



Brussels, 16.7.2021
C(2021) 5437 final

<p>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 [...]</p>	<p style="text-align: center;">PUBLIC VERSION</p> <p>This document is made available for information purposes only.</p>
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Subject: State Aid SA.57116 (2020/N) – *The Netherlands*
COVID-19: State loan guarantee and State loan for KLM

Excellency,

1. PROCEDURE

- (1) By e-mail of 12 May 2020, registered by the European Commission on 12 May 2020 with reference number SA.57116, the Netherlands pre-notified the above-mentioned measure. By e-mails of 19, 26 and 29 May and 4, 8 and 15 June 2020, the Netherlands submitted additional information. By e-mail of 26 June 2020, the Netherlands notified the measure in accordance with Article 108(3) of the Treaty on the Functioning of the European Union (“TFEU”). By e-mails of 29 June 2020 and 8 July 2020, the Netherlands submitted additional information.

Her Excellency Mrs. Sigrid Kaag
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Cooperation
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The Netherlands

- (2) The notified measure takes the form of: (i) a State loan guarantee and (ii) a subordinated loan granted by the State. The Netherlands notified the measure under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, as amended (“the Temporary Framework”).¹
- (3) On 13 July 2020, the Commission adopted Decision C(2020) 4871 final on State Aid SA.57116 (2020/N) – The Netherlands – COVID-19² (hereinafter “the Initial Decision”) approving the aid measure in favour of the airline Koninklijke Luchtvaart Maatschappij N.V. (“KLM”).
- (4) On 23 October 2020, Ryanair DAC sought the annulment of the Initial Decision.
- (5) In its judgment of 19 May 2021 in Case T-643/20, the General Court annulled the Initial Decision for a breach by the Commission of its duty to state reasons.³ The General Court considered, in particular, that in its assessment of the compatibility of the aid with the internal market, the Commission had failed to provide reasons to the requisite legal standard by merely finding, first, that KLM was the beneficiary of the aid measure and, second, that the Dutch authorities had ‘confirmed’ that the financing granted to KLM would not be used by the Société Air France S.A, even though those two companies were part of the same group and that certain elements showed that the holding company Air France-KLM S.A. played a role in the grant and administration of the aid measure.
- (6) By the same judgment, on the basis of Article 264(2) TFEU, the General Court maintained the effects of the annulled Initial Decision pending the adoption of a new decision by the Commission. In that regard, the General Court held that if the Commission were to adopt that new decision without initiating the formal investigation procedure provided for in Article 108(2) TFEU that suspension of the effects of the annulment would not exceed two months from the date of delivery of the judgment.

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 Communication from the Commission C(2020) 2215 final of 3 April 2020 on the Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 112I, 4.4.2020, p. 1, by Communication from the Commission C(2020) 3156 final of 8 May 2020 on the Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 164, 13.5.2020, p. 3, and by Communication from the Commission C(2020) 4509 final of 29 June 2020 on the Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 218, 2.7.2020, p. 3. After the adoption of the Initial Decision, the Temporary framework was further amended by Communication from the Commission C(2020) 7127 final of 13 October 2020, 4th 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, OJ C 340 I, 13.10.2020, p. 1, and by Communication from the Commission C(2021) 564 final of 21 January 2021, 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, OJ C 34, 1.2.2021, p. 6.

² OJ C 355, 23.10.2020, p. 1.

³ Judgment of the General Court of 19 May 2021, *Ryanair v Commission*, T-643/20, EU:T:2021:286.

