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**Subject: State Aid SA.62004 (2021/N) – Slovakia
COVID-19: Second modification of SA.56986 (2020/N) – Temporary
Framework aid for preserving employment and self-employment**

Excellency,

1. PROCEDURE

- (1) By electronic notification of 17 February 2021, Slovakia notified the prolongation and modification of an aid scheme (“Measure of the Slovak Republic under the Temporary Framework for State aid to preserve employment and support self-employed individuals in the current COVID-19 outbreak”,¹ the “measure”) under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (the “Temporary Framework”).² The Slovak authorities provided further clarifications and confirmations on 3 March 2020 and 11 March 2020.
- (2) This is the second modification of the State aid scheme approved by the Commission’s Decision of 21 April 2020 in case SA.56986 (2020/N) (the ‘original scheme’). The first prolongation and modification of the scheme was

¹ Title under national law: “Schéma štátnej pomoci pre dočasnú pomoc na podporu udržania zamestnanosti a podporu samostatne zárobkovo činných osôb v období situácie spôsobenej nákazou COVID-19”.

² 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 Commission Communications C(2020) 2215 (OJ C 112I, 4.4.2020, p. 1), C(2020) 3156 (OJ C 164, 13.5.2020, p. 3), C(2020) 4509 (OJ C 218, 2.7.2020, p. 3), C(2020) 7127 (OJ C 340I, 13.10.2020, p. 1) and C(2021) 564 (OJ C 34, 1.2.2021, p. 6).

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approved by the Commission's Decision of 25 November 2020 in case SA.59280 (2020/N).

- (3) Slovakia 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 1/1958³ and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE MEASURE

- (4) Slovakia intends to prolong and modify the State aid scheme approved by the Commission's Decisions of 21 April 2020 (SA.56986) and 25 November 2020 (SA.59280), mentioned in recital (2) above. The measure comprises two sub-measures, namely (i) *Aid in the form of direct grants* and (ii) *Aid in the form of wage subsidies and wage-equivalent income support for self-employed individuals*.
- (5) Slovakia considers that the COVID-19 outbreak continues to affect the real economy. Sub-measure (i) *Aid in the form of direct grants*, as amended, 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.
- (6) Slovakia submits that the COVID-19 outbreak puts at risk the jobs of employees of undertakings and the business activity of self-employed individuals. Many undertakings have suspended or reduced partially or entirely their activities due to either the containment measures enforced by national authorities, a drop in demand, the loss of subcontractors, or the need to protect the health of their workers. As a result, there is a risk of significant redundancies⁴ and of reduction or suspension of the business activity of self-employed individuals. Sub-measure (ii) *Aid in the form of wage subsidies and wage-equivalent income support for self-employed individuals* aims to preserve the employment of workers which, due to the COVID-19 outbreak, would have otherwise been laid off, and to allow undertakings to resume their activities immediately after the lockdown period.
- (7) In addition, sub-measure (ii) *Aid in the form of wage subsidies and wage-equivalent income support for self-employed individuals* aims to ensure the continuation of business activities of self-employed individuals by compensating them for the loss of income resulting from measures adopted at national level to respond to the COVID-19 outbreak. In particular, the sub-measure aims to support low-earning self-employed individuals whose income has been negatively affected, if not lost, as a result of that outbreak. The sub-measure provides income support to self-employed individuals who are trading or would have been trading

³ Regulation No 1 determining the languages to be used by the European Economic Community, OJ 17, 6.10.1958, p. 385.

⁴ According to data of the Slovak Social Insurance Agency, approximately 189 000 employees work in undertakings that have suspended or reduced their operations under a public containment measure, 197 000 employees work in undertakings that have experienced a decrease in turnover of at least 20%, and 271 000 self-employed individuals have experienced a decrease in turnover following the COVID-19 outbreak.

absent the COVID-19 outbreak and who intend to continue trading after that outbreak. That income support is equivalent to wage subsidies and is granted subject to the condition that the relevant business activity of the self-employed individual is maintained for the entire period for which the aid is granted.

