EUROPEAN COMMISSION

Brussels, 15.10.2021
C(2021)7521 final

In the published version of this decision, some information has been omitted, pursuant to articles 30 and 31 of Council Regulation (EU) 2015/1589 of 13 July 2015 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union, concerning non-disclosure of information covered by professional secrecy. The omissions are shown thus […]

PUBLIC VERSION

This document is made available for information purposes only.

Subject: State Aid SA.62668 (2021/N) – Italy COVID-19: Automatic tax measures and non-repayable grants to support businesses and the economy

Excellency,

1. PROCEDURE

(1) Following pre-notification contacts, by electronic notification of 22 September 2021, Italy notified aid in the form of limited amounts of aid and support for uncovered fixed costs with respect to automatic tax measures and non-repayable grants to support businesses and the economy (“the measures”) under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (the “Temporary Framework”).

(2) The Commission has previously approved several automatic tax measures, tax credits and non-repayable grants to support businesses and the economy under section 3.1 of the Temporary Framework in SA. 57429, 57752, 58159 and 58300.


Onorevole Luigi Di Maio
Ministro degli Affari esteri e della Cooperazione Internazionale
P.le della Farnesina 1
I-00194 Roma
Italy 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\(^2\) and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE MEASURES

2.1. Introduction

The present notification concerns a number of tax exemptions, tax credits, direct grants, as well as the reduction of fees and a waiver of penalties aiming to support undertakings affected by the crisis in order to limit the negative effects of prevention and containment measures taken in response to the COVID-19 outbreak. The measures are summarised in chapter 2.3.

The Italian authorities also notified an umbrella scheme under section 3.1 and section 3.12 of the Temporary Framework, as laid down in Article 1 paragraphs 13 to 17 of Decree Law No 41 of 22 March 2021. That umbrella scheme introduces a self-declaration to be submitted prior to the granting of any new aid, whereby the beneficiaries have to indicate the form and amount of the aid applied for as well as to declare their turnover decline and net losses. On this basis, it allows for the approval of additional new aid based on two ceilings (further explained in chapter 2.4 below) if the conditions of section 3.1 and section 3.12 of the Temporary Framework are fulfilled.

2.2. Background

Italy considers that the COVID-19 outbreak affects the real economy. Data submitted by Italy show that due to the COVID-19 outbreak, the main economic sectors driving the Italian economy have come to a halt. According to the database of the OECD Economic Outlook, GDP in the fourth quarter of 2020 is around 7 percentage points below GDP projections before the COVID-19 outbreak. According to the latest OECD Economic Survey of Italy, GDP is not projected to reach 2019 pre-crisis levels before the first half of 2022\(^3\).

According to data from the Italian National Institute of Statistics provided by Italy, the total value added of the Italian economy dropped by 7.2 percentage points between 2019 and 2020. A sectoral analysis shows that wholesale and retail trade, transportation, accommodation, and food service activities suffered a fall in value added of 15 percentage points in 2020 compared to the year before. The drop for the arts, entertainment and recreation sectors is estimated at 13 percentage points.

---

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

The measures form part of an overall package of measures and aim 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.

Italy confirms that the aid under the 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.

The compatibility assessment of the measures is based on Article 107(3)(b) TFEU, in light of sections 2 and 3.1 as well as 3.12 of the Temporary Framework.

2.3. Overview of the notified measures

The measures described in this chapter take the form of tax exemptions, tax credits, direct grants, as well as the reduction of fees and a waiver of penalties. The legal bases of these measures prescribe that the measures must comply with the Temporary Framework; they are outlined in the following sub-sections.

2.3.1. IMU waivers

A first set of measures concerns waivers of the duty to pay IMU (Imposta Municipale Propria).

IMU is a municipal tax due on the possession of buildings excluding principal residences, of building areas and agricultural land. It is in principle payable by the owner of a property; the taxable base for IMU is the value of the property, according to which a standard IMU tax rate is established, which can be increased or decreased by the municipality, and which is paid in two instalments on 16 June and 16 December of the reference year.

The notified waivers of IMU are laid down in:

(a) Article 78 paragraph 3 of the Decree Law No 104 of 14 August 2020 as converted with amendments into Law No 126 of 13 October 2020; coming into effect on 15 August 2020;

(b) Article 9; 9-bis; and 9-ter paragraph 1 of the Decree Law No 137 of 28 October 2020 as converted with amendments into Law No 176 of 18 December 2020; coming into effect, respectively, on 29 October 2020 (Article 9), on 9 November 2020 (Article 9-bis), and on 19 December 2020 (Article 9-ter);

(c) Article 1, paragraphs 599 and 600 of the Law No 178 of 30 December 2020 (Budget Law for 2021); coming into effect on 1 January 2021; and
(d) Article 6-sexies of the Decree Law No 41 of 22 March 2021 as converted in Law No 69 of 21 May 2021, coming into effect on 23 March 2021.

(15) Article 9 bis is regional in scope as it applies to certain undertakings, which have their operational headquarters in the areas of the Italian territory particularly affected by the pandemic (characterized by a scenario of maximum severity and by a high level of risk).

(16) In detail, the waivers concern the second instalment of IMU for the tax year 2020 (the measure described under (b) in recital (14)), the first instalment for the tax year 2021 (the measures described under (c) and (d) in recital (14)) as well as the first and second instalment of IMU for the tax year 2021 (the measure described under (a) in recital (14) for certain properties listed in the law).

(17) With the coming into effect of the legal basis of the measures, the taxpayer is exempted from the obligation to make the payment of the respective amounts of IMU.