- (7) Pursuant to Article 266 TFEU, the Commission is required to take the necessary measures to comply with the judgment of the General Court. The Commission hereby adopts a new decision to address the inadequacy of the statement of reasons in the Initial Decision.
- (8) The Netherlands submitted additional information on 11 June and on 7, 8 and 12 July 2021. With the agreement of the Netherlands, France also submitted additional information that was deemed confidential towards the Netherlands on 9 July 2021. The additional information provided by the Netherlands and France had been available at the time of the adoption of the Initial Decision.
- (9) The Netherlands exceptionally agrees to waive its rights deriving from Article 342 of the TFEU, in conjunction with Article 3 of Regulation 1/1958,⁴ and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE MEASURE

2.1. Objective of the measure

- (10) The Netherlands considers that the COVID-19 outbreak has strongly affected its economy. From 9 March 2020, the Dutch government has taken exceptional national health measures in order to stop the further breakout of the COVID-19 virus. The Dutch authorities have also taken several restrictive measures in relation to the aviation sector. In particular, the Netherlands decided to follow the Commission's recommendation for a temporary restriction of non-essential travel from 19 March to 15 May 2020, in addition to which its authorities prohibited civil passenger air traffic from several countries, including China, South Korea, Iran, Italy, Spain and Austria.
- (11) Consequently, the aviation sector has suffered a serious loss of income. In that context, the Dutch authorities notified an individual aid measure to the airline KLM.
- (12) KLM is a major network airline operating in the Netherlands. Due to the COVID-19 crisis, the vast majority of KLM's aircrafts have been grounded for around 3 months between March and May 2020 and the sale of tickets has dropped drastically. Consequently, KLM is facing an acute shortage of liquidity.
- (13) The objective of the notified aid is to provide a temporary liquidity support to KLM to address its liquidity shortage. The Dutch authorities contend that aid because the bankruptcy of KLM would further worsen the serious disturbance in the economy of the Netherlands.
- (14) The Dutch authorities claim that a well-functioning air transport network is instrumental for the economy of the country as a whole, which is export-oriented. In particular, the Dutch authorities consider that KLM is of key importance for the Dutch economy as KLM ensures the connectivity of the Netherlands with the Dutch regions overseas, with many destinations in Europe and the rest of the

⁴ Regulation No 1 determining the languages to be used by the European Economic Community, OJ 17, 6.10.1958, p. 385.

world. Furthermore, since the start of the COVID-19 outbreak, KLM has played an essential role in the repatriation of Union citizens and for the transport of medical equipment.

- (15) The Dutch authorities have designed the measure to be compatible with the internal market based on Article 107(3)(b) TFEU, in light of sections 3.2 and 3.3 of the Temporary Framework.

2.2. The nature and form of aid

- (16) The measure provides aid in the form of: (i) a State guarantee for loans provided by a bank consortium (the “State Guarantee”) and (ii) a subordinated loan granted by the State (the “State Loan”).

2.3. Legal basis and administration of the measure

- (17) The national legal basis for the measure is Article 4.6 of the Dutch Government Accounts Act 2016⁵.

- (18) In addition, several agreements were to be concluded⁶ between the different parties involved:

- a Framework agreement between the Dutch State, KLM and the holding company Air France-KLM, setting out the general terms under which the Dutch State will provide support to KLM (the “Framework Agreement”);
- a Revolving credit facility agreement between KLM and a consortium of banks (the “Revolving Credit Facility Agreement”);
- a State guarantee agreement between the Dutch State, KLM and the consortium of banks, setting out the conditions of the State guarantee (the “State Guarantee Agreement”);
- a State loan agreement between the Dutch State and KLM, setting out the conditions of the State loan (the “State Loan Agreement”);
- a Subordination agreement between the Dutch State, KLM and the consortium of banks, setting out the conditions under which the State Loan will be subordinated to the loans granted by the bank consortium (the “Subordination Agreement”);
- a State aid compliance agreement between the Dutch State, KLM and the consortium of banks, setting out certain obligations on KLM and the

⁵ Comptabiliteitswet 2016, <https://wetten.overheid.nl/BWBR0039429/2020-01-01>

⁶ At the time of the Initial Decision on 13 July 2020, the Commission had reviewed the agreements in draft form, except for the Revolving Credit Facility Agreement, which was signed on 12 June 2020. The Framework Agreement was signed on 7 August 2020 and the four remaining agreements were then signed on 12 August 2020. There are only minor differences between the draft versions of the agreements as submitted to the Commission and the final signed versions. Those generally involve (i) modifications to streamline the wording of the agreements, (ii) the completion of outstanding placeholders (e.g. the date of the agreements, and references to the confidentiality agreement) and (iii) minor changes in the wording of certain clauses that do not modify the substance of those clauses.

consortium of banks to ensure compliance of the aid measures with State aid rules (the “State Aid Compliance Agreement”).