- (8) Slovakia confirms 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 Slovakia. This is irrespective of the number of job losses actually occurred in the initial establishment of the beneficiary in the EEA.
- (9) Slovakia intends to introduce the following amendments to the measure:
- Extend the duration of the measure to 31 December 2021, in accordance with the Fifth amendment of the Temporary Framework (recital (15));⁵
 - Increase the maximum overall amount of aid per undertaking under sub-measure (i), in accordance with the Fifth amendment of the Temporary Framework (recital (21));
 - Extend the scope of sub-measure (i), which previously only applied to self-employed persons, to employers (recital (21));
 - For sub-measure (ii), remove the requirement that the aid must be granted for a period not exceeding 12 months following the aid application, in accordance with the Fifth amendment of the Temporary Framework (recital (22));
 - Adjust the aid amounts applicable under both sub-measures (recitals (21) and (22)).
- (10) The compatibility assessment of the measure is based on Article 107(3)(b) TFEU, in light of sections 2, 3.1, and 3.10 of the Temporary Framework.

2.1. The nature and form of aid

- (11) The measure provides aid in the form of direct grants. The aid is granted on the basis of a scheme.

2.2. Legal basis

- (12) The legal bases for the measure are, in addition to those listed in the Decision of 21 April 2020:⁶
- Act 311/2001 on the Labour Code;

⁵ Communication from the Commission C(2021) 564 final of 1 February 2021 on the Fifth 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 34, 1.2.2021, p. 6 (“Fifth amendment of the Temporary Framework”).

⁶ See recital (7) of the Decision of 21 April 2020.

- Act 292/2014 on contributions from the European Structural and Investment Funds and on the amendment of certain laws, as amended;
- Resolutions of the Government of the Slovak Republic N° 111/2020 of 11 March 2020, N° 113/2020 of 15 March 2020, N° 114/2020 of 15 March 2020, N° 115/2020 of 18 March 2020, N° 645/2020 of 12 October 2020, N° 804/2020 of 16 December 2020, N° 808/2020 of 31 December 2020, N° 30/2021 of 17 January 2021, N° 44/2021 of 20 January 2021, N° 64/2021 of 1 February 2021, N° 72/2021 of 2 February 2021, and N° 77/2021 of 5 February 2021, imposing measures to contain the spread of the COVID-19 outbreak;
- Decree of the Public Health Authority of 31 December 2020 imposing measures in the event of a threat to public health and restrictions on business operations and mass events;
- State aid scheme for temporary aid for preserving employment and self-employment during the COVID-19 outbreak, as amended.⁷

2.3. Administration of the measure

- (13) The Slovak Ministry of Labour, Social Affairs and Family and the Central Office of Labour, Social Affairs and Family are responsible for administering the measure.

2.4. Budget and duration of the measure

- (14) The measure, as amended, will operate within the original budget of EUR 2 billion approved in the Decision of 21 April 2020.⁸ The measure will be co-financed by the State budget and the European Structural and Investment Funds (“ESIF”). The Slovak authorities confirm that the rules applicable under the ESIF will be respected.
- (15) Aid may be granted under the measure as from the notification of the Commission’s State aid approval until no later than 31 December 2021. The aid may be paid until 31 March 2022. This represents, respectively, a six-month and three-month prolongation with respect to the previous amendment of the scheme, approved by the Decision of 25 November 2021.

2.5. Beneficiaries

- (16) The final beneficiaries of the measure, as amended, are SMEs and large undertakings (as defined in Commission Regulation (EU) No 651/2014, hereinafter “the GBER”⁹) that are particularly affected by the economic consequences of the COVID-19 outbreak. In particular, aid under the measure

⁷ Schéma štátnej pomoci pre dočasnú pomoc na podporu udržania zamestnanosti a podporu samostatne zárobkovo činných osôb v období situácie spôsobenej nákazou Covid-19, v znení Dodatku č. 1 a 2. The measure will enter into force upon the notification of its approval by the European Commission.

⁸ See recital (9) of the Decision of 21 April 2020.

⁹ 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.

may be granted to undertakings that have suspended or reduced partially or entirely their activities due to the containment measures enforced by the national authorities, a drop in demand, the loss of subcontractors, or the need to protect the health of their employees.

- (17) The Slovak authorities intend to extend the scope of sub-measure (i) *Aid in the form of direct grants*, which was previously only applicable to self-employed individuals, to employers.¹⁰
- (18) The scope of sub-measure (ii) *Aid in the form of wage subsidies and wage-equivalent income support for self-employed individuals* will not change compared to the original scheme, i.e. the sub-measure will remain open to both employers and self-employed individuals.
- (19) The beneficiaries of the measure cannot receive aid under both sub-measures. In order to benefit from one of the sub-measures, the employers and self-employed individuals must submit an aid application and provide documentation establishing their compliance with the eligibility conditions.

