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Subject: State Aid SA.57452 (2020/N) – Poland
COVID-19: Guarantees on Factoring

Excellency

1. PROCEDURE

(1) By electronic notification of 16 June 2020, Poland notified aid in the form of guarantees on factoring products ("the measure") under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, as amended ("the Temporary Framework").[1]

(2) Poland exceptionally agrees to waive its rights deriving from Article 342 of the Treaty on the Functioning of the European Union ("TFEU"), in conjunction with Article 3 of Regulation 1/1958[2] and to have this Decision adopted and notified in English.

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1 Communication from the Commission - Temporary framework for State aid measures to support the economy in the current COVID-19 outbreak, 19 March 2020, OJ C 91I, 20.3.2020, p. 1-9, as amended by Communication from the Commission C(2020) 2215 final of 3 April 2020 on the Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 112I , 4.4.2020, p. 1–9 and by Communication from the Commission C(2020) 3156 final of 8 May 2020 on the Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 164, 13.5.2020, p. 3–15.

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

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2. DESCRIPTION OF THE MEASURE

(3) Poland considers that the COVID-19 outbreak has started to affect the real economy. The measure forms part of an overall package of measures and aims to ensure that sufficient liquidity remains available in the market, to counter the liquidity shortage faced by undertakings because of the outbreak, to ensure that the disruptions caused by the outbreak do not undermine the viability of the undertakings and thereby to preserve the continuity of economic activity during and after the outbreak.

(4) The compatibility assessment of the measure is based on Article 107(3)(b) TFEU, as interpreted by Section 2 and Section 3.2 of the Temporary Framework.

2.1. The nature and form of aid

(5) The measure provides aid in the form of guarantees on factoring products, covering namely recourse and reverse factoring.

2.2. Legal basis

(6) The legal basis for the measure is an amendment to the Act of 2 March 2020 on specific solutions related to the prevention, counteracting and combating of COVID-19, other infectious diseases and the emerging crises.

2.3. Administration of the measure

(7) The national development bank Bank Gospodarstwa Krajowego (BGK) is responsible for administering the measure. BGK provides the measure through the dedicated liquidity guarantee fund (FGP).

2.4. Budget and duration of the measure

(8) The estimated budget of the measure is PLN 11.5 billion (approx. EUR 2.6 billion).

(9) Aid may be granted under the measure as from its approval until no later than 31 December 2020.

2.5. Beneficiaries

(10) The final beneficiaries of the measure are SMEs and large enterprises[3] active in Poland. However, financial institutions are excluded as eligible final beneficiaries.

(11) Aid may not be granted under the measure to undertakings that were already in difficulty within the meaning of the General Block Exemption Regulation

[3] As defined in Annex I to 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.

("GBER")[4], the Agricultural Block Exemption Regulation ("ABER") or the Fisheries Block Exemption Regulation ("FBER") on 31 December 2019.

(12) Aid is granted under the measure through factoring providers ("factors") as financial intermediaries. The measure is open for all factoring providers with activities in Poland as intermediaries, provided they show sufficient creditworthiness and a proper management of their portfolio. The entry conditions are equal to all factoring providers. Credit and other financial institutions may act as factoring providers.

2.6. Sectoral and regional scope of the measure

(13) The measure is open to all sectors except the financial sector. It applies to the whole territory of Poland.

2.7. Basic elements of the measure

(14) The notified guarantee scheme covers specific factoring products. Poland estimates that 4 000 to 5 000 users of factoring products ("factorees"), who use these services instead of revolving loans, could be eligible for the guarantee. The guarantee will be provided via factors as intermediaries.

(15) The proposed guarantee measure covers only factoring products that are not backed by insurance policies and where the factor has a right of recourse to the factoree, namely recourse factoring and reverse factoring products. Non-recourse factoring products, i.e. "classic" factoring based on a transfer of receivables from the factoree to the factoring provider without a right of recourse to the factoree in case of payment default are not covered under this scheme.

(16) Factoring is a financial service providing liquidity to the real economy as it involves the payment of invoices before or on their final due date but not later.

(17) Recourse factoring is a product in which the factoree (the seller of a good or service) receives immediate payment of an invoice from the factor (at a small discount) who will then in turn be paid by the purchaser at the payment date indicated in the invoice. In case of non-payment, the factor has the right of recourse to the factoree.