(18) The estimated number of beneficiaries under the IMU described in recital (14) (a) to (d) is 425,000.

(19) The Italian authorities estimate that the budget for the waiver of the duty to pay IMU described under recital (14) (a) to (d) will be EUR 663.15 million.

2.3.2. Tax credits for rental and lease payments

(20) A second set of measures concerns the issuance of tax credits, which are calculated in relation to a percentage of the rental or lease payments used for several kinds of businesses with turnover declines between October 2020 and July 2021.

(21) The notified measures are laid down in:

(a) With regard to rental or lease payments for October, November and December 2020: Article 8 and 8bis of Decree Law No 137 of 28 October 2020 converted, with amendments, into Law No 176 of 18 December 2020, coming into effect on 29 October 2020 and 9 November 2020 respectively.

(b) Regarding rental or lease payments for January to April 2021: Article 1, Paragraph 602, of Law No 178 of 30 December 2020 (Budget law 2021), coming into effect on 1 January 2021, Article 2-bis of Decree Law No 172 of 18 December 2020 converted with

---

4 As specified by the Orders of the Minister for Health adopted pursuant to Article 3 of the Decree of the President of the Council of Ministers of 3 November 2020 and to Article 19 bis of the Decree law.

5 Waivers of the duty to pay IMU for different time periods and/or properties were already approved in Commission decisions SA.57429 and SA.58159.
amendments into Law No 6 of 29 January 2021, coming into effect on 31 January 2021 respectively, and

(c) For rental or lease payments for January to May 2021: Article 4 of Decree-Law No 73 of 25 May 2021 converted with amendments into Law No 106 of 23 July 2021, coming into effect on 26 May 2021.

(22) The tax credit measures are calculated as a fixed percentage of the rental or lease payments (or concession fees for non-residential properties) incurred between October 2020 and July 2021.

(23) The granting of the tax credit is subject to the condition that the beneficiary has suffered a decrease in turnover in the reference month of at least 50% compared to the same month of the previous tax period. However, the conditions related to the turnover decline as well as the eligible period and the aid intensity (tax credit rates between 10% and 60%) depend on the sector of activity, the turnover of the beneficiary during a relevant reference period and the type of rental/lease contract.

(24) The tax credit can be claimed in the income tax return relating to the tax period in which the expenses are incurred, i.e., the return for 2020 or 2021. The tax credit can also be offset against other tax liabilities (tax credit compensation) due to the federal tax authorities, to the regions, to local authorities, or to social security and welfare entities. Accordingly, the tax credit can be offset against existing tax liabilities, arising from other taxes due, such as VAT and must not be related to the income tax return. That so-called tax credit compensation allows the undertaking to benefit from the tax credit immediately after the actual payment of the rents, which means that the aid takes effect when the rent payments are due and is certain in all cases where tax liabilities exist.

(25) The tax credit measures apply to a limited number of sectors or type of undertakings, with different eligible periods, i.e.:

(a) Tourist accommodation activities, travel agencies and tour operators (Article 1(602) of Law No 178 in conjunction with Article 2bis of Decree-Law No 172 as well as Article 4 of Decree-

6 In general, according to Article 28 of Decree-Law No 34 of 2020 as converted into Law No 77 of 2020 the following tax credit rates apply: 60% is the tax credit rate by default for taxable persons with revenues not exceeding EUR 5 million in the tax period preceding the one in progress at the date of entry into force of the Decree-Law for complex service contracts or business leases including at least one non-residential property used to carry out the business activity; for hotels, spa facilities, travel and tourism agencies and tour operators, the above respective tax credit rates apply regardless of the revenues (i.e., also for revenues exceeding EUR 5 million); 20% (or 10% in case of complex service contracts or business leases) for businesses engaged in retail trade activities with revenues exceeding EUR 5 million.

7 The tax credit compensation relies on the mechanism set out in Article 17 of Legislative Decree No 241 of 9 July 1997, which allows undertakings to benefit from the tax credit immediately after the actual payment of the eligible expenses. The compensation is made using the so-called “F24 payment model” (unified payment form).

8 The tax credit measures are not open to the financial sector.
Law No 73): tax credit in relation to rent or lease payments between 1 January 2021 and 31 July 2021;

(b) Sectors listed in Annex 1 of Decree-law No 137 of 28 October 2020 (Article 8): tax credit in relation to rent or lease payments between October and December 2020 (regardless of the volume of revenues recorded in the previous tax period);

(c) Sectors listed in Annex 2 of Decree-law No 137 of 28 October 2020 as well as travel agencies and tour operators (Article 8 bis): tax credit in relation to rent or lease payments for each of the months of October, November and December 2020.

(d) Taxable persons that exercise business activities, arts or professions, with revenues or remuneration not exceeding EUR 15 million in the second tax period prior to that of entry into force of the Decree-Law No 73, as well as for non-commercial entities, including third sector entities and civilly recognized religious entities (Article 4(2) of Decree-Law No 73): tax credit provided for in Article 28, paragraphs 1, 2 and 4 of Decree-law No 34 of 2020 as converted into Law No 77 of 2020 in relation to rent or lease payments for the period between 1 January 2021 and 31 May 2021, provided that the average monthly amount of the turnover and of the fees for the period between 1 April 2020 and 31 March 2021 is at least 30 per cent lower than the average monthly amount of the turnover and of the fees for the period between 1 April 2019 and 31 March 2020. The tax credit is recognized also in the absence of those conditions to taxable persons that started the activity as from 1 January 2019.

