
Excellency,

1. **PROCEDURE**

   (1) By electronic notification of 14 April 2021, supplemented by email correspondence of 21 May 2021 (in reply to an information request of the Commission of 20 May), correspondence of 28 May 2021 (in reply to an information request of the Commission of 27 May), correspondence of 17 June 2021 (in reply to an information request of the Commission of 2 June), and correspondence of 25 June 2021 (in reply to information requests of the Commission of 21 and 23 June 2021), Greece notified aid in the form of limited amounts of aid (“Financial aid to theatres, music stages, dance theatres, concert halls and performance venues”, the “measure”) under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (the “Temporary Framework”).

   (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 1/1958\(^1\) and to have this Decision adopted and notified in English.

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\(^1\) Regulation No 1 determining the languages to be used by the European Economic Community (OJ 17, 6.10.1958, p. 385).
2. **Description of the Measure**

(3) Greece considers that the COVID-19 outbreak affects the real economy. The measure 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) On 25 February 2020, the Greek government published a legislative act with urgent measures to address the COVID-19 outbreak. According to the act, the competent ministers could decide - inter alia – to the temporary closure of theatres, cinemas, sports venues, restaurants, private enterprises, public services, as well as the suspension of operation of educational institutions and various public events. As the virus spread to other regions in the country, the Greek government decided to close all educational institutions, cease all athletic, art activities, and other public activities on a nationwide scale.

(5) Subsequently, the government imposed the closure of all business operations that are considered of high risk for the spread of the virus, namely all places involving a high concentration of people i.e. cinemas, theatres, museums, entertainment venues, etc. These precautionary measures have continuously been adjusted, based on recommendations of public health experts. The measures have gradually been rescinded during summer based on such recommendations. However, since Greece and countries worldwide are still facing the pandemic, restrictions on the operations of most sectors and on the movement of citizens have been re-imposed since early October 2020.

(6) In order to mitigate the impact of the forced closures and other restrictions on economic activity, on employment and on business viability, the Greek government adopts supporting measures, such as the present scheme.

(7) Greece 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 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.

(8) The compatibility assessment of the measure is based on Article 107(3)(b) TFEU, in light of sections 2 and 3.1 of the Temporary Framework.

2.1. **The nature and form of aid**

(9) The measure provides aid in the form of direct grants.

2.2. **Legal basis**

(10) The legal basis of the measure is Article 70 of Law 4745/2020 (GG A’ 214) and the draft Joint Ministerial Decision no 5774/203/6-2-2021 (GG B’ 457) as amended.
2.3. Administration of the measure

(11) The Ministry of Labour and Social Affairs is responsible for the administration of the measure. It is also the granting authority under this scheme and the aid will be channeled through its budget.

2.4. Budget and duration of the measure

(12) The estimated budget of the measure is EUR 14 million.

(13) Aid under the scheme may be granted up until 31 December 2021.

2.5. Beneficiaries

(14) The final beneficiaries of the measure are undertakings of all sizes active in Greece. However, financial institutions are excluded as final beneficiaries.

(15) Aid may not be granted under the measure to medium\(^2\) and large enterprises that were already in difficulty within the meaning of the General Block Exemption Regulation (“GBER”)\(^3\) 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 aid\(^4\) or restructuring aid\(^5\).

2.6. Sectoral and regional scope of the measure

(16) The measure is open to undertakings active in the art and entertainment sectors and related activities except the financial sector\(^6\). It applies to the whole territory of Greece.

2.7. Basic elements of the measure

(17) The measure is intended to support private sector enterprises or non-profit enterprises subject to value added tax (VAT) which are engaged in creative arts and entertainment activities. It provides for compensation to cover their loss of revenue from ticket sales (places that could be reserved by spectators) for the months of October, November and December 2020 due to the forced closures and other restrictions imposed. The amount of aid granted can, however, not exceed

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\(^3\) As defined in Article 2(18) of Commission Regulation (EU) No 651/2014.

\(^4\) 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.

\(^5\) 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.

\(^6\) According to the Greek authorities, the activities of the beneficiaries are classified under the following NACE codes: R.90.01, R.90.02, R.90.04 and R.93.29.
EUR 1.8 million per undertaking, before any deduction of tax or other charges, in accordance with point 22(a) the Temporary Framework.

(18) Eligible for the support are companies which:

a) have operated or are operating on licensed space, either a theatre, music stage or performance venue, with the exception of sports facilities;

b) have a positive turnover in any VAT return from 1 January 2019 to 30 September 2020; and

c) show a fall in turnover of at least 20% from March to September 2020 compared to the same period in 2019.