(18) Reverse factoring is a means of supply chain financing, in which the factoree is the purchaser of a product or service. The factoring relationship is comparable to other types of factoring, but it is initiated by the purchaser, rather than the seller of a good or service. A right of recourse by the factor in this product exists only towards the factoree, so that the transaction is in essence bilateral in nature as

[4] 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.

regards the legal obligations although the seller of a product can be an indirect beneficiary in form of earlier payment.

(19) The following sequence of events applies to both forms of factoring in scope of the measure:

(a) The factoree signs a contract on specific goods or services. In case of recourse factoring, the factoree is the seller, in reverse factoring, the factoree is the purchaser.

(b) The factor and the factoree sign a factoring contract, including a limit specifying the maximum outstanding amount of invoices that the factoree can use for factoring ("factoring limit"). The factoring limit is based primarily on the creditworthiness of the factoree.

(c) The good or service is delivered and the invoice issued.

(d) As a rule, the factor pays the invoiced amount before the indicated payment date to the seller and receives the payment at the end of the payment period from the purchaser.

(20) Within the applicable factoring limit, a factoree can submit invoices for payment to the factor. The repayment date the factoree has to respect towards the factor is precisely set in the factoring contract and is typically identical with the maturity date of the invoice. The measure consists of a guarantee on such factoring agreements and covers up to 80% of the unpaid invoiced amounts submitted under the factoring limit.

(21) The objective of the guarantee is to allow factoring providers to uphold current limits or grant new ones. This should allow the current factoring system to be kept in place without interruption. Poland explains that without such a measure, factors would have to reduce the granting of limits in light of the economic effect of the COVID-19 outbreak, which would have significant negative effects not only on the factoring market but would rather lead to a significant deterioration of the economic situation of many Polish enterprises. Poland has explained that the total factoring market amounts to 12% of GDP, out of which approximately half would be in scope of the measure proposed.

(22) The guarantee will be granted for factoring limits that have been newly offered or extended between 1 March 2020 and 31 December 2020. Under a factoring limit covered by the guarantee, all invoices issued after 1 March 2020 and up to the final maturity of the limit are covered by the guarantee.

(23) Poland distinguishes guarantees of up to one year and guarantees up to two years. In the latter case, the maximum factoring limit maturity is 12 months on which the maximum maturity of a claim on a given invoice of 12 months is added. This period consists of the payment due date of 6 months, a soft-collection period of 3 months and a 3-month period during which the factor can make a claim.

(24) Therefore, the maximum duration of the guarantee is 24 months, which covers the maximum maturity of the factoring limit and the claim on a given invoice.

(25) In exceptional cases, where the factoree is unable to repay due to temporary liquidity problems, but continues its business activity by selling goods or

providing services (i.e. the factoree does not file for bankruptcy), the payment period may be extended by the factor provider by an additional 24 months. In these cases, the guarantee would be prolonged accordingly. Poland explains that such an extension of limits takes place only exceptionally and happens very rarely. In these cases, where the maturity of the guarantee is extended, the maximum duration of the guarantee may not exceed 4 years in total, starting from the initial guarantee approval date.

(26) The maximum amount of the factoring limit to be covered must not exceed per factoree the level specified under point 25(d)(i) or 25(d)(ii) of the Temporary Framework, with an additional restriction that the factoring limit may not exceed PLN 250 million (approx. EUR 56 million).

(27) The guarantee covers up to 80% of the outstanding amount of the principal. The maximum amount of the guarantee is thus PLN 200 million (approx. EUR 45 million, i.e. 80% of factoring limit principal), subject to the conditions established under point 25(d)(i) or 25(d)(ii) of the Temporary Framework. The guarantee covers only the outstanding principal amount, without interest or other costs.

(28) Losses covered by the guarantee are attributed proportionally to the State and to the factoring provider according to the agreed split, i.e. a maximum coverage by the State of 80%. Therefore, the guarantee amount is automatically adjusted in relation to the currently outstanding principal amount of invoices submitted for factoring.

(29) The guarantee is granted by 31 December 2020 at the latest. This is therefore also the latest date when a factoring agreement could be contracted that benefits from the guarantee coverage. As stated above in recital (23) any such contract may have a maximum maturity of 12 months.