(e) Undertakings engaged in retail trade activities, with revenues exceeding EUR 15 million in the second tax period prior to that of entry into force of the Decree-Law No 73 (Article 4(2 bis) of Decree-Law No 73): tax credit provided for in Article 28, paragraphs 1 and 2 of Decree-law No 34 of 2020 as converted into Law No 77 of 2020 in relation to lease payments for the period between 1 January 2021 to 31 May 2021 provided that the average monthly amount of the turnover and of the fees for the period between 1 April 2020 and 31 March 2021 is at least 30 per cent lower than the average monthly amount of the turnover and of the fees for the period between 1 April 2019 and 31 March 2020. The tax credit is recognized also in the absence of those conditions to taxable persons that started the activity as from 1 January 2019. The tax credit amounts to 40% of the rent or lease payments (20% in case of business leases).

(26) Article 8 bis is regional in scope as it applies to certain undertakings, which have their operational headquarters in the areas of the Italian
A territory particularly affected by the pandemic (characterized by a scenario of maximum severity and by a high level of risk).  

(27) The estimated number of taxpayers that can apply for a credit is 64,000 under Article 8; 128,000 under Article 8bis; 26,000 under Article 1(602); and 312,462 under Article 4.  

(28) The estimated budget of the tax credit measures is EUR 508.8 million for 2020 and EUR 2.16 billion for 2021.  

2.3.3. Direct grants  

(29) The objective of the third set of measures is to provide direct grants in order to support the liquidity of taxable persons affected by the COVID-19 outbreak and the resulting restrictions on pursuing economic activities.  

(30) The notified direct grants are laid down in:  

(a) Article 1, paragraphs 1-10 "Non-repayable grant to VAT operators in the economic sectors affected by the new restrictive measures" of Decree Law No 137 of 28 October 2020 as amended by conversion law No 176 of 18 December 2020 (hereinafter “Direct grant 1”);  

(b) Article 1-bis10 “Non-repayable grant to VAT operators in the economic sectors affected by the new restrictive measures referred to in the decree of the President of the Council of Ministers of 3 November 2020" of Decree Law No 137 of 28 October 2020 as amended by conversion law No 176 of 18 December 2020 (hereinafter “Direct grant 2”);  

(c) Article 1-ter11 “Extension of application of Article 1 to further economic activities” of Decree Law No 137 of 28 October 2020 as amended by conversion law No 176 of 18 December 2020 (hereinafter “Direct grant 3”);  

(d) Article 2 “Non-repayable grant to catering services business” of Decree Law No 172 of 18 December 2020 as amended by conversion law No 6 of 29 January 2021 (hereinafter “Direct grant 4”);  

(e) Article 1 “Non-repayable grant in favour of economic operators” of Decree Law No 41 of 22 March 2021, as amended by conversion law No 69 of 21 May 2021 (hereinafter “Direct grant 5”);  

---  

9 As specified by the Orders of the Minister for Health adopted pursuant to Article 3 of the Decree of the President of the Council of Ministers of 3 November 2020 and to Article 19 bis of the Decree law.  

10 This is Article 2 of abrogated Decree-law 149/2020, reinstated by conversion law with amendments.  

11 This is Article 6 of abrogated Decree law 157/2020 reinstated by conversion law with amendments.
(f) Article 1, paragraphs 1-4 “Non-repayable grant in favour of economic operators” of Decree Law No 73 of 25 May 2021, as amended by conversion law No 106 of 23 July 2021 (hereinafter “Direct grant 6”);

(g) Article 1, paragraphs 5-15 “Seasonal non-repayable grant in favour of economic operators” of Decree Law No 73 of 25 May 2021, as amended by conversion law No 106 of 23 July 2021 (hereinafter “Direct grant 7”);

(h) Article 1, paragraph 30bis, letter a) of Decree Law No 73 of 25 May 2021, as amended by conversion law No 106 of 23 July 2021 (hereinafter Direct grant 8);

(i) Article 1, paragraph 30bis, letter b) of Decree Law No 73 of 25 May 2021, as amended by conversion law No 106 of 23 July 2021 (hereinafter Direct grant 9);

(j) Article 1, paragraph 30bis, letter c) of Decree Law No 73 of 25 May 2021, as amended by conversion law No 106 of 23 July 2021 (hereinafter Direct grant 10);

(31) The beneficiaries of the direct grant measures are legal persons engaged in business and farming activities as well as self-employed, holders of a VAT number, subject to certain limitations in terms of maximum amount of revenues (see recital 32) and, in the case of several of the grants, limited to specific sectors (see recital (33). The estimated number of beneficiaries under Direct grant 1 is 450 000; under Direct grant 2 is 115 000; under Direct grant 3 is 55 000; under Direct grant 4 is 225 000; under Direct grant 5 is 3 000 000; under Direct grant 6 is 3 000 000, under Direct grant 7 is 27 000, and under Direct grants 8 to 10 is 3 000. The beneficiaries eligible under the direct grant measures are undertakings and self-employed individuals who have suffered a decrease in turnover. In particular:

(a) Under Direct grant 1, Direct grant 2, Direct grant 3 and Direct grant 4 – the turnover recorded by the beneficiary in April 2020 should be at least less than two thirds of the amount of turnover recorded in April 2019.

(b) Under Direct grant 5 and Direct grant 6 – the average monthly amount of the turnover for the year 2020 should be at least 30% lower than the average monthly amount of the turnover for the year 2019.

(c) Under Direct grant 7 – the average monthly amount of the turnover for the period from 1 April 2020 to 31 March 2021 should be at least 30% lower than the average monthly amount of the turnover for the period from 1 April 2019 to 31 March 2020.

(d) Under Direct grant 8 – 10 - the average monthly amount of the turnover for fiscal year including 2020 should be at least 30% lower than
lower than the average monthly amount of the turnover for fiscal year including 2019.

