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**Subject: State Aid SA.58430 (2020/N) – Czech Republic  
City of Pilsen’s aid programme for undertakings affected by the  
COVID-19 crisis**

Excellency,

**1. PROCEDURE**

- (1) By electronic notification of 16 October 2020, the Czech Republic notified aid in the form of limited amounts of aid (Pilsen city programme to support businesses affected by the coronavirus crisis, “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”)<sup>1</sup>.
- (2) 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

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<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, 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 and by Communication from the Commission C(2020) 7127 final of 13 October 2020 on the Fourth Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak and amendment to the Annex to the Communication from the Commission to the Member States on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to short-term export-credit insurance, OJ C 340 I, 13.10.2020, p. 1.

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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**

- (3) The Czech authorities consider that the COVID-19 outbreak has started to affect undertakings in its territory, notably in the City of Pilsen (“the City”). 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 in the City’s territory.
- (4) The Czech authorities confirmed 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 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.
- (5) The compatibility assessment of the measure is based on Article 107(3)(b) TFEU, in light of sections 2 and 3.1 of the Temporary Framework.

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

- (6) The measure provides aid in the form of direct grants, rent reductions, rent deferrals, remission of fees and interest on arrears in connection with the lease agreements with the City.

### **2.2. Legal basis**

- (7) The legal bases for the measure are:
  - Act No. 128/2000 Coll., on Municipalities (Establishment of Municipalities)<sup>3</sup>, as amended,
  - Act No. 89/2012 Coll., Civil Code<sup>4</sup>, as amended, and
  - Act No. 250/2000 Coll., on Budgetary Rules of Territorial Budget<sup>5</sup>, as amended.

### **2.3. Administration of the measure**

- (8) The statutory city of Pilsen (Statutární město Plzeň) is responsible for administering the measure.

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<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> <https://www.zakonyprolidi.cz/cs/2000-128>

<sup>4</sup> <https://www.zakonyprolidi.cz/cs/2012-89>

<sup>5</sup> <https://www.zakonyprolidi.cz/cs/2000-250>

## 2.4. Budget and duration of the measure

- (9) The estimated budget of the measure is CZK 200 million (approx. EUR 7.45 million), at the expense of the City.
- (10) Aid may be granted under the measure as from its approval until no later than 31 December 2020. Aid applications must be submitted to the City no later than 31 October 2020.

## 2.5. Beneficiaries

- (11) The final beneficiaries of the measure are undertakings located in the City (approx. up to 50 beneficiaries). However, financial institutions are excluded as eligible final beneficiaries.
- (12) Aid may not be granted under the measure to medium<sup>6</sup> and large enterprises that were already in difficulty within the meaning of the General Block Exemption Regulation (“GBER”)<sup>7</sup> on 31 December 2019. Aid may be granted to micro and small enterprises that were in difficulty within the meaning of the General Block Exemption Regulation (“GBER”)<sup>8</sup> 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>9</sup> or restructuring aid<sup>10</sup>.

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<sup>6</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 Treaty, OJ L 187, 26.6.2014, p. 1, Annex I to 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, 1.7.2014, p. 1 and Annex I to 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, 24.12.2014, p. 37.

<sup>7</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, 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, 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, 24.12.2014, p. 37.

<sup>8</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, 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, 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, 24.12.2014, p. 37.

<sup>9</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>10</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.

## 2.6. Sectoral and regional scope of the measure

- (13) The measure is open to all sectors except the financial sector<sup>11</sup> but limited to the territory of the City.