- (19) The Dutch Ministry of Finance is responsible for granting and administering the measure.

2.4. Budget and duration of the measure

- (20) The total budget of the measure is a maximum of EUR 3.4 billion.
- (21) The State Guarantee will cover 90 % of a loan provided by a bank consortium. The maximum amount of that loan will be EUR 2.4 billion. The maximum term of the guarantee is 6 years. The guarantee will cover the full term of the loan.
- (22) The State Loan will amount to a maximum of EUR 1 billion with a maturity of 5.5 years. The interest rates for the State Loan will be a coupon payable annually at a rate equal to EURIBOR 12 months plus a margin of 6.25 % the first year, 6.75 % for the second and third year, and 7.75 % for the fourth, fifth and sixth year.
- (23) The aid will be granted no later than 31 December 2020.

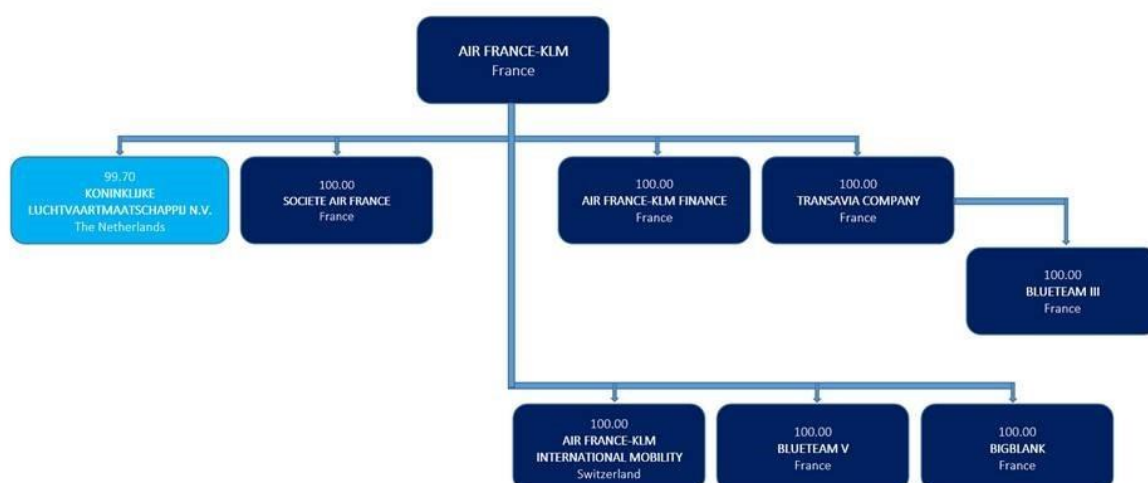
2.5. Beneficiary

- (24) The beneficiary of the measure is KLM, including the subsidiaries it controls (the “Beneficiary”). While KLM is part of the Air France-KLM company group, the Dutch authorities explained that neither the group’s holding company (Air France-KLM S.A., the “Holding”), nor the Société Air France S.A. (“Air France”), another subsidiary of the Holding, and the subsidiaries Air France controls, will benefit from the notified aid measure.

2.5.1. Shareholder structure of the Air France-KLM group

- (25) KLM is part of the Air France-KLM group, which is headed by the Air France-KLM S.A. holding company. The two main subsidiaries of the Holding are KLM and Air France.