(32) Direct grants 1 – 7 are open to taxable persons engaged in business and self-employed and farming activities, holders of a VAT number, whose turnover does not exceed EUR 10 million in the fiscal year beginning in 2019. Direct grants 8 – 10 are open to taxable persons engaged in business and self-employed and farming activities, holders of a VAT number, whose turnover exceeds EUR 10 million but does not exceed EUR 15 million in the fiscal year beginning in 2019.

(33) In addition to the requirement for a decrease in turnover, four of the direct grants are open only to taxable persons who have their main activity in the following sectors:

(a) For Direct grant 1 – activities mainly in the hospitality, transport, culture and events sectors listed in Annex 1 or paragraph 14 of Article 1 of Decree-law No 137 of 28 October 2020;

(b) For Direct grant 2 – activities mainly in the retail sector listed in Annex 2 of Decree-law No 137 of 28 October 2020;

(c) For Direct grant 3 – further activities in the retail sector listed in Annex 4 of Decree-law No 137 of 28 October 2020;

(d) For Direct grant 4 – activities in the catering services business listed in Annex 1 of Decree Law No 172 of 18 December 2020.

(34) Direct grants 5 to 10 are open to all sectors, with the exception of the financial sector.

(35) Direct grant 2 is also subject to regional limitations as it applies to certain undertakings that have their operational headquarters in the areas of the Italian territory particularly affected by the pandemic (characterized by a scenario of maximum severity and by a high level of risk\(^\text{12}\)).

(36) The Italian authorities explain that Direct grants 4 and 6 are aimed at providing expedited access to necessary additional support for undertakings who have already applied for and received aid under previous grants schemes. Direct grant 4 will be available only to undertakings that have already benefited from the non-repayable grant referred to in Article 25 of Decree-Law No 34 of 19 May 2020, converted, with amendments, by Law No 77 of 17 July 2020.\(^\text{13}\) Direct grant 6 will be available only to undertakings that have already benefited from the non-

---

\(^{12}\) As specified by the Orders of the Minister for Health adopted pursuant to Article 3 of the Decree of the President of the Council of Ministers of 3 November 2020 and to Article 19 bis of the Decree-Law.

\(^{13}\) That grant has already been approved by Commission decision C(2020) 4758 of 8 July 2020 (SA 57752).
repayable grant referred to in Article 1 of Decree-Law No 41 of 22 March 2021.\textsuperscript{14}

(37) The Italian authorities have clarified that Direct grant 7 is to be considered as an alternative to Direct grant 6. In that regard, taxable persons that have benefited from Direct grant 6 will only be able to benefit from Direct grant 7 if and to the extent that the calculated amount under the latter is higher than what they have received under Direct grant 6.

(38) The Italian authorities have clarified that Direct grants 8, 9 and 10 are subject to the same conditions and rules as applicable to Direct grants 5, 6 and 7, but will be open to undertaking that fall within the higher turnover requirement as specified in recital 30. In addition, Direct grant 10 is only applicable to those undertakings which are not benefitting from Direct grant 8.

(39) Under the direct grant measures, the amount of aid is calculated as follows:

(a) For Direct grants 1, 2 and 3, the amount of aid is essentially equal to the turnover loss comparing the months of April 2019 and April 2020, calculated in detail by utilising the method for calculation already used for determining the amount of aid under the previously approved scheme SA.57752. That amount is then multiplied by a percentage specified for the different sectors and activities, covered by the respective grants.\textsuperscript{15}

(b) The amount of aid under Direct grant 4 is equal to the amount of aid previously received under scheme SA.57752, under the conditions set by this decision.

(c) The amount of aid under Direct grant 5 is calculated by multiplying the difference between the average monthly amount of turnover for the year 2020 and the average monthly amount of the turnover for the year 2019 by a different percentage established based on the total turnover recorded in the second tax period prior to the one in progress when the legal basis for Direct grant 5 entered into force.\textsuperscript{16}

(d) The amount of aid under Direct grant 6 is equal to the amount of aid calculated for Direct grant 5.

(e) The amount of aid under Direct grant 7 is calculated by multiplying the difference between the average monthly amount of turnover from 1 April 2020 to 31 March 2021 and the average

\textsuperscript{14} That grant is described as Direct grant 5 in the present decision.

\textsuperscript{15} The percentages are included in Annex 1 or paragraph 14 of Article 1; Annex 2; and Annex 4 of Decree-law No 137 of 28 October 2020 respectively.

\textsuperscript{16} The percentages and turnover requirements are included in Article 1 par 5 of Decree Law No 41 of 22 March 2021.
monthly amount of turnover for the period from 1 April 2019 to 31 March 2020 by a different percentage established based on the total turnover recorded in the tax period between 1 April 2019 and 31 March 2020. Beneficiaries who have already benefited from Direct grant 6 will be eligible to receive only the difference between the amount calculated for Direct grant 7 and the amount for Direct grant 6\(^{17}\).

(f) The amount of aid under Direct grant 8 is equal to the sum of the amounts of aid calculated for Direct grants 5 and 6.

(g) The amount of aid under Direct grant 9 is equal to the sum of the amounts of aid calculated for Direct grants 5 and 7.

(h) The amount of aid under Direct grant 10 is calculated at 30% of the difference between the average monthly amount of the turnover for the period from 1 April 2020 to 31 March 2021 and the average monthly amount of the turnover for the period from 1 April 2019 to 31 March 2020.

(40) Aid received under any of the individual direct grant measures may not exceed EUR 150 000.