(30) The guarantee premium will be paid up-front in a single instalment by the beneficiaries, i.e. the factorees. The premium level depends on the duration of the guarantee (calculated without a 3-month period during which the factor can make a claim) and on the type of beneficiary, whereas the guarantee premium per year is as follows: If the duration of the guarantee is limited to one year, the applicable fee amounts to 25bps for SME and 50pbs for large enterprises. In case the initial guarantee is granted for up to two years, the fee covering for the initial duration is 55bps for SME (25bps for year 1 plus 30bps for year 2) and 115bps for large enterprises (50bps for year 1 and 65bps for year 2).[5]

(31) In the exceptional circumstances where the payment period is extended, the duration of the guarantee is adjusted accordingly. In such cases, the total duration of a guarantee amounts to a maximum of three years, if the initial guarantee was provided for up to one year. If the initial guarantee was granted for up to two years, such an extension would lead to a total maximum duration of four years.

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[5] Poland explains that the applicable fees follow the rates applied in State Aid case SA.56876 (2020/N) – Poland COVID-19: Liquidity guarantee fund.

(32) Table 1 below summarises the rates applicable in case of a guarantee with an initial duration of up to one year.

Table 1: Applicable rates for initial guarantee up to one year

in bps	Rate applicable for initial duration (up to 1 year)	Rate applicable in 1st year of extension	Rate applicable in 2nd year of extension
SME	25	40	80
LE	50	80	160

(33) Table 2 below summarises the rates applicable in case of a guarantee with an initial duration of up to two years.

Table 2: Applicable rates for initial guarantee up to two year

in bps	Rate applicable in year 1	Rate applicable in year 2	*For information: total rate applicable for initial duration (up to 2 years)*	Rate applicable in 1st year of extension	Rate applicable in 2nd year of extension
SME	25	30	*55*	40	80
LE	50	65	*115*	80	160

(34) Poland has explained that without such a scheme, a significant amount of limits could not be prolonged. Given that the guarantee will cover only factoring contracts that are concluded or prolonged between 1 March and 31 December 2020, it is ensured that only those contracts that are at a high risk of not being granted without such a measure in the current situation are included in the scope of the measure. Poland also explains that the specific benefits have to be specified in the factoring agreement and that the factor is obliged to pass-on these benefits to the factoree. In practice, the benefits may include the granting of new limits that would otherwise be withheld, offering longer payment periods or later moment in time for a recourse to the factoree, offering higher volume of the factoring limit, or offering better prices.

(35) The guarantee agreements between BGK and the factoring providers specify the conditions under which the guarantee can be mobilised.

2.8. Cumulation

(36) The Polish authorities confirm that aid granted under the measure may be cumulated with aid under de minimis Regulations[6] or the Block Exemption Regulations[7] provided the provisions and cumulation rules of those Regulations are respected.

(37) The Polish authorities confirm that aid under the notified measure may be cumulated with other forms of Union financing, provided that the maximum aid intensities indicated in the relevant Guidelines or Regulations are respected.

(38) The Polish authorities confirm that aid granted under the measure may be cumulated with aid granted under other measures approved by the Commission under other sections of the Temporary Framework provided the provisions in those specific sections are respected.

(39) The Polish authorities confirm that aid granted under Section 3.2 of the Temporary Framework shall not be cumulated with aid granted for the same underlying loan principal under Section 3.3 of that framework and vice versa. Aid granted under Section 3.2 and Section 3.3 may be cumulated for different loans provided the overall amount of loans per beneficiary does not exceed the ceilings set out in point 25(d) or in point 27(d) of the Temporary Framework.

(40) A beneficiary may benefit in parallel from multiple schemes under Section 3.2 provided the overall amount of loans per beneficiary does not exceed the ceilings set out in point 25(d) of the Temporary Framework. For the avoidance of doubt, the combined factoring limit amount and loan amount under this measure and under the measures SA.56876 and SA.56896 must not exceed the ceiling set out in point 25(d)(i) or 25(d)(ii) of the Temporary Framework.

