



EUROPEAN COMMISSION

Brussels, 16.4.2021
C(2021) 2761 final

PUBLIC VERSION

This document is made available for
information purposes only.

**Subject: State Aid SA.62363 (2021/N)– Hungary
COVID-19: Umbrella scheme supervised by the Cabinet Office of the
Prime Minister to support the economy in the COVID-19 outbreak**

Excellency,

1. PROCEDURE

- (1) By electronic notification of 16 March 2021, Hungary notified aid in the form of limited amounts of aid and support for uncovered fixed costs (*Umbrella scheme supervised by the Cabinet Office of the Prime Minister to support the economy in the COVID-19 outbreak*, “the scheme”) under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (the “Temporary Framework”¹, sections 3.1 and 3.12).
- (2) Hungary 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.

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 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).

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

Őexcellenciája Péter SZIJJÁRTÓ
Külügyminiszter
Bem rakpart 47
H - 1027 BUDAPEST

2. DESCRIPTION OF THE MEASURE

- (3) Hungary considers that the COVID-19 outbreak affects the real economy. The scheme 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.
- (4) The impact of COVID-19 on economic activity in Hungary has been sudden and widespread. Hungary has fought the pandemic with several containment measures. These measures introduced in several waves have hit all sectors of the economy, including the tourism sector. According to the data from the Hungarian Statistical Office, during the two lockdowns (March-June 2020 and from November 2020 onwards), the tourism industry's revenues and nights spent at tourist accommodation in these periods in 2020 were only a small fraction when compared to the same periods of 2019. While the industry rebounded in the summer of 2020 when the lockdown was lifted, overall, the revenues dropped by 59%. For this reason, both tourist accommodation providers and the related industries are in need of financial support. As the lockdown measures are still in place at the time of this decision³, the tourism industry will continue to be severely hit by them in the first half of 2021, and potentially beyond.
- (5) The objective of the scheme is to authorise the Hungarian Cabinet Office to grant aid under sections 3.1 and 3.12 of the Temporary Framework to undertakings of all sectors, with the exclusion of the financial sector, affected by the COVID-19 outbreak. The Hungarian authorities submit that the scheme has a tourism focus, in the sense that its objective is to be used to primarily support undertakings active in the tourism sector. The Hungarian authorities, however, do not limit the sectoral scope of the scheme due to the challenges in defining the boundaries of the tourism industry and given that a lot of undertakings are indirectly affected by the current decline of the tourism sector and are in need of State support.
- (6) Hungary confirms that the aid under the scheme 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.
- (7) The compatibility assessment of the scheme is based on Article 107(3)(b) TFEU, in light of sections 2, 3.1 and 3.12 of the Temporary Framework.

2.1. The nature and form of aid

- (8) The scheme provides aid in the form of direct grants (section 3.1 of the Temporary Framework, "Measure 1") and aid in the form of support for uncovered fixed costs (section 3.12 of the Temporary Framework, "Measure 2").

³ The Hungarian authorities, as of 8 March 2021, had to introduce another set of lockdown measures to counter an emerging third wave of infections.

2.2. Legal basis

- (9) The legal basis for the scheme is the Decree of the Minister in charge of the Cabinet of the Prime Minister 2/2018. (XII. 28.) on the management and utilisation of appropriations managed centrally and at chapter level⁴, as amended by the Decree of the Minister in charge of the Cabinet of the Prime Minister 1/2021. (III.3) on the amendment of the Decree of the Minister in charge of the Cabinet of the Prime Minister 2/2018. (XII. 28.) on the management and utilisation of appropriations managed centrally and at chapter level⁵.

2.3. Administration of the measure

- (10) The granting authority is the Cabinet Office of the Prime Minister (*Miniszterelnöki Kabinetiroda*). Aid granted under the scheme to undertakings active in the tourism sector will be managed by the Hungarian Tourism Agency (*Magyar Turisztikai Ügynökség*), an agency subordinated to the Cabinet Office, and Kisfaludy2030 Tourism Development Nonprofit Ltd. (*Kisfaludy2030 Turisztikai Fejlesztő Nonprofit Zrt.*), a State-owned company subordinated to the Hungarian Tourism Agency and tasked with the management of tourism related aid schemes. The Cabinet Office of the Prime Minister will act as the managing authority for aid granted under the scheme to undertakings outside the tourism sector.

