the event that an institution benefiting from the measures meets the conditions for the application of that Directive or of that Regulation, the Commission notes that the notified measures do not appear to violate intrinsically linked provisions of BRRD and of SRMR.
- (60) In particular, aid granted by Member States to non-financial undertakings as final beneficiaries under Article 107(3)(b) TFEU in line with the Temporary Framework, which is channeled through credit institutions or other financial institutions as financial intermediaries, may also constitute an indirect advantage to those institutions.<sup>12</sup> Nevertheless, any such indirect aid granted under the

---

<sup>10</sup> OJ L 173, 12.6.2014, p. 190-348.

<sup>11</sup> OJ L 225, 30.7.2014, p. 1-90.

<sup>12</sup> Points 6 and 29 of the Temporary Framework.

measure does not have the objective of preserving or restoring the viability, liquidity or solvency of those institutions. The objective of the measure is to remedy the liquidity shortage faced by undertakings that are not financial institutions and to ensure that the disruptions caused by the COVID-19 outbreak do not undermine the viability of such undertakings, especially of SMEs. As a result, aid granted under the measure does not qualify as extraordinary public financial support under Art. 2(1) No 28 BRRD and Art. 3(1) No 29 SRMR.

- (61) Moreover, as indicated in recitals (31) and (40) of the decision, the measure introduces safeguards in relation to any possible indirect aid in favour of the credit institutions or other financial institutions to limit undue distortions to competition. Such safeguards ensure that those institutions, to the largest extent possible, pass on the advantages provided by the measure to the final beneficiaries.
- (62) The Commission therefore concludes that the measure does not violate any intrinsically linked provisions of the BRRD and of SRMR.

## **5. CONCLUSION**

The Commission has accordingly decided not to raise objections to the aid on the grounds that it is compatible with the internal market pursuant to Article 107(3)(b) of the Treaty on the Functioning of the European Union.

Yours faithfully,

For the Commission

Margrethe VESTAGER  
Executive Vice-President

**CERTIFIED COPY**  
For the Secretary-General,

**Jordi AYET PUIGARNAU**  
Director of the Registry  
**EUROPEAN COMMISSION**