



EUROPEAN COMMISSION

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PUBLIC VERSION

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**Subject: State Aid SA.63195 (2021/N) – Lithuania
COVID-19: Second amendment of the existing aid scheme SA.60379**

Excellency,

1. PROCEDURE

- (1) By electronic notification of 25 May 2021, Lithuania notified amendments to the existing aid scheme SA.60379 – *Lithuania – Direct COVID-19 loans*, which the Commission approved by Decision C(2020) 9632 final of 23 December 2020 (“the initial decision”) as amended by Decision C(2021) 360 final, SA.61067, of 18 January 2021 under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (“the Temporary Framework”)¹.
- (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 1/1958² 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.

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2. DESCRIPTION OF THE NOTIFIED AMENDMENTS

- (3) On 28 January 2021, the Commission adopted a Communication prolonging until 31 December 2021 the validity of the Temporary Framework, which would otherwise expire at the end of June 2021.
- (4) Following the prolongation of the Temporary Framework, the Lithuanian authorities intend to extend the duration of the existing aid scheme until 31 December 2021. The scheme will be available to beneficiaries signing a loan contract before 1 December 2021. The Lithuanian authorities confirm that loans under the scheme will only be granted until 31 December 2021.
- (5) The Lithuanian authorities also notified an increase in the total budget of the scheme from EUR 30 million to EUR 36 million.

2.1. Legal basis

- (6) The Lithuanian authorities notified the amendment with a draft order amending Order No 4-45 of 19 January 2021 of the Minister of the Economy and Innovation of the Republic of Lithuania ‘On the Approval of the Scheme of the Financial Incentive Instrument “Direct COVID-19 Loans”’.
- (7) The Lithuanian authorities confirm that all the other conditions of the existing aid scheme remain unchanged.

3. ASSESSMENT

3.1. Lawfulness of the measure

- (8) By notifying the amendment of the existing aid scheme before putting it into effect (recital (6)), the Lithuanian authorities have respected their obligation under Article 108(3) TFEU.

3.2. Existence of State aid

- (9) 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.
- (10) The existing aid measure concerned constitutes State aid in the meaning of Article 107(1) TFEU for the reasons set out in the initial decision³ referred to in recital (1). The proposed amendments do not alter that conclusion. The Commission therefore refers to the respective assessment of the aforementioned decision and concludes that the existing aid scheme as modified by the notified amendments constitutes State aid in the meaning of Article 107(1) TFEU. The Lithuanian authorities do not contest that conclusion.

³ Recitals 30-35 of the initial decision.

3.3. Compatibility

- (11) The Commission assessed the existing aid scheme on the basis of Article 107(3)(b) TFEU in light of the Temporary Framework and concluded that it met the relevant conditions set out in that Framework.
- (12) The Commission therefore refers to its analysis of compatibility as set out in the initial decision⁴ described in recital (1).
- (13) The Commission has examined the notified amendments and considers that the prolongation of the duration of the existing aid scheme until 31 December 2021 is in line with point 27c of the Temporary Framework (recital (4)).
- (14) The Commission also considers that the increase in the total budget does not alter the conclusion of the initial decision that the scheme complies with the Temporary Framework.
- (15) Apart from the prolongation and the budget increase described in recitals (4) and (5), the Commission notes that there are no other alterations to the existing aid scheme.
- (16) In view of the above, the Commission concludes that the notified amendments meet the conditions of the Temporary Framework and do not alter its conclusions on the compatibility of the existing aid scheme.

4. CONCLUSION

The Commission has accordingly decided not to raise objections to the notified amendments on the grounds that they are compatible with the internal market pursuant to Article 107(3)(b) TFEU.

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



⁴ Recitals 36-43 of the initial decision.