2.4. Budget and duration of the measure

- (11) The estimated budget of the scheme is HUF 18 billion (approximately EUR 50 million), with an estimated budget of HUF 6 billion (approximately EUR 17 million) for Measure 1 and an estimated budget of HUF 12 billion (approximately EUR 33 million) for Measure 2, financed from public funds.⁶
- (12) Aid may be granted under the scheme as from the notification of the Commission's approval until no later than 31 December 2021.

2.5. Beneficiaries

- (13) The beneficiaries of the scheme are undertakings of all sizes.
- (14) The Hungarian authorities expect the number of beneficiaries to be around 1000.
- (15) Aid may not be granted under the scheme to medium⁷ and large enterprises that were already in difficulty within the meaning of the General Block Exemption

⁴ '2/2018. (XII. 28.) MK rendelet a fejezeti és központi kezelésű előirányzatok kezeléséről és felhasználásáról'.

⁵ Subheadings 21 and 22 were added to Chapter II of the Decree.

⁶ Exchange rate as of 31 March 2021, EUR 1 = HUF 363.3 .
https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/euro_fxref-graph-huf.en.html

⁷ 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.

Regulation (“GBER”)⁸ 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 they have not received rescue aid⁹ or restructuring aid.¹⁰

2.6. Sectoral and regional scope of the measure

- (16) The scheme is open to undertakings active in all sectors, in the entire territory of Hungary, but aimed primarily at undertakings active in the tourism sector. However, financial institutions are excluded as eligible final beneficiaries.

2.7. Basic elements of the measure

2.7.1. Measure 1: Aid in the form of limited amounts of aid

- (17) Measure 1 provides for aid in the form of direct grants that shall not exceed the following ceilings (in gross figures, that is, before any deduction of tax or other charge):
- (a) EUR 225 000 per undertaking active in the primary production of agricultural products;
 - (b) EUR 270 000 per undertaking active in the fishery and aquaculture sector;
 - (c) EUR 1.8 million per undertaking active in other sectors.
- (18) Where the beneficiaries are undertakings active in the processing and marketing of agricultural products, the aid is 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 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, methanisation or composting by the undertakings concerned.
- (19) Additionally, for the agricultural, fisheries and aquaculture sectors:
- (a) 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;
 - (b) aid 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; and

⁸ 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, OJL 187, 26.6.2014, p. 1.

⁹ 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.

¹⁰ 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.

- (c) 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, Hungary shall ensure by appropriate means such as separation of accounts, that for each of these activities the relevant ceiling is respected and that the highest possible amount is not exceeded in total.

2.7.2. *Measure 2: Aid in the form of support for uncovered fixed costs*

- (20) Aid under Measure 2 covers uncovered fixed costs incurred during the period between 1 March 2020 and 31 December 2021, including such costs incurred in part of that period ('eligible period') and is granted no later than 31 December 2021.
- (21) The aid is granted to undertakings that suffer a decline in turnover during the eligible period of at least 30% compared to the same period in 2019.
- (22) Uncovered fixed costs are defined under Measure 2 in accordance with point 87(c) of the Temporary Framework. The aid intensity shall not exceed 70% of the uncovered fixed costs, except for micro and small companies, where the aid intensity shall not exceed 90% of the uncovered fixed costs.
- (23) The overall aid under Measure 2 shall not exceed EUR 10 million per undertaking. The aid may be granted in the form of direct grants. All figures used must be gross, that is, before any deduction of tax or other charge.
- (24) In addition, the Hungarian authorities confirm that:
- (a) the losses of undertakings from their profit and loss statements¹¹ during the eligible period are considered to constitute uncovered fixed costs;
- (b) the aid under this measure may be granted based on forecasted losses;
- (c) the final amount of aid shall be determined after realisation of the losses on the basis of audited accounts or, in the case of undertakings referred to in the following sentences of this point, on the basis of tax accounts. The Hungarian authorities submitted in this regard that pursuant to Hungarian law, in particular pursuant to the 'Act C of 2000 on Accounting', several sub-categories of SMEs are not required to prepare audited financial accounts or are not required to prepare financial accounts at all¹². The introduction of an auditing obligation for such smaller businesses would be very burdensome as they would have to hire tax professionals and auditors to carry out an audit. Access to the aid, if they were required to prepare their financial statements and have them audited, would be severely limited and costly, particularly in times when they potentially have had significant losses and practically no or limited income; and

¹¹ One-off impairment losses are not included in the calculation of the losses.