(19) In the case of an operating company, the beneficiary is the producer of the show that meets the abovementioned conditions and is a sub-tenant, tenant or owner of a licensed space according to paragraph a) above. In the case of multiple producers (different projects / on the same site) the beneficiary is each individual producer of the show that meets the abovementioned conditions.

(20) In the case of a company that closed down, either by order of a public authority, or by choice, the beneficiary is the company that manages the room. The company managing the room means by order of priority the sub-tenant, the tenant, and the owner.

(21) Under the notified measure, applications for liquidity aid can be submitted during the following periods: 18-26 February 2021, 20-26 March 2021 and 23-30 June 2021.

(22) At the Commission’s request for clarification, the Greek authorities confirmed that following the notification of the scheme, due to the exceptional circumstances related to the pandemic and its consequences, among others, on the specific sector of theaters, music stages, etc., which in turn created an imperative need for their support, they had already started to make some payments under the measure prior to Commission approval of the aid.

2.8. **Cumulation**

(23) The Greek authorities confirm that aid granted under the measure may be cumulated with aid under de minimis Regulations or the GBER provided the provisions and cumulation rules of those Regulations are respected.

(24) The Greek authorities confirm that aid granted under the measure 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.

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The Greek 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 22(a) of that framework, will be respected.

2.9. Monitoring and reporting

The Greek 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 on the comprehensive national State aid website or Commission’s IT tool within 12 months from the moment of granting).

3. ASSESSMENT

3.1. Unlawfulness of the measure

The Commission regrets that Greek authorities put a part of the aid falling under the Temporary Framework into effect, in breach of Article 108(3) TFEU. The notified measure thus constitutes unlawful aid, to which the Commission applies the prevailing Temporary Framework rules, considering such unlawful aid was granted after 1 February 2020.

3.2. Existence of State aid

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.

The measure is imputable to the State, since it is administered by the Greek Ministry of Labour and Social Affairs and it is based on Law 4745/2020 (GG A’ 214) and the (draft) Joint Ministerial Decision no 5774/203/6-2-2021 (GG B’ 457) as amended. It is financed through State resources, since it is financed by public funds.

The measure confers an advantage on its beneficiaries in the form of direct grants. The measure thus confers an advantage on those beneficiaries that they would not have had under normal market conditions.

The advantage granted by the measure is selective, since it is awarded only to certain undertakings, in particular undertakings active in the art and entertainment sectors, excluding the financial sector.

The measure is liable to distort competition, since it strengthens the competitive position of its beneficiaries. It also affects trade between Member States, since those beneficiaries are active in sectors in which intra-Union trade exists.

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In view of the above, the Commission concludes that the measure constitutes aid within the meaning of Article 107(1) TFEU. The Greek authorities do not contest that conclusion.

3.3. Compatibility

Since the measure involves aid within the meaning of Article 107(1) TFEU, it is necessary to consider whether that measure is compatible with the internal market.

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”.

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”.

The measure aims at countering the liquidity shortage faced by the eligible beneficiaries at a time when the normal functioning of markets is adversely impacted by the COVID-19 outbreak and that outbreak is affecting the wider economy and leading to severe disturbances of the real economy of Member States.

The measure is one of a series of measures conceived at national level by the Greek 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. Furthermore, the measure has been designed to meet the requirements of a specific category of aid (“Limited amounts of aid”) described in section 3.1 of the Temporary Framework.

The Commission accordingly considers that the measure is 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:

- The aid takes the form of direct grants (recital (9)).

  The overall nominal value of direct grants will not exceed EUR 1.8 million per undertaking (recital (25)); all figures used will 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 ((12)). 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 aid or restructuring aid (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 (13)). The measure therefore complies with point 22(d) of the Temporary Framework.

(40) The Greek authorities confirm 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 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 (7)).

(41) The Greek authorities confirm that the monitoring and reporting rules laid down in section 4 of the Temporary Framework will be respected (recital (26)). The Greek 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 (23)-(25)).

(42) The Commission therefore considers that the measure is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State pursuant to Article 107(3)(b) TFEU since it meets all the relevant conditions of the Temporary Framework.

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10 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.

11 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](http://ec.europa.eu/competition/elojade/isef/index.cfm).

Yours faithfully,

For the Commission

Margrethe VESTAGER  
Executive Vice-President