



EUROPEAN COMMISSION

Brussels, 8.09.2020  
C(2020) 6230 final

PUBLIC VERSION

This document is made available for  
information purposes only.

**Subject: State Aid SA.57358 (2020/N) – Czech Republic  
COVID-19: Public health insurance reliefs for self-employed**

Excellency,

**1. PROCEDURE**

- (1) By electronic notification of 10 August 2020, the Czech Republic notified aid in the form of payment advantages and deferrals related to the public health insurance contribution for self-employed persons (*Public health insurance reliefs for self-employed* “the measure”) under sections 3.1 and 3.9 of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, as amended (“the Temporary Framework”)<sup>1</sup>.
- (2) By e-mails of 19 and 20 August 2020 and 1 September 2020, the Czech Republic provided additional information.

---

<sup>1</sup> Communication from the Commission - Temporary framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 91I, 20.3.2020, p. 1, 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, 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 and by Communication from the Commission C(2020) 4509 final of 29 June 2020 on the Third Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 218, 2.7.2020, p. 3.

Tomáš PETŘÍČEK  
Ministr zahraničních věcí  
Ministerstvo zahraničních věcí České republiky  
Loretánské náměstí 5  
118 00 Praha 1  
Česká Republika

- (3) The Czech Republic 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,<sup>2</sup> and to have this Decision adopted and notified in English.

## **2. DESCRIPTION OF THE MEASURE**

- (4) The Czech Republic 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<sup>3</sup>.
- (5) The Czech Republic confirmed that the aid under the measures notified under section 3.1 of the Temporary Framework is not conditioned on the relocation of a production activity or of another activity of the beneficiary from another country within the 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.
- (6) The aid will be granted under four measures in the form of payment advantages and deferrals:
- a) Measure 1: Deferral of the obligation to file the annual report for 2019 and the subsequent payment for the annual contribution to the public health insurance;
  - b) Measure 2: Waiver of penalties for the late- or non-payment related to the monthly public health insurance premiums for the period of March until August 2020;
  - c) Measure 3: Waiver of the health insurance contributions not exceeding the level of minimum prepayments for the periods of March until August 2020;
  - d) Measure 4: Deferral of the prepayments of public health insurance premiums (exceeding the limit described in measure 3) for the period of March until August 2020.

---

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

<sup>3</sup> The Czech Republic declared a state of emergency between 12 March 2020 and 17 May 2020 to curb the impact of the COVID-19 pandemic, closing schools, restricting events and the operation of shops, and significantly limiting gathering of people (<https://www.vlada.cz/cz/media-centrum/aktualne/vyhlaseni-nouzoveho-stavu-180234/>). Based on the forecast submitted by the Czech Republic, the crisis will significantly affect the whole economy. The real GDP is expected to drop by 5.6% by the end of 2020 and the unemployment rate is expected to grow by more than 60 % by the end of 2020 compared to 2019. To help households and businesses through the crisis, the government announced a stimulus package involving direct support measures and public guarantees.

- (7) The Czech Republic estimates that the total number of beneficiaries for all four measures will be approximately 900 000 self-employed persons.
- (8) The compatibility assessment of the measure is based on Article 107(3)(b) TFEU, as interpreted by Section 2 and Section 3.1 and 3.9 of the Temporary Framework.

## **2.1. Measures covered by section 3.1 of the Temporary Framework**

### *2.1.1. The nature and form of aid*

- (9) Measures 2 and 3 provide aid for self-employed persons covered by the Czech system of public health insurance in the form of payment advantages related to monthly health insurance contributions and penalty payment (see Table 1 below).
- (10) The aim is to provide access to liquidity to those beneficiaries which are negatively affected by COVID-19 outbreak due to the state of emergency and containment measures enforced by the national authorities<sup>4</sup>.

### *2.1.2. Legal basis*

- (11) The legal basis of the measure is the Act 134/2020 of 25 March 2020 amending Act No 592/1992 on insurance premiums for public health insurance<sup>5</sup>.

