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**Subject: State Aid SA.59672 (2020/N) – Greece
Modifications to SA.58616 – COVID-19 - Working capital for micro
and small enterprises in 12 Greek regions**

**State Aid SA.59816 (2020/N) – Greece
COVID-19: Modifications to SA.56839, SA.56857 and SA.57048**

**State Aid SA.59818 (2020/N) – Greece
Modifications to SA.58367 COVID-19 - Working capital for small and
very small enterprises in the region of Central Macedonia**

Excellency,

1. PROCEDURE

- (1) By an electronic notification of 20 November 2020 and two further notifications of 28 November 2020, Greece notified modifications concerning the following existing aid schemes (“the existing aid schemes”) which the Commission had already approved (“the initial decisions”) in light of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (“the Temporary Framework”) ¹:

¹ 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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- (a) SA.58616: *Working capital for micro and small enterprises in 12 Greek regions* which the Commission approved by Decision C(2020) 6754 of 28 September 2020. This notification was registered as SA.59672.
 - (b) SA.56857: *Capped business loans portfolio guarantees for new working capital loans in the current COVID-19 outbreak* which the Commission approved by Decision C(2020) 2222 of 3 April 2020, amended by SA.57048, approved by Decision C(2020) 2940 of 30 April 2020. This notification was registered as SA.59816.
 - (c) SA.56839: *Support to SME loan obligations in the form of grants under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak* which the Commission approved by Decision C(2020) 2348 of 8 April 2020. This notification was registered as SA.59816.
 - (d) SA.58367: *Working capital for small and very small enterprises in the region of Central Macedonia* which the Commission approved by Decision C(2020) 5972 of 28 August 2020. This notification was registered as SA.59818.
- (2) Greece 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 1/1958² and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE MEASURE

- (3) On 13 October 2020, the Commission adopted a Communication³ prolonging until 30 June 2021 the validity of the Temporary Framework, which would otherwise expire at the end of 2020.
- (4) Following the prolongation of the Temporary Framework, the Greek authorities would like to extend the duration of the existing aid schemes mentioned in recital (1) until 30 June 2021.
- (5) With regard to the initial scheme SA.58616, the Greek authorities intend to introduce the following modifications:
 - a) The scope of the scheme is extended to undertakings that are part of an already organised uniform distribution network for goods or services, which exploit intellectual property rights licensing contracts that are commonly used for trademarks or signs and know-how for the use and distribution of goods or services (e.g. franchising, shop in shop, shop network, etc.). The remaining

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

³ 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.

excluded sectors as mentioned in the initial decision (recital 16) are the financial sector, agriculture, forestry, fishery and aquaculture sector as well as processing and marketing of agricultural products and offshore companies, legal entities governed by public law, public undertakings, public bodies or public bodies and/or their subsidiaries and undertakings treated as such.⁴

b) The end date for applications is extended until 1 February 2021.

- (6) With regard to the initial scheme SA.58367, the Greek authorities also intend to increase the estimated total budget from EUR 150 million to EUR 200 million.
- (7) The Greek authorities confirmed that all other conditions of the existing aid schemes remain unchanged.
- (8) The modifications will only be put into effect after the Commission's approval.

3. ASSESSMENT

3.1. Lawfulness of the measure

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

3.2. Existence of State aid

- (10) 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.
- (11) The existing aid schemes constitute State aid within the meaning of Article 107 (1) TFEU for the reasons set out in the initial decisions⁵. The proposed modifications do not affect that conclusion. The Commission therefore refers to the respective assessment of the aforementioned decisions and concludes that the schemes as modified constitute State aid in the meaning of Article 107 (1) of the TFEU.

3.3. Compatibility

- (12) The Commission assessed the existing aid schemes on the basis of Article 107 (3)(b) of the TFEU in light of the Temporary Framework and concluded that they were compliant with the compatibility conditions set out in that Framework.

⁴ Decision C(2020) 6754, SA.58616, of 28.9.20, recital (16).

⁵ See recitals (26) to (31) of Commission Decision C(2020) 6754, SA.58616, of 28.9.2020; recitals (35) to (40) of Commission Decision C(2020) 2222, SA.56857, of 3.4.2020; recitals (47) to (52) of Commission Decision C(2020) 2940, SA.57048, of 30.4.2020; recitals (25) to (30) of Commission Decision C(2020) 2348, SA.56839, of 8.4.2020; recitals (27) to (32) of Commission Decision C(2020) 5972, SA.58367, of 28.8.2020.

- (13) The Commission refers to its analysis of compatibility as set out in the initial decisions⁶. The notified amendments to the schemes do not alter the Commission's conclusions on compatibility as set out in those initial decisions.
- (14) The Commission has examined the notified amendments referred to in recitals (4) to (6) and notes that they comply with the Temporary Framework. In particular, the new end date of the schemes (recital (4)) is in line with paragraphs 22(d) and 25(c) of the Temporary Framework. The amended measure SA.59818 is granted on the basis of a scheme with an estimated budget as indicated in recital (6) and therefore still complies with point 22(b) of the Temporary Framework.
- (15) The Commission concludes that the measures, as modified are compliant with the compatibility conditions set out in the Temporary Framework. The Commission therefore considers that the measures, as modified, are necessary, appropriate, and proportionate to remedy a serious disturbance in the economy of a Member State (Greece) pursuant to Article 107 (3)(b) TFEU.

4. CONCLUSION

The Commission has accordingly decided not to raise objections to the modification to aid schemes SA.58616, SA.56857, as amended by SA.57048, SA.56839 and SA.58367 on the grounds that they are compatible with the internal market pursuant to Article 107(3)(b) of the Treaty on the Functioning of the European Union as interpreted by the Temporary Framework.

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

⁶ See recitals (32) to (40) of Commission Decision C(2020) 6754, SA.58616, of 28.09.2020; recitals (41) to (50) of Commission Decision C(2020) 2222, SA.56857, of 3.4.2020; recitals (53) to (62) of Commission Decision C(2020) 2940, SA.57048, of 30.4.2020; recitals (31) to (39) of Commission Decision C(2020) 2348, SA.56839, of 8.4.2020; recitals (33) to (41) of Commission Decision C(2020) 5972, SA.58367, of 28.8.2020.