## 2.7. Basic elements of the measure

- (14) The measure aims to help beneficiaries who face liquidity shortages and thereby to preserve the activities of undertakings, which would otherwise likely have to close their businesses, and includes six sub-measures:

### 2.7.1. *Rent reductions for non-residential premises owned by the City (first sub-measure)*

- (15) The first sub-measure takes the form of rent reductions to undertakings leasing or renting non-residential premises owned by the City in cases where the City and publicly co-funded organisations established by the City act as lessors. They are determined as different percentage discounts for the months April to September 2020. This measure complements the Czech COVID Rent Programme<sup>12</sup>. The discounts will be calculated from the amount of rent stipulated in the respective lease agreement with the City. In detail:

- Tenants who were ordered to close their business premises and could not perform their business activities due to measures imposed by the government for at least a part of the period from 13 March 2020 to 30 June 2020 (for which they have to provide an affidavit) and
  - who cannot benefit from the COVID Rent Programme (because they do not meet the conditions), are entitled to 100% discount on the rent for the months of April, May and June 2020 and a 50% discount on the rent for the months of July, August and September 2020.
  - who can benefit from the COVID Rent Programme, are entitled to 30% discount on the rent for the months of April, May and June 2020, and a 70% discount on the rent for the months of July, August and September 2020. If a tenant meets the conditions set by the COVID Rent Programme but is unable, for economic reasons, to pay his own contribution to the rent as required by the COVID Rent Programme<sup>13</sup>, he will be granted a 50% discount on the rent for a period of 6 months (i.e. from April 2020 to September 2020 inclusive) under the notified measure.
- Tenants who were able to operate their business under the government's crisis measures during the period from 13 March 2020 to 30 June 2020 but

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<sup>11</sup> The Czech authorities confirm that credit and financial institutions are excluded from the scope of the notified aid measures. They further confirm that the aid is not channelled through credit institutions or other financial institutions.

<sup>12</sup> The aid scheme "Program to support entrepreneurs affected by the spread of the COVID 19 (rent payments) was approved by the Commission Decision SA.57464 (2020/N) on 2 June 2020.

<sup>13</sup> Under the COVID Rent Programme aid may be granted only for the months of April, May and June 2020 and only if the beneficiary himself pays 50% of the original rent for the same period, see the Commission Decision SA.57464 (2020/N), recital 23.

suffered reduced demand due to the state of emergency (such as florists, newsagents, bakeries etc.), are entitled to a 50% discount on the rent for the months of April, May and June 2020 and a 25% discount on the rent for the months of July, August and September 2020. The tenant is obliged to prove the reduced demand by submitting evidence demonstrating that he suffered a decrease in sales of at least 30 % compared with the same period of 2019, and/or compared with the months of January and February 2020.

2.7.2. *Deferral of rent payments for non-residential premises owned by the City (second sub-measure)*

- (16) The second sub-measure takes the form of an automatic deferral of rent payments by 90 days in cases where the City and publicly co-funded organisations established by the City act as lessors<sup>14</sup>. Sanctions due to late payment of rent will not be imposed and interest in arrears will not be charged. This remission of interests does not apply to entities that are in a legal dispute with the City concerning the use of the City's assets.

2.7.3. *Deferral of the due date for payments under the lease of agricultural land (third sub-measure) and payments under the lease of land for development activities (fourth sub-measure)*

- (17) The third and fourth sub-measure take the form of an automatic deferral of due date for rent payments under lease agreements regarding agricultural land owned by the City until 31 December 2020 as well as land for the purpose of a development project/activities owned by the City until 15 December 2020.

2.7.4. *Compensation of the loss of revenues suffered by publicly co-funded organisations, established or founded by the City (fifth sub-measure)*

- (18) The fifth sub-measure consists in direct grants to organisations established or founded by the City in the form of increased operating contributions by the City having regard to the mandatory as well as the extraordinary expenditures. The mandatory expenditures have to be covered in the planned budget either from the organisation's own revenues, which subsequently did not materialise as a result of the government measures (e.g. revenues from admission fees, sublease of premises, or economic activity in buildings that had to be closed), or from sponsorship donations, which have fallen sharply due to the government measures, resulting in a significant drop in revenues. The extraordinary expenditure must be related to required hygiene measures and regulations to address the COVID-19 outbreak.

2.7.5. *Financial aid to sports clubs and cultural organisations not established by the City (sixth sub-measure)*

- (19) The sixth sub-measure includes direct grants to sports clubs and associations not established by the City but operating on its territory:

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<sup>14</sup> Excluded are lease agreements regarding rental of advertising equipment, garages, parking spaces, roofs, facades or common areas in houses, and land plots.