2.6. Sectoral and regional scope of the measure

- (20) Like the original scheme, the measure is open to all sectors except the financial sector. It applies to the whole territory of Slovakia.

2.7. Basic elements of the measure

- (21) Sub-measure (i) *Aid in the form of direct grants*:
 - Aid under this sub-measure may not be granted to medium¹¹ and large enterprises that were already in difficulty within the meaning of the GBER¹² on 31 December 2019. Aid may be granted to micro and small enterprises that were in difficulty within the meaning of the GBER 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 have not received rescue aid¹³ or restructuring aid.¹⁴
 - The Slovak authorities intend to increase the maximum overall nominal value of the direct grants to EUR 270 000 (fishery and aquaculture sector), EUR 225 000 (primary agricultural production sector) and EUR 1.8

¹⁰ Self-employed individuals are also covered by the sub-measure in their capacity as employers.

¹¹ As defined in Annex I to the GBER.

¹² As defined in Article 2(18) of the GBER, 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.

¹³ 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.

¹⁴ 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.

million (all other sectors) per undertaking, in line with the Fifth amendment of the Temporary Framework. All figures are gross, i.e. before any deduction of tax or other charges.

- Where the beneficiaries are undertakings active in the processing and marketing of agricultural products, the aid is not conditional on being partly or entirely passed on to primary producers and is not fixed on the basis of the price or quantity of products put on the market by the undertakings concerned or purchased from primary producers, unless, in the latter case, the products were either not put on the market or were used for non-food purposes such as distillation, methanization or composting by the undertakings concerned.
- Aid granted 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.
- 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 717/2014¹⁵.
- 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 competent authority and the beneficiary shall 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 1.8 million 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 270 000 is not exceeded per undertaking.
- The Slovak authorities intend to extend this sub-measure, which previously only applied to self-employed individuals,¹⁶ to employers.
- As regards self-employed individuals and employers that experienced a decrease in turnover, the amount of the monthly grant is determined based on the extent of the decrease in turnover experienced by the undertaking as compared to the period before the COVID-19 outbreak. The amount will range from EUR 330 (in case of a decrease in revenue of 20% to 29.99%) and EUR 870 (in case of a decrease in revenue of 80% or more) per month.¹⁷ No aid will be granted if the decrease in turnover is below 20%.

¹⁵ 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).

¹⁶ See recital (14) of the Decision of 21 April 2020 (SA.56986) and recital (21) of the Decision of 25 November 2020 (SA.59280).

¹⁷ The scale is set out in the Resolution of the Slovak Government N° 72/2021 of 2 February 2021, which modifies the previously applicable scale by increasing the number of steps and adjusting the aid amounts applicable to each step.

- As regards employers that were forced to suspend or significantly reduce their activity by a decision of a public authority, the aid amount equals 100% of the gross monthly salary (including the employer's social security contributions) of the relevant employees, up to a maximum of EUR 1 100 per employee and month.
- (22) Sub-measure (ii) *Aid in the form of wage subsidies and wage-equivalent income support for self-employed individuals:*
- The sub-measure provides wage subsidies for employers and wage-equivalent income support for self-employed individuals, and is aimed at avoiding redundancies during the COVID-19 outbreak and at ensuring the continuation of the business activities of self-employed individuals.
 - The wage subsidy is granted with respect to employees who would otherwise have been made redundant because of the suspension or reduction of business activity as a consequence of the COVID-19 outbreak, and to self-employed individuals whose activities have been negatively affected by the COVID-19 outbreak. As part of the aid application, applicants must provide evidence of the drop in turnover experienced by them and regarding the employees for which work has been suspended or reduced.
 - In order to be eligible for aid, the employers must maintain the relevant employees in continuous employment for the entire period for which the aid is granted. As regards the self-employed individuals, the aid is subject to the condition that their licence for self-employment is not terminated or suspended for the entire period for which the aid is granted.
 - The amount of the aid is determined based on the percentage of turnover decrease experienced by the undertaking as compared to the period before the COVID-19 outbreak, and ranges from EUR 330 (in case of a decrease in turnover of 20% to 29.99%) to EUR 870 (in case of a decrease in turnover of 80% or more) per month.¹⁸ The Slovak authorities submit that this maximum amount equals 80% of the average nominal monthly salary in Slovakia in 2019. The aid granted to employers may not exceed 80% of the gross monthly salary (including the employer's social security contributions) of the employees concerned.
 - The Slovak authorities intend to remove the maximum duration of the wage subsidy (i.e. 12 months after the application for aid) from the legal basis of the scheme, in line with the Fifth amendment of the Temporary Framework.