### *2.1.3. Administration of the scheme*

- (12) The authority responsible for measures 2 and 3 is the Ministry of Health. The measures will be administered by the seven public health insurance funds entrusted with the management of the obligatory health insurance system<sup>6</sup>.

### *2.1.4. Budget and duration of the scheme*

- (13) The estimated total budget for all four measures is CZK 8 billion (ca. 305.4 million EUR)<sup>7</sup>.
- (14) Aid is granted automatically upon entry into force of the Act described in recital (11) above and until no later than 31 December 2020.

### *2.1.5. Beneficiaries*

- (15) The beneficiaries of measures 2 and 3 are self-employed persons<sup>8</sup> affected by the COVID-19 outbreak exercising an activity in the Czech Republic and who are

---

<sup>4</sup> See footnote 3 above.

<sup>5</sup> <http://www.sbirka.cz/POSL4TYD/NOVE/20-134.htm>

<sup>6</sup> According to the Czech authorities, the health insurance funds are also responsible for carry out ex-post checks of the aid amounts granted to the beneficiaries based on their payments behaviour in the recent years.

<sup>7</sup> Based on the exchange rate of 10.8 2020, which was 26.2 CZK/1EUR.

<sup>8</sup> See Act No. 455/1991 Coll., on Trade, in which the definition of enterprises is based on Commission Recommendation of 6 May 2003) concerning the definition of micro, small and medium-sized enterprises (2003/361/EC of 6 May 2003, OJ L 124, 20.5.2003, p. 36.

contributing to the mandatory public health insurance system based on that activity in the Czech Republic. Financial institutions are excluded as eligible final beneficiaries.

- (16) Aid for measures 2 and 3 may not be granted under the measure to medium<sup>9</sup> and large enterprises that were already in difficulty<sup>10</sup> within the meaning of the General Block Exemption Regulation (“GBER”)<sup>11</sup>, the Agricultural Block Exemption Regulation (“ABER”)<sup>12</sup> and the Fisheries Block Exemption Regulation (“FIBER”)<sup>13</sup> on 31 December 2019. Aid may be granted to micro and small enterprises that were in difficulty within the meaning of the GBER, ABER and FIBER 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<sup>14</sup> or restructuring aid<sup>15</sup>.

#### 2.1.6. Sectoral and regional scope of the measure

- (17) Measures 2 and 3 are open to all sectors, except the financial sector. They apply to the whole territory of the Czech Republic.

#### 2.1.7. Basic elements of the measures

- (18) Measures 2 and 3 provide aid in the form of payment advantages (recital (6)) to self-employed persons covered by the Czech system of public health insurance:

---

<sup>9</sup> 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 TFEU, OJ L 187, 26.6.2014, p. 1.

<sup>10</sup> The *de minimis* aid will be granted to excluded beneficiaries such as medium-sized and large enterprises (self-employed persons).

<sup>11</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 TFEU, OJ L 187, 26.6.2014, p. 1.

<sup>12</sup> As defined in 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 TFEU, OJ L 193 of 1.7.2014, p.1.

<sup>13</sup> As defined in 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 TFEU, OJ L 369 of 24 December 2014, p. 37.

<sup>14</sup> 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.

<sup>15</sup> 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.

Table 1: Measure 2 and measure 3

<b>Measure</b>	<b>Period when liability arises</b>	<b>Regular due date</b>	<b>Due date under the measure</b>
Measure 2: Waiver of late payment/ non payment penalties <sup>16</sup> related to the monthly public health insurance premiums	March-August 2020	Following month, i.e. April – September 2020	September 2020
Measure 3: Waiver of the health insurance contributions not exceeding the level of minimum prepayments <sup>17</sup>	March-August 2020	Following month, i.e. April – September 2020	Not to be paid