(41) In order to receive the aid under the direct grant measures, beneficiaries must file an application with the Italian Revenue Agency, with the following exceptions:

(a) For Direct grants 1, 2, 3 and 4, beneficiaries who have already applied for and received aid under scheme SA.57752 would be entitled to receive the new grants without the need for a new application.

(b) For Direct grants 6 and 7, beneficiaries who have already submitted an application for aid under Direct grant 5 would be entitled to receive the new grants without the need to submit a new application.

(42) The estimated budget of Direct grant 1 is EUR 2 935 million for 2020 and EUR 280 million for 2021; of Direct grant 2 - EUR 563 million for 2020; of Direct grant 3 - EUR 446 million for 2020 and EUR 338 million for 2021; of Direct grant 4 - EUR 455 million for 2020 and EUR 190 million for 2021; of Direct grant 5 - EUR 11 150 million; of Direct grant 6 – EUR 8 000 million; of Direct grant 7 - EUR 3 400 million; and of Direct grants 8, 9 and 10 – EUR 529 million.

\(^{17}\) The percentages and turnover requirements are included in Article 1, par. 9 and 10 of Decree Law No 73 of 25 May 2021
2.3.4. **RAI license fee**

(43) The reduction of the special tariff of the RAI license fee\(^\text{18}\) is based on Article 6, paragraphs 5-6 of the Decree Law No 41 of 22 March 2021, converted with modifications in law No 69 of 21 May 2021.

(44) The RAI license fee must be paid annually, semi-annually or quarterly in accordance with the law (31 January for annual payments; 31 January and 31 July for six-monthly payments; 31 January, 30 April, 31 July and 31 October for quarterly instalments).

(45) The beneficiaries of the special tariff under RAI license fee measure are accommodation facilities as well as facilities for the serving and consumption of beverages in public places or places open to the public\(^\text{19}\).

(46) The law provides for a full exemption of the RAI license fee for the year 2021. Eligible beneficiaries who already paid the license RAI fee prior to the entry into force of the measure are granted a tax credit equal to 100% of the fee paid. The tax credit will not contribute to the formation of taxable income.

(47) The estimated number of beneficiaries under the RAI license fee tariff reduction is more than 1 000.

(48) For the special tariff of RAI license fee, Italy estimates a budget of EUR 83 million.

2.3.5. **Exemption from administrative penalties for late or non-payment of tax liabilities**

(49) The measure provides for a temporary exemption from the payment of administrative penalties that would otherwise be due in those cases where automated controls of tax returns by the Italian financial administration had previously identified unintentional and manifestly non-fraudulent clerical errors. The aid is limited only to the amount of penalties due between 19 March 2020 and 31 December 2021. The amount of the unpaid tax liability and the interest accrued for late payment are not reduced and remain fully due, and penalties might arise again after 2021.

(50) The legal basis for the measure is laid down in Article 5 of Decree Law No 41 of 22 March 2021, converted in Law No 69 of 21 May 2021.

(51) Those eligible to receive aid under the measure are entrepreneurs and self-employed holding a VAT registration number on 23 March 2021\(^\text{20}\) who have recorded a loss in turnover in 2020 of more than 30% as compared to the same period in 2019.

---

\(^{18}\) Italian tax on possession of TV/radio devices.

\(^{19}\) Referred to in the Royal Decree-Law 21 February 1938, no. 246, converted by law 4 June 1938, No 880.

\(^{20}\) Credit and financial institutions are excluded from the scope of the measure.
The administrative penalties that can be covered by the aid are limited to those that have been established by the Italian tax authorities within the scope of the automated control of returns relating to the tax period in progress as of 31 December 2017 (filed in 2018) and returns relating to the tax period in progress as of 31 December 2018 (filed in 2019), carried out between 19 March 2020 and 31 December 2021.

The number of beneficiaries eligible for the penalty waiver is estimated at 1100 000.

The Italian authorities estimate a budget of EUR 205 million for the measure.

2.4. The umbrella scheme

With Article 1 paragraphs 13 to 17 of Decree Law No 41 of 22 March 2021, coming into effect on 23 March 2021, the Italian authorities designed an umbrella scheme with the aim of granting new State aid under sections 3.1 and 3.12 of the Temporary Framework.

The conditions of the umbrella scheme (hereinafter “the umbrella Decree”) are laid down in Article 1 paragraphs 14 to 17 of Decree Law No 41 of 22 March 2021. On the basis of Article 1 paragraph 16 of that Decree Law, those conditions are specified in detail by a Decree of the Minister of Economy and Finance. That Decree is the legal basis for the adoption of further implementing acts by the Italian Revenue Agency, such as the prescription of a model for self-declaration of the beneficiary and an Order by the Director of the Revenue Agency.

The Italian authorities will ensure that all measures listed in Article 1 paragraph 13 and referred to in recital (2) or described in chapter 2.3 above comply with the conditions of section 3.1 and with section 3.12 of the Temporary Framework.

To this end, the umbrella scheme requires the beneficiary to make a self-declaration with respect to two separate aspects: First to indicate the amount of aid applied for under previously approved measures (see recital 2) and under the notified measures (described under chapter 2.3). Secondly, to indicate that this amount remains below the ceilings of section 3.1 and/or section 3.12 of the Temporary Framework, given that evidence will be submitted demonstrating that the conditions of those sections are met.

