Subject: State Aid SA.58320 (2020/N) – Ireland
Amendment of the scheme SA.57509 (2020/N) as amended by SA.58043 (2020/N) concerning COVID-19: Restart Grant

Excellency,

1. PROCEDURE

(1) By electronic notification of 8 August 2020, Ireland notified an amendment to the aid scheme SA.57509 (2020/N) (the “initial scheme”), which the Commission approved by decision of 3 June 2020 (the “initial Decision”)¹, under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, as amended (the “Temporary Framework”)². The initial scheme has previously been amended (the “amended scheme”), as


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(2) By the Decision approving the amended scheme, the Commission approved an amendment to the initial scheme, to allow aid to be granted to micro or small enterprises (within the meaning of the General Block Exemption Regulation (“GBER”)⁴) that were already in difficulty on 31 December 2019, provided that, at the moment of the granting, these enterprises are not subject to collective insolvency procedure under national law, and that they have not received rescue aid⁵ or restructuring aid⁶.

2. DESCRIPTION OF THE MEASURE

(3) The aid granted under the amended scheme is intended to address a sudden shortage or unavailability of liquidity, and preserve the continuity of economic activity, through supporting undertakings facing financial difficulties as a consequence of the COVID-19 outbreak.

(4) Ireland intends to modify the amended scheme.

(5) The objective of the modification is to expand the scope of support available under the amended scheme, by making the following amendments (the “proposed amendments”):

(a) increasing the budget of the amended scheme, from EUR 250 million, to EUR 550 million;

(b) increasing the size of the grant available to beneficiaries, from a range of EUR 2 000 to EUR 10 000, to a range of EUR 4 000 to EUR 25 000;

(c) expanding the category of beneficiaries to include all eligible micro, small, and medium enterprises (“SMEs”⁷), rather than micro and small enterprises only; and

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⁵ Alternatively, if they have received rescue aid, they have reimbursed the loan or terminated the guarantee at the moment of granting of the aid under the notified measure.

⁶ Alternatively, if they have received restructuring aid, they are no longer subject to a restructuring plan at the moment of granting of the aid under the notified measure.

⁷ The Irish authorities confirmed that SMEs are defined in line with Annex I of the GBER.
(d) designating Fáilte Ireland\(^8\) as granting authority for beneficiaries that are providers of bed and breakfast accommodation. For those beneficiaries, the maximum available amount of aid will be EUR 4 000.

(6) In its notification of the proposed amendments, in accordance with the third amendment to the Temporary Framework\(^9\), Ireland confirmed the following:

(a) that the aid under the measure is not conditioned on the relocation of a production activity or of another activity of the beneficiary from another country within the European Economic Area (“EEA”) to the territory of the Member State granting the aid. This is irrespective of the number of job losses actually occurred in the initial establishment of the beneficiary in the EEA; and

(b) that if an undertaking receives aid on several occasions or in several forms under the measure or aid under other measures approved by the Commission under section 3.1 of the Temporary Framework, the overall maximum cap per undertaking, as set out in points 22(a) of that framework, will be respected.

3. ASSESSMENT

3.1. Lawfulness of the measure

(7) By notifying the proposed amendments before putting them into effect, the Irish authorities have respected their obligations under Article 108(3) TFEU.

3.2. Existence of State aid

(8) The qualification of the initial scheme as State aid, within the meaning of Article 107(1) TFEU, was established in the initial Decision. The Commission refers, for this analysis, to recitals (27) to (32) of the initial Decision.

(9) In the Decision approving the amended scheme, the Commission concluded that the amended scheme continued to constitute State aid. The Commission refers, for this analysis, to recital (8) of the Decision approving the amended scheme.

(10) The Commission concludes that the proposed amendments do not affect the determination that the measure constitutes State aid within the meaning of Article 107(1) TFEU.

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\(^8\) An agency of the Department of Transport, Tourism, and Sport. As granting authority, Fáilte Ireland will use funds made available for that purpose by the Department of Business, Enterprise and Innovation.

\(^9\) See footnote 2.
3.3. Compatibility

(11) The Commission assessed the initial scheme on the basis of Article 107(3)(b) TFEU, as interpreted by Sections 2 and 3.1 of the Temporary Framework, and concluded that it was compatible with the conditions set out in that framework. The Commission refers to its compatibility assessment of the initial scheme, set out at recitals (33) to (41) of the initial Decision.

(12) In the Decision approving the amended scheme, the Commission confirmed that the amendment to the initial scheme did not affect the compatibility analysis as set out in the initial Decision. The Commission refers to its assessment of the compatibility of the amendment, set out at recitals (9) to (12) of the Decision approving the amended scheme.

(13) The Commission has examined the proposed amendments, and concludes that they do not affect the compliance of the entire measure with Article 107(3)(b) TFEU, as interpreted by the Temporary Framework. In particular, as concerns the proposed amendments:

- the overall nominal value of the direct grants shall not exceed EUR 25 000 per undertaking (see recital (5)), and is thus below the ceiling of EUR 800 000 per undertaking. The measure therefore continues to comply with point 22(a) of the Temporary Framework;

- aid continues to be granted under the measure on the basis of a scheme with an estimated budget, as indicated in recital (5). The measure therefore continues to comply with point 22(b) of the Temporary Framework; and

- even though the scope of the measure has been expanded to include eligible medium-sized enterprises (see recital (5)), aid may not be granted to medium-sized enterprises\(^\text{10}\) that were already in difficulty on 31 December 2019, but may continue to be granted to micro and small enterprises that were in difficulty on 31 December 2019, if those enterprises, at the moment of granting the aid, are not subject to collective insolvency procedure under national law and they have not received rescue aid\(^\text{11}\) or restructuring aid\(^\text{12}\) (see recital (2)). Large undertakings are not eligible to receive aid under this scheme. The measure therefore continues to comply with points 22(c) and 22(c)bis of the Temporary Framework.

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\(^{10}\) As defined in Annex I of the GBER.

\(^{11}\) See footnote 5.

\(^{12}\) See footnote 6.
4. **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](http://ec.europa.eu/competition/elojade/isef/index.cfm).

Yours faithfully,

For the Commission

Margrethe VESTAGER
Executive Vice-President