¹⁸ The scale is set out in the Resolution of the Slovak Government N° 72/2021 of 2 February 2021, which modifies the previously applicable scale by increasing the number of steps and adjusting the aid amounts applicable to each step.

2.8. Cumulation

- (23) The aid ceilings and cumulation maxima fixed under the measure will apply regardless of whether the support for the aided project is financed entirely from State resources or partly financed by the ESIF.
- (24) The Slovak authorities confirm that aid granted under the measure may be cumulated with aid under the relevant *de minimis* Regulations¹⁹ or block exemption Regulations²⁰ provided the provisions and cumulation rules of those Regulations are respected.
- (25) The Slovak authorities confirm that aid under the notified 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.
- (26) The Slovak authorities confirm that aid granted under the measure may be cumulated with aid granted under other measures approved by the Commission under the Temporary Framework, provided the provisions in the relevant sections are respected.
- (27) The Slovak 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 point(s) 22(a) and 23(a) of that Framework, will be respected. Aid granted under the measure and/or other measures approved by the Commission under section 3.1 of the Temporary Framework which has been reimbursed before 31 December 2021 shall not be taken into account in determining whether the relevant ceiling is exceeded.
- (28) The Slovak authorities confirm that aid granted under sub-measure (ii) *Aid in the form of wage subsidies and wage-equivalent income support for self-employed individuals* may be combined with support granted under other generally available measures or with aid schemes in the form of employment support measures, provided the total amount of combined aid does not lead to overcompensation of the wage costs of the personnel concerned.

¹⁹ 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 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).

²⁰ The GBER, 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.

2.9. Monitoring and reporting

- (29) The Slovak 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 primary agriculture and in the fisheries sectors on the comprehensive national State aid website or Commission’s IT tool within 12 months from the moment of granting,²¹ and the obligation to provide to the Commission, by 31 December 2021, a list of measures put in place on the basis of schemes approved under the Temporary Framework and to maintain detailed records regarding the granting of aid for 10 years upon granting of the aid).

3. ASSESSMENT

3.1. Lawfulness of the measure

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

3.2. Existence of State aid

- (31) 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.
- (32) The qualification of the measure as State aid was established in the Decisions of 21 April 2020 (SA.56986)²² and 25 November 2020 (SA.59280)²³. The notified amendments, as described above, do not affect the conclusion that the scheme, as amended, constitutes State aid within the meaning of Article 107(1) TFEU, as set out in those Decisions.
- (33) In view of the above, the Commission concludes that the measure constitutes aid within the meaning of Article 107(1) TFEU. The Slovak 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 it 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*”.

²¹ Referring to information required in Annex III to the GBER and Annex III to Commission Regulation (EU) No 702/2014 and Annex III to Commission Regulation (EU) No 1388/2014.

²² See recitals (31) to (38) of the Decision of 21 April 2020 (SA.56986).

²³ See recitals (32) to (38) of the Decision of 25 November 2020 (SA.59280).

- (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 aims at preserving employment and at ensuring the continuation of business activities of self-employed individuals during the COVID-19 outbreak, which is affecting the wider economy and leading to severe disturbances of the real economy of the Member States. The measure also aims at providing liquidity support to undertakings, at a time when the normal functioning of markets is severely disturbed by the COVID-19 outbreak.
- (38) The measure is one of a series of measures conceived at national level by the Slovak authorities to remedy a serious disturbance in their economy. The importance of the measure to preserve employment and economic continuity is widely accepted by economic commentators and the measure is of a scale which can be reasonably anticipated to produce effects across the entire Slovak economy. Furthermore, the measure has been designed to meet the requirements of specific categories of aid (“*Limited amounts of aid*” and “*Aid in the form of wage subsidies*”) described in sections 3.1 and 3.10 of the Temporary Framework.
- (39) The Commission accordingly considers that the measure is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of Slovakia and meets all the conditions of the Temporary Framework. In particular:
- (40) Sub-measure (i) *Aid in the form of direct grants* (Section 3.1 of the Temporary Framework):
- The aid takes the form of direct grants (recital (11)). The overall nominal value of the direct grants shall not exceed EUR 1.8 million per undertaking; all figures used must be gross, that is, before any deduction of tax or other charges (recital (21)). The sub-measure therefore complies with point 22(a) of the Temporary Framework.
 - Aid is granted under the sub-measure on the basis of a scheme with an estimated budget of EUR 2 billion (recitals (11) and (14)). The sub-measure therefore complies with point 22(b) of the Temporary Framework.
 - Aid may not be granted under the sub-measure to medium and large enterprises that were already in difficulty on 31 December 2019 (recital (21)). The sub-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 aid²⁴ or restructuring aid²⁵ (recital (21)). The sub-measure therefore complies with point 22(c)bis of the Temporary Framework.
- Aid will be granted under the sub-measure no later than on 31 December 2021 (recital (15)). The sub-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 entirely passed on to primary producers, fixed on the basis of the price or quantity of products put on the market by the undertakings concerned or purchased from primary producers, unless, in the latter case, the products were either not put on the market or were used for non-food purposes such as distillation, methanization or composting by the undertakings concerned (recital (21)). The sub-measure therefore complies with point 22(e) of the Temporary Framework.
- The overall nominal value of the direct grants does not exceed EUR 270 000 per undertaking active in the fishery and aquaculture sector or EUR 225 000 per undertaking active in the primary production of agricultural products sector (recital (21)). The sub-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 sub-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, paragraph (1)(a) to (k) of Commission Regulation (EU) No 717/2014 (recital (21)). The sub-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, Slovakia 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 1.8 million 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 270 000 is not exceeded per