Figure 1 – Simplified group structure of the Air France-KLM group with indication of percentage of economic rights



Source: The Netherlands, internal information from Air France-KLM

- *The Air France-KLM holding company*

(26) At the time of adoption of the Initial Decision, the Holding was owned by the French State (14.3 %), the Dutch State (14.0 %), Delta Air Lines, Inc. (8.8 %), China Eastern Airlines (8.8 %), Causeway Capital Management LLC (6.9 %), Donald Smith & Co. Inc. (5.4 %), employees (3.7 %) and others (38 %). The Holding is listed on the Euronext exchange in Paris and Amsterdam.

- *The Air France subsidiary*

(27) Air France is 100 % owned by the Holding.

- *The KLM subsidiary*

(28) The Holding owns, directly and indirectly via share certificates issued in respect of shares held in KLM by two Dutch foundations (see recital (29)) a total of 93.84 % of KLM's share capital, representing 99.7 % of KLM's dividend rights and 49 % of KLM's voting rights. The difference between the amount of voting rights and economic rights is due to the particularities of KLM's shareholding structure. Indeed, the shares in KLM are divided in the categories of (i) common shares; (ii) priority shares; (iii) cumulative preference shares A; and (iv) cumulative preference shares C. Table 1 details KLM's actual issued and outstanding shares at the time of the adoption of the Initial Decision, including the relevant splits for different types of shares as of 2020.

Table 1 – KLM’s actual issued and outstanding shares

Share type	Percentage	Number
Common shares:		
• The Holding	49,00 %	[...]
• Foundation SAK I	25,45 %	[...]
• Outside shareholders	0,24 %	[...]
Priority shares:		
• The Holding	0,002 %	[...]
Cumulative preference shares A:		
• The Dutch State	5,92 %	[...]
• Foundation SAK I	8,14 %	[...]
Cumulative preference shares C:		
• Foundation SAK II	11,25 %	[...]
Total	100 %	[...]

Source: The Netherlands, internal information from Air France-KLM

- (29) The Dutch authorities explained that the shareholder structure of KLM aims at safeguarding KLM’s Dutch identity as well as its traffic rights. Indeed, at the time of the Air France-KLM merger, which was completed in 2004, KLM and Air France agreed that, for an initial period, no shareholder would hold the majority of voting rights in KLM⁷. This resulted in the establishment of two voting trust foundations (NL. ‘*stichting administratiekantoor*’) incorporated under Dutch Law: (i) *Stichting Administratiekantoor KLM* (“Foundation SAK I”); and (ii) *Stichting Administratiekantoor Cumulatief Preferente Aandelen C KLM* (“Foundation SAK II”, together with Foundation SAK I, the “Foundations SAK”).
- (30) Via the Foundations SAK, the voting rights and economic rights of some KLM shares are separated. Both Foundations SAK exercise the voting rights attached to the shares they own, but the economic interest of those shares lies with the Holding.
- According to Dutch law, the Foundations SAK are separate legal entities without shareholders. As such, no party has direct control over them. The Foundations SAK are each managed by three board members (which must be different for each of the Foundations SAK). The majority of the board members of each of the Foundations SAK must be Dutch nationals and Dutch residents. One board member is nominated by KLM, one by the Holding, and the chairman is appointed by those two board members. They take their decisions by unanimity.
 - The Foundations SAK acquired KLM shares from the Holding and issued, with respect to those shares, depositary receipts (NL. ‘*certificaten*’) to the Holding. As a result, while the Foundations SAK remained the owner of those shares and exercise the related voting rights, the Foundations SAK must pay any financial benefits received in respect of those shares to the Holding.

⁷ Decision of the Commission of 11 February 2004, M.3280, Air France/KLM, recital 6.