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[6] 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 (OJ L 352, 24.12.2013, p.1), Commission Regulation (EU) No 1408/2013 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 in the agriculture sector (OJ L 352, 24.12.2013 p. 9), 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 (OJ L 190, 28.6.2014, p. 45) and Commission Regulation (EU) No 360/2012 of 25 April 2012 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid granted to undertakings providing services of general economic interest (OJ L 114 of 26.4.2012, p. 8).

[7] 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, Commission Regulation (EC) 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 on the Functioning of the European Union, OJ L 193, 1.7.2014, p. 1 and 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 on the Functioning of the European Union OJ L 369, 24.12.2014, p. 37.

2.9. Monitoring and reporting

(41) The Polish authorities confirm that they will respect the monitoring and reporting obligations laid down in Section 4 of the Temporary Framework (including the obligation to publish relevant information on each individual aid above EUR 100 000 granted under the measure and EUR 10 000 in the agricultural and fisheries sector on the comprehensive national State aid website or Commission's IT tool within 12 months from the moment of granting[8]).

3. ASSESSMENT

3.1. Lawfulness of the measure

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

3.2. Existence of State aid

(43) 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.

(44) The measure is imputable to the State, since it is administered by BGK and it is based on an amendment to the Act of 2 March 2020 (recital (6)). It is financed through State resources, since it is financed by public funds.

(45) The measure confers an advantage on its beneficiaries in the form of guarantees on factoring products. By assuming losses in case of non-payment of the factoree, the measure relieves the beneficiaries of costs which they would have had to bear under normal market conditions.

(46) The advantage granted by the measure is selective, since it is awarded only to certain undertakings, in particular SME and large enterprises active or registered in Poland, excluding the financial sector.

(47) 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.

(48) In view of the above, the Commission concludes that the measure constitutes aid within the meaning of Article 107(1) TFEU. The Polish authorities do not contest that conclusion.

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8 Referring to information required in Annex III to Commission Regulation (EU) No. 651/2014 of 17 June 2014 and Annex III to Commission Regulation (EU) No 702/2014 and Annex III of the Commission Regulation (EU) No 1388/2014 of 16 December 2014. For guarantees, the nominal value of the underlying instrument shall be inserted per beneficiary.

3.3. Compatibility

(49) 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.

(50) 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*".

(51) By adopting the Temporary Framework on 19 March 2020, the Commission acknowledged (in 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*".

(52) The measure aims at facilitating the access of undertakings to working capital 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.

(53) The measure consists of guarantees on factoring products with a recourse to the factoree. These products have the immediate effect of providing liquidity in return for a repayment obligation of the factoree. The factoring contract specifies further elements, including a discount on the amount of liquidity provided, which is equivalent to an interest payment, and the payment period on the invoice, which is equivalent to a loan maturity. In essence, these products therefore entail the provision of credit by the factor to the factoree in return for an interest based fee. The factor has the right of recourse to the direct contracting partner (the factoree) and the associated claims are not classified as subordinated debt. Eligible reverse factoring products are limited to products that are used only after the seller has already provided his/her part of the transaction, i.e. the product or service has been delivered (recital (19)(c)). Factoring products covered by this measure are thus equivalent to loans and the measure is therefore assessed under Section 3.2 of the Temporary Framework.

(54) 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:

- The measure sets minimum levels for guarantee premiums of 25 bps for SMEs and 50 bps for large enterprises on factoring limits with a maturity of up to 1 years and 55 bps for SMEs and 115 bps for large enterprises on factoring limits with a maturity between 1 and 2 years (see recital (30)). The payment period can be extended to a maximum period of 4 years in exceptional cases. In that case, the total guarantee premium will be 40 bps for SMEs and 80 bps for large enterprises in the first year of such an extension and 80 bps for SME and 160 bps for large enterprises in the second year of such an extension (see recitals (31), (32) and (33)). Therefore, the applicable rates are slightly below the guidance provided in point 25(a) of the Temporary Framework for guarantees extending one year. In light of the fact that the guarantee coverage amounts to not more than 80% instead of 90% admissible under point 25(f)(i) of the Temporary Framework[9] and the fact that the maximum duration is shorter than the maximum allowed under point 25(f) of the Temporary Framework, the Commission considers that the effect is equivalent to the rates under point 25(a) of the Temporary Framework. Therefore, the applicable guarantee premiums comply with point 25(b) of the Temporary Framework.