- (19) Aid under measures 2 and 3 will be granted in the form of temporary limited aid amounts in the form of payment advantages. Such aid aims at remedying serious disturbances in the economy as referred to in Article 107(3)(b) TFEU. It may be granted provided that the total nominal value, including other aid granted in accordance with section 3.1 of the Temporary Framework, does not exceed the following amounts per undertaking (all figures used being expressed in gross):
- (a) EUR 100 000 for undertakings operating in the primary production sector of agricultural products<sup>18</sup>, or
  - (b) EUR 120 000 for undertakings operating in the fisheries and aquaculture sector<sup>19</sup>, or
  - (c) EUR 800 000 for other undertakings.

<sup>16</sup> The authorities confirmed that the persons enrolled in the public health insurance system must pay monthly contribution between the 1<sup>st</sup> day of the reporting month and the 8<sup>th</sup> day of the following month. After this date, a late payment or no payment penalty will become due. The penalty payments for the reporting months March until August 2020 that would normally be due in the following months will be all due on 8 September 2020.

<sup>17</sup> The minimum premium for health and social insurance is defined at CZK 4 986.

<sup>18</sup> All products listed in Annex I to the TFEU with the exception of the products of the fisheries and aquaculture sector.

<sup>19</sup> Products listed in Annex I to Regulation No 1379/2013 of the European Parliament and of the Council of 11 December 2013 on the common organisation of the markets in fishery and aquaculture products, amending Council Regulations (EC) No 1184/2006 and (EC) No 1224/2009 and repealing Council Regulation (EC) No 104/2000, OJ L 354, 28.12.2013, p. 1.

- (20) Aid granted to undertakings active in the processing and marketing of agricultural products is conditional on not being partly or entirely passed on to primary producers and is not fixed on the basis of the price or quantity of products purchased from primary producers or put on the market by the undertakings concerned.
- (21) Aid to undertakings active in the primary production of agricultural products is not fixed on the basis of the price or quantity of products put on the market.
- (22) Aid to undertakings active in the fishery and aquaculture sector does not concern any of the categories of aid referred to in Article 1(1)(a) to (k) of Commission Regulation (EU) No 717/2014<sup>20</sup>.
- (23) Where an undertaking is active in several sectors to which different maximum amounts apply, in accordance with point 23bis of the Temporary Framework, the Czech Republic ensures, by appropriate means, such as separation of accounts, that the relevant ceiling is respected for each of these activities, and that the overall maximum amount of EUR 800 000 per undertaking and EUR 120 000 per undertaking operating in the fisheries and aquaculture sector is not exceeded.

## **2.2. Measures covered by section 3.9 of the Temporary Framework**

### *2.2.1. The nature and form of aid*

- (24) Measure 1 postpones the obligation to file the 2019 annual report that would normally be due in May 2020<sup>21</sup>, to August 2020 for all self-employed persons not subject to penalties. The payment of potentially outstanding health insurance contributions resulting from the annual statements for 2019 will also be deferred to August 2020. Measure 4 defers the prepayments of health insurance contributions exceeding the minimum level described in measure 3 that would regularly be due in 2020, to the year 2021 (see Table 2 below).
- (25) Measures 1 and 4 intend to ease the liquidity constraints faced by beneficiaries that are negatively affected by the COVID-19 outbreak and the emergency and containment measures enforced by the national authorities<sup>22</sup>.

### *2.2.2. Legal basis*

- (26) The legal basis of measures 1 and 4 is the Act 134/2020 of 25 March 2020 amending Act No 592/1992 on insurance premiums for public health insurance<sup>23</sup>.

---

<sup>20</sup> Commission Regulation (EC) No (EU) No 717/2014 of 27 June 2014 on the application of Articles 107 and 108 of the TFEU to de minimis aid in the fishery and aquaculture sector, OJ L 90, 28.6.2014, p. 45.

<sup>21</sup> In general, the annual report needs to be filed in the month of May of the following year. In case that the report is filed by a tax advisor on behalf of a client, the deadline for the annual report can be extended to August of the following year.