21 “Procedures for implementing the aid measures provided for under the “Temporary framework for State aid measures to support the economy in the current COVID-19 outbreak” and referred to in Article 1(13) of Decree-Law No 41 of 22 March 2021, converted, with amendments, by Law No 69 of 21 May 2021.”
2.4.1. Declaration of the amount of aid received by the undertaking

(59) The self-declaration serves to identify the entire amount of aid applied for. The beneficiary shall recognise that several separate legal entities may be considered to form one economic unit for the purposes of the application of State aid rules, which is then considered to be the relevant undertaking for calculating the aid amount. The beneficiary further states the amount of aid applied for under previously approved measures (recital 2) as well as the notified measures (mentioned under chapter 2.3).

(60) That information allows the tax authorities to identify the amount of aid applied for, which can be granted in accordance with section 3.1 and section 3.12 of the Temporary Framework.

(61) Beneficiaries must voluntarily reimburse aid with recovery interest calculated in accordance with Regulation 794/2004 of the Commission if they have received per undertaking aid in excess of the ceilings set out in section 3.1 and 3.12 of the Temporary Framework.

2.4.2. Declaration of the information required for the assessment of the conditions of the Temporary Framework

(62) In the self-declaration, the undertaking must also confirm that it meets the general and specific conditions of the Temporary Framework.

(63) This comprises first that the company was not already in difficulty on 31 December 2019, and that the aid was granted no later than 31 December 2021.

(64) Second, in case of aid granted under section 3.1 of the Temporary Framework, that the aid the does not exceed the ceiling under section 3.1 at the time when the aid is granted.

(65) In case of aid granted under section 3.12 of the Temporary Framework, the undertaking must respect the conditions set out in point 87 of the Temporary Framework, and declare in particular:

(a) That in the relevant eligibility period, which is determined as the period from 1 March 2020 to 31 December 2021, or parts of that period, the undertakings suffered a decline in turnover of at least 30% compared to the same period in 2019. In case the beneficiary’s turnover decline relates only to parts of the eligible period, the undertaking must identify that period in the self-declaration.

(b) That the aid intensity cannot exceed 70% of the uncovered fixed costs (understood to be the fixed costs incurred by undertakings

---

during the eligible period, which are not covered by the profits during the same period and which are not covered by other sources such as insurance and other aid measures) in the eligible period, except for micro and small companies, where the aid intensity cannot exceed 90% of the uncovered fixed costs.

(c) That these losses may be forecasted by the beneficiary, while the final amount of the aid is determined after realisation of the losses on the basis of audited account and if not available, on the basis of tax accounts. The Italian authorities consider that it is sufficient that the beneficiary confirms that the forecasted uncovered fixed costs exceed the amount of aid applied for.

(d) That the overall nominal value will not exceed EUR 3 million for aid granted between 13 October 2020 and 28 of January 2021 or EUR 10 million per undertaking if granted after 28 January 2021 (all figures used must be gross, that is, before any deduction of tax or other charge).

2.4.3. Verification of the conditions of the Temporary Framework by the Italian authorities

(66) The Italian authorities explain that the tax authorities will verify the amount of aid which the undertaking is applying for in view of compliance with section 3.1 and section 3.12 of the Temporary Framework.

(67) The Italian authorities explain that they will further ensure verification of the amount of turnover decline immediately on the basis of tax accounts. Italy explains that the tax authorities assess the relevant data on the basis of the existing data exchange with the tax payers on a regular basis.

(68) The Italian authorities further explain that they will verify the final amount of the uncovered fixed costs after realisation of the losses on the basis of audited accounts and, if not available, on the basis of tax accounts.

23 Two conditions are cumulatively fulfilled to be able to conclude that there is no such availability: the undertakings are not legally obliged to establish audited accounts and they do not establish such accounts.

24 In order to be able to double-check the information self-declared by the beneficiaries, the Italian Revenue Agency has the power to access internal databases (previous tax returns, periodic VAT liquidations, e-invoicing that includes information on issued and received invoices for any period, public register of contracts) and databases held by other public administrations (for instance, INPS - the national institute for social security contributions - and Chambers of Commerce databases). This will allow verification of the costs incurred by the beneficiary in a relevant eligible period indicated in the self-declaration. These costs are compared with the revenues of the same period (information taken from the e-invoicing database). [...](*).

25 Italy explained that electronic invoicing and electronic transmission of receipts (for transactions not subject to invoicing), the periodic VAT returns, together with the data provided by the National Institute for Social Security (INPS) allow the tax administration to verify the decrease in turnover in the eligible period compared to that achieved in the reference period.

* Confidential information
Finally, the Italian authorities commit that aid granted under the totality of measures exceeding the final amount eligible under sections 3.1 and 3.12 cumulatively will be recovered including recovery interest.

2.5. Common rules for all measures

2.5.1. Administration of the measure

The Ministry of Economy and Finance, together with the Italian Revenue Agency, is responsible for administering the tax credit measures, the direct grant measures, the RAI licence fee and the waiving of administrative penalties. IMU is also administered by the municipalities.

2.5.2. Beneficiaries

For all measures, financial institutions are excluded as eligible final beneficiaries.

For all measures, aid may not be granted under the measure to medium and large enterprises that were already in difficulty within the meaning of the General Block Exemption Regulation (“GBER”)\(^{26}\), the Agricultural Block Exemption Regulation (“ABER”) and the Fisheries Block Exemption Regulation (“FIBER”)\(^{27}\) 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\(^{28}\) or restructuring aid\(^{29}\).

2.5.3. Granting of aid

For all measures, aid may be granted under the measure until no later than 31 December 2021. For aid in form of tax advantages, the tax liability in relation to which that advantage is granted must have arisen no later than 31 December 2021.


\(^{28}\) 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.

