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PUBLIC VERSION

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**Subject: State Aid SA.59525 (2020/N) – Lithuania  
COVID-19: Prolongation of guarantee scheme for tour operators**

Excellency,

## 1. PROCEDURE

- (1) By electronic notification of 13 November 2020, Lithuania notified a prolongation of the first measure of aid scheme SA.57665 (2020/N)<sup>1</sup> on individual guarantees securing performance of contractual obligations of tour operators (“the existing measure”). The Commission approved the existing measure by Decision C(2020) 4365 final of 25 June 2020 (“the decision of 25 June 2020”) under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, as amended on 8 May 2020 (“the Temporary Framework”).<sup>2</sup> The notified prolongation measure (“the notified

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<sup>1</sup> State aid SA.57665 (2020/N) “Lithuanian guarantees and loans for tour operators, accommodation and catering service providers” (OJ C 220, 3.7.2020, p.18), [https://ec.europa.eu/competition/state\\_aid/cases1/202026/286591\\_2168029\\_55\\_2.pdf](https://ec.europa.eu/competition/state_aid/cases1/202026/286591_2168029_55_2.pdf).

<sup>2</sup> 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), 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), 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).

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measure”) is assessed under the Temporary Framework, as amended on 13 October 2020.<sup>3</sup>

- (2) Lithuania 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>4</sup> and to have this Decision adopted and notified in English.

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

- (3) The existing measure approved by the decision of 25 June 2020, consists in aid in the form of guarantees falling under Section 3.1 of the Temporary Framework. As described in recitals (8) and (24) - (30) of the aforementioned decision, the guarantees are granted to tour operators in Lithuania facing a sudden shortage or unavailability of liquidity. The aim of the guarantees is to secure the performance of obligations of the beneficiaries. The guarantee amount may not exceed EUR 800 000 per beneficiary.<sup>5</sup>
- (4) With the notified measure, the Lithuanian authorities wish to prolong the duration of the existing measure, approved by the decision of 25 June 2020 until no later than 30 June 2021.
- (5) All the other conditions of the existing measure, as described in the decision of 25 June 2020, remain unchanged.
- (6) The Lithuanian authorities confirmed that the commitments provided by Lithuania for the purposes of the existing measure are valid in their entirety also for the notified measure.
- (7) The compatibility assessment of the notified measure is based on Article 107(3)(c) TFEU, in light of Sections 3.1 and 3.4 of the Temporary Framework.

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<sup>3</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.

<sup>4</sup> Regulation No 1 determining the languages to be used by the European Economic Community, OJ 17, 6.10.1958, p. 385.

<sup>5</sup> All figures used must be gross, that is, before any deduction of tax or other charges.

## **2.1. Legal basis**

- (8) The legal basis for the measure is the Draft Amending Order of the Order of the Minister of Economy and Innovation of the Republic of Lithuania regarding the approval of regulations on the provision of guarantees securing performance of obligations of tour operators.

## **2.2. Duration of the measure**

- (9) Aid may be granted under the notified prolongation measure from 10 July 2020 until no later than 30 June 2021.

## **3. ASSESSMENT**

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

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

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

- (11) 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.
- (12) The Commission's decision of 25 June 2020 concludes that the existing measure constitutes State aid within the meaning of Article 107(1) TFEU. The prolongation of that existing measure, without any other modification, does not affect that conclusion. The Commission therefore refers to the assessment contained in recitals (44) to (49) of the aforementioned decision.

### **3.3. Compatibility**

- (13) In its decision of 25 June 2020, the Commission concluded that the existing measure fulfilled the conditions set out in sections 3.1 and 3.4 of the Temporary Framework and was therefore compatible with the internal market on the basis of Article 107(3)(b) TFEU. The Commission refers to its compatibility analysis as set out in recital (56) of that decision.
- (14) The Commission notes that the prolongation of the duration of the existing measure until no later than 30 June 2021 (recital (9)) is allowed pursuant to point 22(d) of the Temporary Framework following the Fourth Amendment.
- (15) The Commission thus considers that the notified amendment does not alter the conclusion in its decision of 25 June 2020 that the notified measure is appropriate, proportionate and necessary to remedy a serious disturbance in the economy of a Member State and continues to meet all the conditions of the Temporary Framework, as amended on 13 October 2020.

#### 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>.

Yours faithfully,

For the Commission

Margrethe VESTAGER  
Executive Vice-President