²⁴ 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.

²⁵ 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.

undertaking (recital (21)). The sub-measure therefore complies with point 23bis of the Temporary Framework.

(41) Sub-measure (ii) *Aid in the form of wage subsidies and wage-equivalent income support for self-employed individuals* (Section 3.10 of the Temporary Framework):

- Aid granted under the sub-measure is aimed at avoiding redundancies during the COVID-19 outbreak and at ensuring the continuation of the business activities of self-employed individuals (recital (22)). The sub-measure therefore complies with point 43(a) of the Temporary Framework.
- Aid is granted in the form of a scheme to undertakings that are particularly affected by the COVID-19 outbreak (recitals (6), (7), (11) and (16)). The sub-measure therefore complies with point 43(b) of the Temporary Framework.
- The individual aid awards under the sub-measure are granted no later than on 31 December 2021 (recital (15)), for employees that would otherwise have been made redundant as a consequence of the suspension or reduction of business activities due to the COVID-19 outbreak (recital (22)) and subject to the condition that the benefitting personnel is maintained in continuous employment for the entire period for which the aid is granted (recital (22)). As regards self-employed individuals, the individual aid awards under the sub-measure are granted no later than on 31 December 2021 (recital (15)), in situations in which the business activity of the self-employed individuals has been negatively impacted by the COVID-19 outbreak (recital (22)), and subject to the condition that the beneficiaries' business activity is maintained for the entire period for which the aid is granted (recital (22)). The sub-measure therefore complies with point 43(c) of the Temporary Framework.
- The monthly wage subsidy will not exceed 80% of the monthly gross salary (including the employer's social security contributions) of the benefitting personnel (recital (22)). As regards self-employed individuals, the monthly wage subsidy will not exceed 80% of the average nominal monthly salary in Slovakia in 2019 (recital (22)). This alternative method for the calculation of the aid amount for self-employed individuals is in the interest of low-wage categories and ensures that the aid remains proportional to the objective pursued by the measure. The sub-measure therefore complies with point 43(d) of the Temporary Framework.
- The Slovak authorities confirm that if wage subsidies granted under the sub-measure are combined with other generally available or selective employment support measures, overcompensation of the wage costs of the personnel concerned will be excluded (recital (28)). The sub-measure therefore complies with point 43(e) of the Temporary Framework.
- The sub-measure does not apply to the financial sector (recital (20)). The sub-measure is therefore in line with points 20bis and 43bis of the Temporary Framework.

- (42) In line with point 16ter of the Temporary Framework, 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 Slovakia. This is irrespective of the number of job losses actually occurred in the initial establishment of the beneficiary in the EEA (recital (8)).
- (43) The Slovak authorities confirm that the monitoring and reporting rules laid down in section 4 of the Temporary Framework will be respected (recital (29)). The Slovak 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 and the cumulation rules of the relevant Regulations are respected (recitals (24), (25) and (26)).
- (44) The Slovak authorities also confirm that the rules under the relevant ESIF will be respected (recital (14)).
- (45) The Commission therefore considers that the measure is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of Slovakia 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/elojade/isef/index.cfm>.

Yours faithfully,

For the Commission

Margrethe VESTAGER
Executive Vice-President