<sup>22</sup> See footnote 3 above.

<sup>23</sup> <http://www.sbirka.cz/POSL4TYD/NOVE/20-134.htm>

### 2.2.3. Administration of the measure

- (27) The authority responsible for measures 1 and 4 is the Ministry of Health. They will be administered by the seven public health insurance funds entrusted with the management of the obligatory health insurance system<sup>24</sup>.

### 2.2.4. Beneficiaries

- (28) The beneficiaries of measure 1 and 4 are self-employed persons<sup>25</sup> affected by the COVID-19 outbreak with an economic activity in the Czech Republic and who are included in the obligatory public health insurance system based on that activity in the Czech Republic. Financial institutions are excluded as eligible final beneficiaries.
- (29) Aid may not be granted under measures 1 and 4 to medium<sup>26</sup> and large enterprises that were already in difficulty<sup>27</sup> within the meaning of the General Block Exemption Regulation (“GBER”)<sup>28</sup>, the Agricultural Block Exemption Regulation (“ABER”)<sup>29</sup> and the Fisheries Block Exemption Regulation (“FIBER”)<sup>30</sup> on 31 December 2019. Aid may be granted to micro and small enterprises that were in difficulty within the meaning of the GBER, ABER and FIBER 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<sup>31</sup> or restructuring aid<sup>32</sup>.

---

<sup>24</sup> According to the Czech authorities, the health insurance funds are also responsible for carry out ex-post checks of the aid amounts granted to the beneficiaries based on their payments behaviour in the recent years.

<sup>25</sup> See Act No. 455/1991 Coll., on Trade, in which the definition of enterprises is based on the Commission Recommendation of 6 May 2003) concerning the definition of micro, small and medium-sized enterprises (2003/361/EC of 6 May 2003, OJ L 124, 20.5.2003, p. 36.

<sup>26</sup> 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 TFEU, OJ L 187, 26.6.2014, p. 1.

<sup>27</sup> The Commission notes that the Czech Republic may grant *de minimis* aid to beneficiaries excluded under the current scheme, such as medium-sized and large enterprises.

<sup>28</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 TFEU, OJ L 187, 26.6.2014, p. 1.

<sup>29</sup> As defined in 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 TFEU, OJ L 193 of 1.7.2014, p.1.

<sup>30</sup> As defined in 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 TFEU, OJ L 369 of 24 December 2014, p. 37.

<sup>31</sup> Alternatively, if they have received rescue aid, but have reimbursed the loan or terminated the guarantee at the moment of granting of the aid under the notified measure.

### 2.2.5. Sectoral and regional scope of the measure

- (30) Measures 1 and 4 are open to all sectors, with the exception of the financial sector. They apply to the whole territory of the Czech Republic.

### 2.2.6. Basic elements of the measure

- (31) Measures 1 and 4 provide aid to self-employed persons covered by the Czech system of public health insurance in the form of deferrals (recital (6)):

Table 2: Measure 1 and measure 4

Measure	Base Period	Regular due date	Payment due under the measure
Measure 1: Postponement of the obligation to file the annual report and deferral of the balance payment of health insurance contributions related to the annual report	2019	May 2020 (exceptionally August 2020) <sup>33</sup>	August 2020 for everyone
Measure 4: Deferral of public health insurance prepayments (exceeding the limit described under measure 3)	March - August 2020	Following month, i.e. April – September 2020	May 2021 or August 2021 <sup>34</sup>

- (32) The exemption will be granted automatically to all self-employed covered by the Czech system of public health insurance.
- (33) The Czech authorities confirmed that the end date of the deferral will be 10 August 2021, by which date all deferred payments will be due.

### 2.3. Cumulation

- (34) The Czech authorities confirm that aid granted under the measures may be cumulated with aid under *de minimis* Regulations<sup>35</sup>, or the Regulation 651/2014

---

<sup>32</sup> 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.