- to mitigate the lost revenues from renting their own premises to other organisations, up to 100% of lost revenues, if the amounts could not be claimed under the government aid schemes (COVID Rent Programme, COVID-SPORT Programme<sup>15</sup>),
- to mitigate the costs of their groundskeepers, site security staff, increased disinfection requirements and cleaning during the coronavirus pandemic, up to 100% of lost revenues, if the costs could not be claimed under the other government programmes (ANTIVIRUS Programme, COVID-SPORT Programme),
- to mitigate the obligation of cancellation fees for training camps and competitions,
- to cover the operating expenses of sports clubs and associations (energy, rentals) for the period in which they could not undertake sports activities, up to 100% of expenses, if the costs could not be claimed under the government aid schemes (COVID-SPORT Programme).

The City also grants financial aid to cultural organisations, not established by the City but operating on its territory, in the form of direct grants:

- to cover the basic operating expenses of these organisations and the promotional and implementation costs for major projects and continuous activities as a result of forced rescheduling due to the ban on cultural events, and
- for the development of new cultural activities in order to preserve these activities and cultural operators, and to support cultural tourism on the territory of the City.

(20) The applicant must provide the following documents depending on the type of aid: Final Statement of Accounts, accounting documents (invoices, cash receipts), proof of payment (statement of account, expense receipt) for each expenditure item, a copy of the sublease agreement (to prove loss of revenue from sublease contracts).

(21) For all sub-measures, the Czech authorities confirm:

- the overall aid should not exceed EUR 800 000 per undertaking, or EUR 120 000 per undertaking active in the fishery and aquaculture sector, or EUR 100 000 per undertaking active in the primary production of agricultural products; all figures used must be gross, that is, before any deduction of tax or any charge;
- that the aid granted to undertakings active in the processing and marketing of agricultural products is excluded when the aid is conditional on being partly or entirely 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 the undertakings concerned;

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<sup>15</sup> The Czech aid scheme „Compensation scheme for sport organizations, facilities and cancellation of sport events related to COVID-19 (the “COVID – Sport Programme”) was approved by Commission Decision SA.57614 (2020/N) on 22 July 2020.

- that aid 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;
- that aid to undertakings active in the fishery and aquaculture 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>16</sup>;
- that 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, it will be ensured that for each of these activities the relevant ceiling is respected and that the overall maximum amount of EUR 800 000 is not exceeded per undertaking. Where an undertaking is active in the sectors covered by point 23 (a) of the Temporary Framework, the overall maximum amount of EUR 120 000 per undertaking is not exceeded.

## **2.8. Cumulation**

- (22) The Czech authorities confirm that aid granted under the measure may be cumulated with aid under de minimis Regulations<sup>16</sup> or the General Block Exemption Regulation<sup>17</sup> provided the provisions and cumulation rules of those Regulations are respected.
- (23) The Czech authorities confirm that aid under the 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.
- (24) The Czech 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<sup>18</sup>.

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<sup>16</sup> 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, 26.4.2012, p. 8).

<sup>17</sup> 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.

<sup>18</sup> The Czech authorities explicitly refer to the compliance with the cumulation conditions of Commission Decisions SA.57614 (2020/N) (see recital 34(i), cumulation with any other support

- (25) The Czech authorities confirm that if the beneficiary 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) and 23(a) of that framework, will be respected.

## **2.9. Monitoring and reporting**

- (26) The Czech 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<sup>19</sup>.

## **3. ASSESSMENT**

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

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

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

- (28) 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.
- (29) The measure is imputable to the State, since it is administered by the City and it is based on the Budgetary Rules of Territorial Budget (see recital (7)). It is financed through State resources, since it is financed by public funds from the budget of the City (see recital (9)).
- (30) The measure confers an advantage on its beneficiaries in the form of direct grants, rent reductions, rent deferrals, remission of fees and interest on arrears in connection with the lease agreements with the City. The measure thus confers on those beneficiaries an advantage that they would have had to bear under normal market conditions.
- (31) The advantage granted by the measure is selective, since it is awarded only to certain undertakings, in particular undertakings located in the City, which rent non-residential premises, agricultural land or land for development activities, organisations established by the City, and sports and cultural organisations

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cannot result in compensation exceeding 100% of eligible costs to be compensated) and SA.57464 (2020/N) (see recital 31, specific provisions are respected, the overall maximum cap per undertaking shall be respected).