- The depositary receipts are issued under a contractual relationship between the Foundations SAK and the Holding, and the terms for the administration of the shares owned by the Foundations SAK are defined in so-called ‘terms of administration’ (NL. ‘*administratievoorwaarden*’).
- (31) Pursuant to protocols between KLM, the Holding and the board members of the respective Foundation SAK, the board members of each Foundation SAK commit to exercise the voting rights of their shares in accordance with the best interests of KLM, the Holding and the shareholders of the Holding.
- (32) Thus, the voting rights will be exercised in accordance with specific corporate governance principles that are set out in a framework agreement between Air France (now the Holding) and KLM dated 16 October 2003. Further, the Holding has no (voting) instruction right. Therefore, the directors of the Foundations SAK do not vote upon instructions of the Holding in the general meeting of shareholders of KLM.
- (33) While the Holding only owns 49 % of the voting rights in KLM, the Holding has control over KLM due to its veto rights over (i) KLM's business plans and budgets, and (ii) the remuneration, appointment and dismissal of KLM's senior management. Indeed, as set out in the Internal Rules of the Holding's Board of Directors, the Holding shall, before a decision or implementation thereto by KLM, approve *inter alia* the strategic options, budget and investment plan of the Air France-KLM group, including KLM. The Holding also has approval rights in respect of the appointment and dismissal of members of the Board of Directors of KLM.

2.5.2. *KLM within the Air France-KLM group*

- (34) The Netherlands explained that within the Air France-KLM group, there is functional, economic and organic separation between KLM, the Holding and Air France, and that both subsidiaries KLM and Air France are managed autonomously.

2.5.2.1. Organic links within the Air France-KLM group

- (35) KLM and Air France are distinct legal entities: Koninklijke Luchtvaart Maatschappij N.V. and Société Air France S.A.. As described at recitals (28) to (30), they both have their own shareholding structure even though the Holding holds control rights over each of them. They also each have their own subsidiaries.

2.5.2.2. Functional links within the Air France-KLM group

- *The role of the Holding*

- (36) On 1 July 2020, the Holding employed [...] full-time equivalents (“FTE”). The Holding also relies on employees that are seconded from the subsidiaries. On 1 July 2020, [...] full-time employees were seconded to the Holding, [...] from Air France and [...] from KLM.
- (37) The Holding is not directly active in the aviation market. Its main role consists in giving centralised support and assisting its subsidiaries in the coordination of their

activities to realise synergies within the group. In particular, the Holding provides general holding support functions to its subsidiaries, including in relation to IT, HR, marketing, digital, communication and innovation.

- (38) The Holding also has a limited financial role. First, the Holding may provide certain financial services to its subsidiaries, such as (i) providing instructions for annual consolidated group reporting, (ii) distributing general WACC (weighted average cost of capital) calculations to apply within the group for business cases, (iii) sharing general banking insight presentations about the industry and (iv) providing budgeting instructions.
- (39) Second, the Holding may occasionally raise capital on the markets (debt and/or equity) for the benefit of its subsidiaries depending on their individual needs. However, the information provided by the Netherlands indicates that there is currently no ongoing financing agreement between the Holding and its subsidiaries (aside from the agreements related to the notified aid measure and the French aid measure mentioned at recital (54)).
- (40) The Netherlands explained that, overall, the Holding's financial role remains limited:
- Day-to-day financial activities such as finance and control for internal and external reporting, treasury, audit and tax are not executed by the Holding on behalf of the two subsidiaries, but independently at subsidiary level.
 - KLM independently manages its liquidity needs and its financing. The Holding has no control over the funds of KLM. For example, [...] decisions – [...] – are taken at the level of KLM's Managing Board and not at the Holding level. There is no central liquidity management at the Holding level and the liquidity levels, including excess cash, are optimised by KLM independently.
 - The Holding only has an approval right in respect of KLM's financing transactions exceeding EUR 150 million. Below that threshold, KLM has no obligation to receive approval from the Holding on any financing within the mandate of KLM's financial plan, which is approved by KLM's supervisory board/audit committee, and does not require any separate approvals from the Holding. Thus, as the notified aid measure exceeds the EUR 150 million threshold, the approval of the Holding was required.
 - *The functional autonomy of KLM and Air France*
- (41) The Netherlands explained that the two commercial and strategic subsidiaries of the Holding, i.e. KLM and Air France, are functionally autonomous.
- KLM and Air France have distinct management teams. KLM is independently and fully responsible for most key elements of its business operations, including HR, fleet, network development, customer experience, passenger and cargo handling, maintenance activities, flight operations, inflight services and marketing.
 - KLM has a fully independent finance organisation. This includes finance and control for internal and external reporting, treasury, audit, and tax.