<sup>33</sup> The regular filing date for the annual report is May of the following year. An extended filing date in August of the filing year is granted in case the return is filed by a tax advisor.

<sup>34</sup> Depending on the type of filing, i.e. regular filing by the self-employed or filing by a tax advisor.



(GBER), Regulation 702/2014 (ABER) and Regulation 1388/2014 (FIBER) provided the provisions and cumulation rules of those Regulations are respected.

- (35) The Czech authorities confirm that aid under the notified measures may be cumulated with other forms of Union financing, provided that the maximum aid intensities indicated in the relevant Guidelines or Regulations are respected.
- (36) The Czech authorities confirm that aid granted under the measures 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.
- (37) The Czech authorities confirm that if the beneficiary receives aid on several occasions or in several forms under the measures 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) and 23(a) of that framework is respected.

#### **2.4. Monitoring and reporting**

- (38) The Czech authorities confirm that for measures 2 and 3 falling under section 3.1, 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<sup>36</sup>).
- (39) The Czech authorities confirm also that for measures 1 and 4 falling under section 3.9, they will respect the monitoring and reporting obligations laid down in section 4 of the Temporary Framework (*e.g.*, by 31 December 2020, a list of measures put in place on the basis of schemes approved under the Temporary Framework must be provided to the Commission; detailed records regarding the granting of aid must be maintained for 10 years upon granting of the aid, etc.).

---

<sup>35</sup> Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the TFEU 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 TFEU 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 TFEU 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 TFEU to *de minimis* aid granted to undertakings providing services of general economic interest (OJ L 114 of 26.4.2012, p. 8).

<sup>36</sup> List of 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 tax and payment advantages, the aid amount of the individual aid may be indicated in ranges.*

### 3. ASSESSMENT

#### 3.1. Lawfulness of the measure

- (40) The Commission observes that the Czech Republic has started to grant the aid before the Commission has adopted its decision on the notified scheme. The Commission regrets that the Czech Republic put the aid according to the notified scheme into effect, in breach of Article 108(3) TFEU. However, it has decided, on the basis of the following assessment not to raise objections to the aid on the grounds that it is compatible with the internal market pursuant to Article 107(3)(c) TFEU.

#### 3.2. Existence of State aid

- (41) 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.
- (42) The measures are imputable to the State, since the Ministry of Health grants it and it is based on the Act 134/2020 Coll (recitals (11)). It is financed through State resources, since the public authorities forego revenues.
- (43) The measures confer an advantage on its beneficiaries in form of payment advantages (measure 2 and 3) and deferral of payments (measures 1 and 4) (recitals (6)). The measures thus relieve those beneficiaries of costs, which they would have had to bear under normal market conditions.
- (44) The advantage granted by the measures is selective, since it is awarded only to certain undertakings, i.e. self-employed persons (recitals (15) and (28)).
- (45) The measures are liable to distort competition, since they strengthen the competitive position of its beneficiaries. They also affect trade between Member States, since those beneficiaries are active in sectors in which intra-Union trade exists.
- (46) In view of the above, the Commission concludes that the measures constitute aid within the meaning of Article 107(1) TFEU. The Czech authorities do not contest that conclusion.

#### 3.3. Compatibility

- (47) Since the measures involve aid within the meaning of Article 107(1) TFEU, it is necessary to consider whether that measures are compatible with the internal market.
- (48) 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*”.
- (49) 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"*.

- (50) The measures are one of a series of measures conceived at national level by the Czech authorities to remedy a serious disturbance in their economy. The measures are important to preserve employment and economic continuity for self-employed. It is widely accepted by economic commentators and the measures are of a scale which can be reasonably anticipated to produce effects across the entire Czech economy. Furthermore, the measures have been designed to meet the requirements of specific categories of aid: (i) *"Limited amounts of aid"* described in Sections 3.1, and (ii) *"Aid in form of deferrals of tax and/or of social security contributions"* described in 3.9 of the Temporary Framework.
- (51) The Commission accordingly considers that the measures are 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.