<sup>19</sup> Referring to information required in Annex III to Commission Regulation (EU) No 651/2014 and Annex III to Commission Regulation (EU) No 702/2014 and Annex III to Commission Regulation (EU) No 1388/2014.



operating on the territory of the City, excluding the financial sector (see recitals (11), (13)).

- (32) 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.
- (33) In view of the above, the Commission concludes that the measure constitutes aid within the meaning of Article 107(1) TFEU. The Czech authorities do not contest that conclusion.

### **3.3. Compatibility**

- (34) 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.
- (35) 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*”.
- (36) 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*”.
- (37) The measure including six sub-measures aims at mitigating the negative effects of the COVID-19 outbreak to keep the undertakings in the City in business at a time when the normal functioning of 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.
- (38) The measure is designed to contribute to remedy a serious disturbance in the Czech economy by helping local businesses and organisations, which face liquidity issues due to the COVID-19 outbreak, to preserve economic continuity. It aims to complement national aid schemes designed to remedy the serious disturbance. Furthermore, the measure has been designed to meet the requirements of a specific category of aid (“*Limited amounts of aid*”) described in section 3.1 of the Temporary Framework.
- (39) The Commission accordingly considers that the measure with its six sub-measures 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 aid takes the form of direct grants, rent reductions, rent deferrals and remission of fees and interest on arrears in connection with the lease agreements with the City (recital (6)).

- The overall nominal value of direct grants, rent reductions, rent deferrals and remission of fees and interest on arrears in connection with the lease agreements with the City shall not exceed EUR 800 000 per undertaking; all figures used must be gross, that is, before any deduction of tax or other charges (recital (21)). The measure therefore complies 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 (9). The measure therefore complies with point 22(b) of the Temporary Framework;
- Aid may not be granted under the measure to medium<sup>20</sup> and large enterprises that were already in difficulty on 31 December 2019 (see recital (12)). The measure therefore complies 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<sup>21</sup> or restructuring aid<sup>22</sup> (see recital (12)). The measure therefore complies with point 22(c)bis of the Temporary Framework;
- Aid will be granted under the measure no later than 31 December 2020 (recital (10)). The measure therefore complies with point 22(d) of the Temporary Framework;
- Aid granted to undertakings active in the processing and marketing of agricultural products is 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 (21)). The measure therefore complies with point 22(e) of the Temporary Framework.
- The overall nominal value of direct grants, rent reductions, rent deferrals and remission of fees and interest on arrears in connection with the lease agreements with the City does not exceed EUR 120 000 per undertaking active in the fishery and aquaculture sector (recital (21)) or EUR 100 000 per undertaking active in the primary production of agricultural products (recital (21)). The measure therefore complies 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 measure therefore complies 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,

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<sup>20</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 Treaty, OJ L 187, 26.6.2014, p. 1.

<sup>21</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>22</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.

paragraph (1)(a) to (k) of Commission Regulation (EU) No 717/2014 (recital (21)). The measure therefore complies 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 overall maximum amount of EUR 800 000 is not exceeded per undertaking. Where an undertaking is active in the sectors covered by point 23(a) of the Temporary Framework, the overall maximum amount of EUR 120 000 is not exceeded per undertaking (recital (21)). The measure therefore complies with point 23bis of the Temporary Framework.
- (40) The Czech authorities confirm that the monitoring and reporting rules laid down in section 4 of the Temporary Framework will be respected (recital (26)). The Czech authorities further confirm that the aid under the measure 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 (22) to (25)).
- (41) 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. 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/ejojade/isef/index.cfm>.

Yours faithfully,

For the Commission

Margrethe VESTAGER  
Executive Vice-President