- Guarantees may be granted under the measure to new or extended factoring limits by 31 December 2020 at the latest (recital (29)). The measure therefore complies with point 25(c) of the Temporary Framework.

- The maximum amount of the factoring limit per beneficiary (i.e. the factoree) covered by guarantees granted under the measure is limited in line with point 25(d) of the Temporary Framework (recital (26)).

- The measure limits the duration of the guarantees to a maximum of 4 years, including the maximum extension provided in exceptional cases only (recitals (24) and (25)). The guarantees covers not more than 80% of the factoring limit principal and losses stemming from the loans are sustained proportionally and under the same conditions by the factoring provider and the State (recitals (27) and (28)). Furthermore, when the size of the factoring limit decreases, the guaranteed amount decreases proportionally (recital (28)). The measure therefore complies with point 25(f) of the Temporary Framework.

- Guarantees granted under the measure relate to working capital loans (recital (16)). The measure therefore complies with point 25(g) of the Temporary Framework.

- Undertakings already in difficulty on 31 December 2019 are excluded from benefitting from the measure (recital (11)). The measure therefore complies with point 25(h) of the Temporary Framework.

- The measure introduces safeguards in relation to the possible indirect aid in favour of the factors to limit undue distortions to competition:

    - The Commission notes that, in the absence of the measures, a significant amount of limits could be withdrawn, preventing the factoree to raise liquidity under factoring contracts that are concluded or prolonged between 1 March and 31 December 2020. The main benefit of the measure is thus to ensure that the factorees continue to be able to obtain working capital.

    - In addition to the benefit of granting of new limits at all, offering longer payment periods or a postponement of recourse to the

[9] The Commission had found already in State Aid case SA.56876(2020/N) that the increased degree of risk sharing in case of an 80% coverage ensures a sufficient incentive for the intermediary financial entities to assess adequately the risk of providing a loan and to select whether the viability outlook of the borrower ensures the likely repayment of the loan (see recital 39 of that decision).

factoree, offering higher volume of the factoring limit, or offering better prices are additional ways to pass on the benefit of the measure to the final beneficiaries. The specific benefits will be described in the factoring agreement between the beneficiary and the factoring provider. The Polish authorities have confirmed that the factoring provider will be obliged to pass-on the benefit under the guarantee agreement signed with BGK.

    - Furthermore, the measure is open to all factor providers active in Poland as described in recital (12), which should ensure a high degree of competition between them when offering their service under the measure to the final beneficiaries.

    - The safeguards thus ensure that these providers, to the largest extent possible, pass on the advantages of the measure to the final beneficiaries (recital (34)). The measure therefore complies with points 28 to 31 of the Temporary Framework.

- The cumulation rules set out in point 24bis of the Temporary Framework are respected (recitals (39) and (40)).

- The mobilisation of the guarantees is contractually linked to specific conditions, which have to be agreed between the parties when the guarantee is initially granted (recital (35)).

(55) The Commission therefore considers that the measure is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State pursuant to Article 107(3)(b) TFEU since it meets all the relevant conditions of the Temporary Framework.

4. COMPLIANCE WITH INTRINSICALLY LINKED PROVISIONS OF DIRECTIVE 2014/59/EU

(56) Without prejudice to the possible application of Directive 2014/59/EU on bank recovery and resolution (**"**BRRD**"**)[10], in the event that an undertaking benefiting from the measures meets the conditions for the application of that Directive, the Commission notes that the notified measures do not appear to violate intrinsically linked provisions of the BRRD.

(57) 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.[11] Nevertheless, any such indirect aid granted under the 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

[10] OJ L 173, 12.6.2014, p. 190-348.

[11] Points 6 and 29 of the Temporary Framework.

result, aid granted under the measure does not qualify as extraordinary public financial support under Art. 2(1) No 28 BRRD.

(58) Moreover, as indicated in recital (34) above, 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.

(59) The Commission therefore concludes that the measure does not violate any intrinsically linked provisions of the BRRD.

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.

The decision is based on non-confidential information and is therefore published in full on the Internet site: http://ec.europa.eu/competition/elojade/isef/index.cfm.

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