\(^{29}\) 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.
2.5.4. **Cumulation**

(74) The Italian authorities confirm that aid granted under the measure may be cumulated with aid under de minimis Regulations\(^{30}\) or the Block Exemption Regulations, provided the provisions and cumulation rules of those Regulations are respected.

(75) For measures applicable to the agricultural and fisheries sectors, the Italian 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.

(76) The Italian authorities confirm that aid granted fulfilling the conditions of section 3.1 of the Temporary Framework 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.

(77) The Italian 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. In case the overall maximum cap under section 3.1 should be exceeded *ratto estemporis\(^{31}\)}, the Italian authorities commit that any incompatible aid will be recovered if there is no voluntary recovery. 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 will not be taken into account in determining whether the relevant ceiling is exceeded.

(78) The Italian 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 3.12 of the Temporary Framework, the overall maximum cap per undertaking, as set out in point 87(d) of that framework, will be respected. In case the overall


\(^{31}\) Italy commits that at the time of assessing compliance with the overall maximum cap under section 3.1, they will comply with the conditions on compatibility which existed at the moment when the aid was granted.
maximum cap under section 3.12 should be exceeded *ratione temporis*\(^{32}\), the Italian authorities commit that any incompatible aid will be recovered if there is no voluntary recovery.

(79) The Italian authorities further confirm that aid granted under the measure shall not be cumulated with other aid for the same eligible costs, as set out in point 87(e) of that framework.

2.5.5. *Specific additional provisions for the agriculture, fishery and aquaculture sectors*

(80) The Italian authorities have confirmed that in the case of undertakings in the agriculture, fishery and aquaculture sectors, the conditions in points 22(e), 23 and 23bis of the Temporary Framework will be complied with:

(a) Aid 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\(^{33}\).

(b) Depending on the granting date, (aid granted before or as from 28 January 2021\(^ {34}\)) the overall nominal value of measures applicable to the agricultural and fisheries sectors does not exceed EUR 120 000 or EUR 270 000 per undertaking active in the fishery and aquaculture sector or EUR 100 000 or EUR 225 000 per undertaking active in the primary production of agricultural products.

(c) 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.

(d) Aid granted to undertakings active in the fishery and aquaculture sector does not concern any of the categories of aid referred to in points (a) to (k) of Article 1(1) of Commission Regulation (EU) No 717/2014\(^ {35}\).

\(^{32}\) Ibid.

\(^{33}\) For the period before 28 January 2021, aid granted to undertakings active in the processing and marketing of agricultural products is conditional on 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.

\(^{34}\) For the period from 28 January 2021, all the aid already granted before that date is also included in the overall total amount.

(e) Where an undertaking is active in the sectors covered by point 23 (a) of the Temporary Framework, the overall maximum amount of EUR 120 000 or EUR 270 000 (depending on the granting date of the aid: aid granted before or as from 28 January 2021) is not exceeded per undertaking.

2.5.6. Monitoring

(81) The Italian 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 granting36).

3. ASSESSMENT

3.1. Lawfulness of the measures

(82) The measures listed in chapter 2.3 have already entered into force. The Commission regrets that Italy has put those measures into effect before the Commission has adopted its decision, in breach of Article 108(3) TFEU.

3.2. Existence of State aid

(83) 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.

(84) The measures are imputable to the State, since they are administered by the tax authorities and they are based on national law as indicated in recital (5) and chapter 2.3. They are financed through State resources, as they are based on forgiving tax revenue from the public budgets.

(85) The measures confer an advantage on their beneficiaries in the form of tax waivers, tax credits, grants and a waiver of the obligation to pay administrative penalties or RAI licence fee. The measures thus relieve

---

those beneficiaries of costs which they would have had to bear under normal market conditions.

(86) The tax measures derogate from the tax systems of which they form a part (income tax, IMU and administrative penalties) in that they relieve their beneficiaries from those taxes or penalties. They therefore discriminate in favour of their beneficiaries as compared to other undertakings in a comparable factual and legal situation (undertakings above the respective ceilings or being part of sectors (or engaging in activities) not covered by the measures), which remain subject to the aforementioned taxes or penalties. As the Italian authorities have not provided any justification for that discrimination, the tax advantages are selective. The advantage granted by the direct grants described in 2.3.3 is selective, since it is awarded only to certain undertakings as outlined in recitals (31) to (38), excluding the financial sector.

(87) 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.

(88) In view of the above, the Commission concludes that the measures constitute aid within the meaning of Article 107(1) TFEU. The Italian authorities do not contest that conclusion.

3.3. Compatibility

(89) Since the measures outlined under chapter 2.3 and chapter 2.4 involve aid within the meaning of Article 107(1) TFEU, it is necessary to consider whether those measures are compatible with the internal market.

(90) 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”.

(91) 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”.

(92) The measures aim at facilitating the access of undertakings to external finance at a time when the normal functioning of markets is severely disturbed 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.

(93) The measures and the umbrella scheme are part of a series of measures conceived at national level by the Italian 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 measures are of a scale which can be reasonably anticipated to produce effects across the entire Italian economy. Furthermore, the measures have been designed to meet the requirements of specific categories of aid (“Aid in the form of 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.

(94) As the measures and the umbrella scheme have been notified with a view of finding their compatibility in a complementary way, it is necessary to assess the notified measures under sections 3.1 and 3.12 of the Temporary Framework.