¹² By virtue of Section 2(3) and Section 2/A (1) of Act C of 2000 on Accounting, sole entrepreneurs and certain small businesses, which opt for the simplified tax regime, are exempt from preparing financial accounts. In addition, by virtue of Section 3(1) items 1-4 and Section 4(1) of Act C of 2000 on Accounting, natural persons carrying out business activities under their name are exempt from preparing annual financial accounts.

- (d) any payment exceeding the final amount of the aid shall be recovered..

2.8. Cumulation

- (25) The Hungarian authorities confirm that aid granted under any of the two measures may be cumulated with aid under de minimis Regulations¹³ or the Block Exemption Regulations¹⁴ provided the provisions and cumulation rules of those Regulations are respected.
- (26) The Hungarian authorities confirm that aid under any of the two 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.
- (27) The Hungarian authorities confirm that aid granted under any of the two 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.

2.8.1. Measure 1: Aid in the form of limited amounts of aid/direct grants

- (28) The Hungarian authorities confirm that if the beneficiary receives aid on several occasions or in several forms under Measure 1 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 Measure 1 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.

2.8.2. Measure 2: Aid in the form support for uncovered fixed costs

- (29) The Hungarian authorities confirm that if the beneficiary receives aid on several occasions or in several forms under Measure 2 or aid under other measures approved by the Commission under section 3.12 of the Temporary Framework, the overall maximum cap per undertaking, as set out in point 87(d) of that framework, will be respected

¹³ 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).

¹⁴ 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.

- (30) The Hungarian authorities confirm that aid granted under Measure 2 shall not be cumulated with other aid for the same eligible costs.

2.9. Monitoring and reporting

- (31) The Hungarian 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 measures 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 granting¹⁵).

3. ASSESSMENT

3.1. Lawfulness of the measure

- (32) By notifying the scheme before putting it into effect, the Hungarian authorities have respected their obligations under Article 108(3) TFEU.

3.2. Existence of State aid

- (33) 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.
- (34) The measures under the scheme are imputable to the State, since they are administered by the Cabinet Office of the Prime Minister (recital (10)) and are based on the *Decree of the Minister in charge of the Cabinet of the Prime Minister 2/2018. (XII. 28.) on the management and utilisation of appropriations managed centrally and at chapter level* (recital (9)). They are financed through State resources, since they are financed by public funds (recital(11)).
- (35) The measures under the scheme confer an advantage on their beneficiaries in the form of direct grants (recital (8)). The measures thus confer an advantage on those beneficiaries which they would not have had under normal market conditions.
- (36) The advantage granted by the measures under the scheme is selective, since it is awarded only to certain undertakings and excludes financial institutions as well as medium and large enterprises that were already in difficulty on 31 December 2019 (recitals (15) and (16)).
- (37) The measures are liable to distort competition, since they strengthen the competitive position of their beneficiaries. They also affect trade between Member States, since those beneficiaries are active in sectors in which intra-Union trade exists.

¹⁵ Referring to information required in Annex III to the GBER, Annex III to Commission Regulation (EU) No 702/2014 and Annex III to Commission Regulation (EU) No 1388/2014.

- (38) In view of the above, the Commission concludes that the measures under the scheme constitute aid within the meaning of Article 107(1) TFEU. The Hungarian authorities do not contest that conclusion.

3.3. Compatibility

- (39) Since the measures involves aid within the meaning of Article 107(1) TFEU, it is necessary to consider whether they are compatible with the internal market.
- (40) 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*”.
- (41) 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*”.
- (42) The two notified measures aim to ensure that sufficient liquidity remains available in the market and to counter the liquidity shortage faced by undertakings because of the outbreak at a time when the normal functioning of markets is severely disturbed by the COVID-19 outbreak, that outbreak is affecting the wider economy and is leading to severe disturbances of the real economy of Member States.
- (43) The two notified measures are part of a series of measures conceived at national level by the Hungarian authorities to remedy a serious disturbance in their economy. The importance of the notified measures to preserve employment and economic continuity is widely accepted by economic commentators. Furthermore, the measures have been designed to meet the requirements of specific categories of aid (“*Limited amounts of aid*” and “*Aid in the form of support for uncovered fixed costs*”) described in sections 3.1 and 3.12 of the Temporary Framework.
- (44) The Hungarian authorities confirm that aid under any of the two notified measures 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 (recital (6)).
- (45) The Hungarian authorities confirm that the monitoring and reporting rules laid down in section 4 of the Temporary Framework will be respected (recital (31)). The Hungarian authorities further confirm that the aid under any of the two notified measures 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 (25) to (30)).
- (46) The Commission accordingly considers that Measure 1, described in section 2.7.1 above, and Measure 2, as described in section 2.7.2 above, 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. In particular:

3.3.1. Measure 1: Aid in the form of limited amounts of aid/direct grants

(47) For Measure 1:

- The aid takes the form of direct grants (recital (8)).

The overall nominal value of the grants will not exceed EUR 1.8 million per undertaking (recital (17)); all figures used must be gross, that is, before any deduction of tax or other charges. 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 (11). The measure therefore complies with point 22(b) of the Temporary Framework.
- Aid may not be granted under the measure to medium and large enterprises that were already in difficulty on 31 December 2019 (recital (15)). 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 aid¹⁶ or restructuring aid¹⁷ (recital (15)). 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 2021 (recital (12)). 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 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, methanisation or composting by the undertakings concerned (recital (18)). The measure therefore complies with point 22(e) of the Temporary Framework.
- The overall nominal value of the 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

¹⁶ 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.

¹⁷ 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.

(recital (17)). 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 (19)(a)). 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, paragraph (1)(a) to (k) of Commission Regulation (EU) No 717/2014 (recital (19)(b)). 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, Hungary 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 undertaking (recitals (17) and (19)(c)). The measure therefore complies with point 23bis of the Temporary Framework.

3.3.2. *Measure 2: Aid in the form of support for uncovered fixed costs*

(48) For Measure 2:

- Aid is granted under the measure no later than 31 December 2021 and covers uncovered fixed costs incurred during the period between 1 March 2020 and 31 December 2021, including such costs incurred in part of that period (recital (20)). The measure therefore complies with point 87(a) of the Temporary Framework.
- Aid is granted under the measure on the basis of a scheme to undertakings that suffer a decline in turnover during the eligible period of at least 30% compared to the same period in 2019 (recital (21)). The measure therefore complies with point 87(b) of the Temporary Framework.
- Uncovered fixed costs are defined under the measure in accordance with point 87(c) of the Temporary Framework and the aid intensity will not exceed 70% of the uncovered fixed costs, except for micro and small companies, where the aid intensity will not exceed 90% of the uncovered fixed costs (recital (22)). The losses of undertakings from their profit and loss statements during the eligible period¹⁸ are considered to constitute uncovered fixed costs. The aid under this measure may be granted based on forecasted losses, while the final amount of aid will be determined after realisation of the losses on the basis of audited accounts or, in case of several sub-categories of SMEs, on the basis of tax accounts. The

¹⁸ One-off impairment losses are not included in the calculation of the losses.

Commission considers that not requiring audited financial statements for such smaller undertakings that are not obliged to produce (even unaudited) financial accounts is justified because otherwise those undertakings would be obliged to enter into a time-consuming and costly procedure, by seeking professional assistance from certified auditors, which would impose a disproportionate burden on such beneficiaries (recital (24)(c)). Any payment exceeding the final amount of the aid must be recovered (recital (24)(d)). The measure therefore complies with point 87(c) of the Temporary Framework.

- The aid takes the form of direct grants (recital (8)). The overall nominal value of the grants will not exceed EUR 10 million per undertaking; all figures used must be gross, that is, before any deduction of tax or other charges (recital (23)). The measure therefore complies with point 87(d) of the Temporary Framework.
- The aid under the measure shall not be cumulated with other aid for the same eligible costs (recital (30)) The measure therefore complies with point 87(e) of the Temporary Framework.
- Aid may not be granted under the measure to medium and large enterprises that were already in difficulty on 31 December 2019 (recital (15)). 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 aid¹⁹ or restructuring aid²⁰ (recital (15)). The measure therefore complies with point 87(f) of the Temporary Framework.

(49) 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.

¹⁹ 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.

²⁰ 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.

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