#### *3.3.1. Measures covered by section 3.1 of the Temporary Framework*

- (52) Measures 2 and 3 meet all conditions provided by the Temporary Framework as described in section 2.1:
- The aid takes the form of payment advantages related to obligatory health insurance contributions for self-employed persons (recital (18));
  - The nominal value of the advantages and the nominal value of the deferred liability shall not exceed EUR 800 000 per undertaking; all figures used must be gross (recital (19)). The measures therefore comply with point 22(a) of the Temporary Framework;
  - Aid is granted under the measure on the basis of a scheme with an estimated budget as indicated in recital (13)). The measures therefore comply with point 22(b) of the Temporary Framework;
  - Aid will not be granted to undertakings under the measure that were already in difficulty on 31 December 2019 (recital (16)). The measures therefore comply with point 22(c) of the Temporary Framework. Aid may 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 or restructuring aid (see recital (16)). The measures therefore comply with point 22(c)bis of the Temporary Framework;
  - Aid will be granted under the measures no later than 31 December 2020 (recital (14)). The measures therefore comply 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 (20)). The measures therefore comply with point 22(e) of the Temporary Framework;
- The nominal value of the advantages and the nominal value of the deferred liability does not exceed EUR 800 000 or EUR 100 000 per undertaking active in the primary production of agricultural products (recitals (19) and (22)). The measures therefore comply with point 23(a) of the Temporary Framework;
- Aid granted to undertakings active in the primary production of agricultural products must not be fixed on the basis of the price or quantity of products put on the market (recital (21)). The measures therefore comply with point 23(b) of the Temporary Framework;
- Aid granted to undertakings active in the fishery and aquaculture sector 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 (recital (20)). The measures therefore comply with point 23(c) of the Temporary Framework;
- Where an undertaking is active in several sectors to which different maximum aid amounts apply in accordance with points 22(a) and 23(a) of the Temporary Framework, the Czech Republic will ensure, by appropriate means such as separation of accounts that the relevant ceiling is respected for each of those activities and that the highest possible total amount of EUR 800 000 or EUR 120 000 is not exceeded (recital (23)). The measures therefore comply with point 23bis of the Temporary Framework.

### 3.3.2. *Measures covered by section 3.9 of the Temporary Framework*

- (53) Measures 1 and 4 meet all conditions provided by the Temporary Framework as described in sub-section 2.2:
- Measures 1 and 4 provide for a form of aid explicitly covered by section 3.9 of the Temporary Framework, i.e. deferral of public health insurance contributions for self-employed (recital (31)).
  - The measures assist undertakings that are particularly affected by the COVID-19 outbreak, e.g. self-employed, which represent a group was negatively affected by the COVID-19 outbreak (recital (25)). By deferring the payment of public health insurance contributions and the filing and payment obligation related to the annual return and annual contribution, the measure eases the liquidity constraints faced by those undertakings due to the COVID-19 outbreak resulting in the inability to pay health insurance contributions and contributes to preserving the continuity of their economic activities.

- Aid granted under the measure will be granted before 31 December 2020, and the end date of the deferrals will be not later than May, respectively August 2021 (recital (33)) and hence not later than 31 December 2022. The measure therefore complies with point 41 of the Temporary Framework
- (54) The Czech authorities confirm that the aid under the measures may only be cumulated with other aid, provided the specific provisions in the sections of the Temporary Framework are respected and the cumulation rules of the relevant Regulations are respected (recitals (34) to (37)).
- (55) The Czech authorities further confirm that the monitoring and reporting rules laid down in section 4 of the Temporary Framework will be respected (recitals (38) and (39)).
- (56) The Commission therefore considers that the measures are necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State pursuant to Article 107(3)(b) TFEU since they meet all the relevant conditions of the Temporary Framework.

#### **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 TFEU.

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