



EUROPEAN COMMISSION

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PUBLIC VERSION

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**Subject: State Aid SA.62833 (2021/N) – Lithuania  
COVID-19: Amendment to Deferral of tax payments (SA.60632)**

Excellency,

## 1. PROCEDURE

- (1) By electronic notification of 26 April 2021, Lithuania notified a modification concerning the existing aid scheme SA.60632 (2020/N) for deferral of tax payments (the “existing aid scheme”).
- (2) The existing aid scheme was approved by Commission decision C(2021) 361 final on 18 January 2021 (the “initial decision”) under section 3.9 of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (the “Temporary Framework”).<sup>1</sup>
- (3) 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

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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 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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Article 3 of Regulation 1/1958<sup>2</sup> and to have this Decision adopted and notified in English.

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

- (4) The existing aid scheme provides for aid to undertakings that have been adversely affected by the COVID-19 pandemic in the form of deferrals or staggering of the payment of tax obligations, exemptions from payment of interest on the deferred or staggered amounts and suspension of recovery procedures for tax arrears.
- (5) On 1 February 2021, the Commission adopted a Communication<sup>3</sup> amending the Temporary Framework, prolonging until 31 December 2021 the validity of the Temporary Framework, which would otherwise have expired on 30 June 2021.
- (6) Lithuania wishes to extend the duration of the existing aid scheme in line with this amendment of the Temporary Framework. Under the extended duration of the existing aid scheme, aid may be granted until no later than 31 December 2021.
- (7) In addition, Lithuania wishes to increase the budget of the existing aid scheme from EUR 156 million to EUR 209.4 million.
- (8) The Lithuanian authorities confirmed that all other conditions of the existing aid scheme remain unchanged.

## **3. ASSESSMENT**

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

- (9) 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**

- (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 presence of State aid within the meaning of Article 107 (1) TFEU was already established in recitals (25) to (30) of the initial decision. The proposed modification does not alter that conclusion. The Commission therefore refers to

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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> Communication from the Commission - Fifth Amendment to 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 (2021/C 34/06) (OJ C 34, 1.2.2021, p. 6–15).

the respective assessment of the initial decision and concludes that the scheme, as modified, constitutes State aid in the meaning of Article 107 (1) of the TFEU.

### **3.3. Compatibility**

- (12) The Commission assessed the existing aid scheme's compatibility with the internal market on the basis of Article 107 (3)(b) of the TFEU in light of section 3.9 of the Temporary Framework and concluded that it complied with the compatibility conditions set out in that Framework.
- (13) The Commission refers to its analysis of compatibility as set out in recitals (31) to (38) of the initial decision.
- (14) According to the notification, the budget of the existing aid scheme will be increased to EUR 209.4 million. The Commission considers that the notified increase in the budget corresponds to the prolongation of the existing aid scheme and does not affect the compatibility assessment of the existing aid scheme with the internal market, as carried out in the initial decision.
- (15) In addition, the notification concerns the prolongation of the existing aid scheme until 31 December 2021, which is in conformity with the Temporary Framework, as last amended on 1 February 2021. More specifically, according to point 41 of the Temporary Framework, the aid shall be granted before 31 December 2021. Therefore, the Commission considers that the notified prolongation does not affect the compatibility assessment of the existing aid scheme with the internal market, as carried out in the initial decision.
- (16) Apart from the modification of the duration and the budget of the existing aid scheme, the Commission notes that there are no other alterations to the existing aid scheme (recital (8)). The Commission therefore considers that the notified modification meets the conditions of the Temporary Framework, as set out in the initial decision.
- (17) The Commission therefore considers that the measure, as modified, is necessary, appropriate, and proportionate to remedy a serious disturbance in the economy of Lithuania pursuant to Article 107 (3)(b) TFEU.

## **4. CONCLUSION**

The Commission has accordingly decided not to raise objections to the notified modification to aid scheme SA.60632 (2020/N) on the ground 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