- KLM manages its liquidity needs independently without interference from Air France. There is also no profit and loss sharing mechanism or any cash pooling agreement between KLM and Air France.
- (42) The Netherlands also explained that KLM and Air France, with the assistance of the Holding, seek to coordinate their respective operations in specific areas to achieve synergies and strategic benefits:
- In particular, sales and PRM (pricing & revenue management) is an area of cooperation within the Air France-KLM group, with the corresponding strategy being determined at the Holding level (with the help of Air France and KLM employees who are seconded to the Holding for that purpose);
 - Other areas where the KLM and Air France subsidiaries have shared activities are procurement and IT.

2.5.2.3. Economic links within the Air France-KLM group

- *The economic links between the Holding and KLM*

- (43) The Netherlands explained that the Holding does not have any external revenue generating activities. It derives its revenue “internally” (i.e. from its subsidiaries) from a management fee⁸, trademark fees and certain redistribution mechanisms. In Financial Year 2019, the costs charged by the Holding to KLM and Air France amounted to EUR [20-50] and EUR [15-35] million, respectively.
- (44) The Netherlands also explained that those payments and fees provide for a compensation for financing costs and operational expenses of the Holding made for the benefit of both subsidiaries. In order to safeguard the arm’s length character of the services and recharge of financial expenses, those costs need to be substantiated by underlying invoices supporting the respective service/financial expense. As such, the Holding redistributes its operational costs to the subsidiaries based on the functional description of the Holding businesses and staff departments. In the same vein, KLM charges the Holding for the actual costs of seconded staff.
- (45) The Netherlands also explained that while the Holding is able to provide certain financial services to KLM, those do not involve the Holding providing financial support to KLM and Air France since the Holding does not have any external revenue generating activities.

- *The economic links between KLM and Air France*

- (46) According to the information provided by the Dutch authorities, the financial or commercial relationships between KLM and Air France (and, more generally, between all subsidiaries of the Air France-KLM group) take place at normal market terms due to the way in which the Air France-KLM group is structured and managed.

⁸ The management fee relates to Holding operating expenses (e.g. costs relating to the CEO, secretary, finance, innovation, HR, IT, and group businesses).

- Air France and KLM remain taxable in France and the Netherlands respectively. Indeed, the Air France-KLM merger agreement signed in 2004 [...]. In addition, on 7 April 2004, France and the Netherlands agreed on an amendment to the bilateral tax treaty between France and the Netherlands (signed on 16 March 1973)⁹, in order to ensure that KLM would remain taxable in the Netherlands¹⁰. In France and in the Netherlands, the respective tax legislations dictate that all intragroup transactions must be conducted as if they were concluded between unrelated parties. Consequently, transactions between Air France and KLM must be conducted at normal market terms.
 - The governance structures within the Air France-KLM group also incentivise the management of each of the subsidiaries to negotiate the terms of its contracts with its sister companies in the best interest of the subsidiary concerned. Indeed, the Air France and the KLM subsidiaries are two sister companies that are managed autonomously by distinct management teams and one of the key criteria for assessing the performance of the managers of Air France and KLM is the operational margin of their respective companies. Therefore, the managers of KLM have no incentive to accept unfavourable agreements with Air France (and *vice-versa*).
- (47) The Netherlands also provided an overview of the commercial arrangements involving financial flows between, on the one hand, KLM and/or its subsidiaries, and, on the other hand, Air France and/or its subsidiaries, as well as supporting documents. For each category of commercial arrangements, the Netherlands provided elements showing that they have been – and are being – carried out at normal market terms:
- As regards commercial relationships such as services rendered, or goods sold, by Air France (or its subsidiaries) to KLM (or its subsidiaries), or *vice-versa*, the Netherlands provided examples of existing agreements. For example, the Netherlands have provided information on the provision by Transavia Netherlands (a subsidiary of KLM) of IT services to Transavia France (subsidiary of Air France) showing that those services are provided at prices negotiated under normal market conditions between the two companies. In addition, the information provided by the Netherlands indicates that maintenance operations are invoiced by Air France or KLM to (respectively) KLM or Air France at a cost price plus a margin, which is in line with the margin realised on external customers, after taking into account the large volume handled by each of the companies.