3.3.1. Compatibility of aid under section 3.1 of the Temporary Framework

(95) The Commission considers that all the measures listed in chapters 2.3 and 2.4 are necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State and meet all the conditions of the Temporary Framework. In particular:

- Aid granted under the measures takes the form of tax advantages, direct grants, and the reduction of RAI licence fees (see recitals (12), (20), (29), (43). The waiver of administrative penalties described in recital (49) does not reduce the amount of tax and the interest for late payment to be paid; administrative penalties are limited to unintentional and manifestly non-fraudulent clerical errors; only certain tax payers determined on the basis of objective criteria (loss in turnover in 2020 of more than 30 % as compared to the same period in 2019) can benefit from this exemption; and the measure is limited in time. Taking into account all these features, this waiver of administrative penalties is a form of aid which can be covered by point 22 (a) of the Temporary Framework.

- Depending on the granting date of the aid (aid granted before or as from 28 January 2021), the overall nominal value of the aid measures referred to above (and of all the measures granted under section 3.1 of the Temporary Framework) shall not exceed EUR 800 000 (for aid granted before 28 January 2021) or EUR 1.8 million (for aid granted as from 28 January 202137) respectively per undertaking (recital (77)). The granting date is defined by reference to the following dates: (i) the date of approval of the application for aid where the granting of the aid is conditional on such application and approval, (ii) the filing date for the income tax return or the date of approval for the compensation in relation to the tax credits, and (iii) the date of the entry into force of the relevant legislation in other cases (including the cancellation of the IMU instalments). All figures used must be gross, that is, before any deduction of tax or other charges. The measures therefore comply with point 22(a) of the Temporary Framework.

---

37 Including also all the aid granted before 28 January 2021.
• Aid is granted under the measures on the basis of a scheme with an estimated budget as indicated in recitals (19). The measure therefore complies with point 22(b) of the Temporary Framework.

• Aid may not be granted under the measures to medium and large enterprises that were already in difficulty on 31 December 2019 (recital (72)). The measures therefore comply 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. The measures therefore comply with point 22(c)bis of the Temporary Framework.

• Aid will be granted under the measures no later than 31 December 2021. For aid in form of tax advantages, the tax liability in relation to which that advantage is granted must have arisen no later than 31 December 2021 (see recital (73)). The measures therefore comply 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. The measures therefore comply with point 22(e) of the Temporary Framework in force at the time of the granting of the aid (see recital 80).

• Depending on the granting date, (aid granted before or as from 28 January 2021) the overall nominal value of measures applicable to the agricultural and fisheries sectors does not exceed EUR 120 000 or EUR 270 000 per undertaking active in the fishery and aquaculture sector or EUR 100 000 or EUR 225 000 per undertaking active in the primary production of agricultural products (recital (80)). The measures therefore comply with point 23(a) of the Temporary Framework.

---


39 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.

40 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.

41 For the period before 28 January 2021, aid granted to undertakings active in the processing and marketing of agricultural products is conditional on 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.
• 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 (80)). The measures therefore comply 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 points (a) to (k) of Article 1(1) of Commission Regulation (EU) No 717/2014 (recital (80)). The measures therefore comply 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, Italy 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 800 000 or EUR 1.8 million is not exceeded per undertaking (recital (77)). Where an undertaking is active in the sectors covered by point 23 (a) of the Temporary Framework, the overall maximum amount of EUR 120 000 or EUR 270 000 (depending on the granting date of the aid: aid granted before or as from 28 January 2021) is not exceeded per undertaking (recital (80)). The measures therefore comply with point 23bis of the Temporary Framework.

3.3.2.  Compatibility of the umbrella scheme under section 3.12 of the Temporary Framework

The measures are compatible under section 3.12 of the Temporary Framework for the reasons set out hereafter:

• Aid is granted under the measures no later than 31 December 2021 and concerns uncovered fixed costs incurred during the period from 1 March 2020 to 31 December 2021, or parts of that period (see recital (62). The measures therefore comply with point 87(a) of the Temporary Framework.

• Aid is granted under the measures 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 (62)). The measures therefore comply 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 (65)(a)). The final amount of aid is determined on the basis of audited accounts or in certain cases identified in recital (65) on the basis of tax accounts. The Italian authorities have provided a justification explaining that the tax accounts are in specific cases sufficient to check the existence of losses in due time (recital (65)). Any payment exceeding the final amount of the aid will be recovered (recital (69)). The measure therefore complies with point 87(c) of the Temporary Framework.
• The aid takes the form of tax advantages, direct grants, or the reduction of fees (see recitals (12), (20), (29), (43). The waiver of administrative penalties described in recital (49) does not reduce the amount of tax and the interest for late payment to be paid; administrative penalties are limited to unintentional and manifestly non-fraudulent clerical errors; only certain tax payers determined on the basis of objective criteria (loss in turnover in 2020 of more than 30 % as compared to the same period in 2019) can benefit from this exemption; and the measure is limited in time. The overall nominal value will not exceed EUR 3 million or EUR 10 million per undertaking, depending on when the aid was granted (see recital (65)); all figures used are gross, that is, before any deduction of tax or other charges. The measures therefore comply with point 87(d) of the Temporary Framework.

• The aid under the measures may not be cumulated with other aid for the same eligible costs (recital (79)). The measure therefore complies with point 87(e) of the Temporary Framework.

• Aid may not be granted under the measures to medium 42 and large enterprises that were already in difficulty on 31 December 2019 (recital (72)). 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 43 or restructuring aid 44 (recital (72)). The measures therefore comply with point 87(f) of the Temporary Framework.

(97) The Italian authorities confirm that the aid under the 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 9).

(98) The Italian authorities confirm that the monitoring and reporting rules laid down in section 4 of the Temporary Framework will be respected (recital (81)). The Italian authorities further confirm that the aid under the 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 (62) (75) and (78)).

---


43 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.

44 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.
(99) 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.

4. CONCLUSION

(100) 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.

(101) 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