⁹ Convention between the Government of the French Republic and the Government of the Kingdom of the Netherlands for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and fortune.

¹⁰ In the Netherlands, that agreement was ratified as set out in the Parliamentary Letter (*'Kamerbrief'*) dated 10 September 2004. In France that agreement was ratified by the law n° 2005-500 of 19 May 2005 (JO n° 116 of 20 May 2005), and published by a decree n° 2005-1077 of 23 August 2005 « *portant publication de l'avenant à la convention entre le Gouvernement de la République française et le Gouvernement du Royaume des Pays-Bas tendant à éviter les doubles impositions et à prévenir l'évasion fiscale en matière d'impôts sur le revenu et sur la fortune signée à Paris le 16 mars 1973, signé à La Haye le 7 avril 2004* » (JO n° 203 of 1 September 2005).

- As regards cost sharing agreements and common activities performed in common by Air France and KLM (or their subsidiaries), the Netherlands explained that costs are divided between the two companies according to the most representative allocation key based on market standards (use, turnover, etc.). The Netherlands provided examples of cost sharing agreements and provided elements showing that they were carried out at normal market terms.

2.5.3. *Mechanisms ensuring that the notified aid measure only benefits KLM*

- (48) The Netherlands explained that KLM is the sole beneficiary of the notified aid measure since the financial and economic benefit of the measure is fully channelled to KLM. Indeed, the Netherlands demonstrated that the notified aid measure is designed in a way as to ensuring that the aid will and may only be used by KLM.
- (49) First, the Dutch authorities explained that the notified aid measure is aimed at providing liquidity support for KLM to cover its investment needs and working capital needs.
- (50) Second, the Dutch authorities explained that the aid is provided directly at the level of KLM. Thus, the funds related to the notified aid measure do not transit through the Holding.
- (51) Third, the Dutch authorities explained that the Holding is involved only in a very limited manner in the administration of the notified aid measure. Indeed, the role of the Holding in relation to both the State Loan and the State Guarantee is limited to what is necessary in view of its position as the main shareholder in KLM. In particular, it is required from a shareholder perspective that the Holding becomes a signatory of the Framework Agreement. This is to ensure that the Holding will, in its capacity of shareholder, vote in accordance with the conditions which the Dutch State has agreed to in respect of KLM, including inter alia, in relation to: (i) the use of the funds and the prohibition to on-lend any funds to the Holding and Air France (or its subsidiaries) (ii) the prohibition of KLM to declare, make or pay any dividend or other distributions; (iii) the agreement to a restructuring plan that must be drawn up by KLM no later than 31 October 2021; and (iv) additional conditions in the field of profit allocation, employment conditions and sustainability. As explained at recital (40), that involvement is also required since the Holding has an approval right in respect of financing transactions by KLM exceeding EUR 150 million.
- (52) Fourth, the Dutch authorities explained that the corporate and governance structure of the Air France-KLM group as described at recitals (46) to (47) prevents the risk of aid spill-over from KLM to Air France. In particular, the Holding and Air France have no control over the funds of KLM. In addition, the financial or commercial relationships between KLM and Air France are carried out at market terms.
- (53) Finally, the Dutch authorities explained that the notified aid measure involves a contractual mechanism with multiple safeguards to ensure that the funds granted do not benefit any entity other than KLM (and its subsidiaries). In particular, the various agreements related to the notified aid measure (see footnote 11) include the following contractual safeguards:

- Pursuant to Clause [...] of the State Loan Agreement “*Each Loan may only be used for the general corporate purposes of the Group and no amount borrowed may be on-lent to Air France or AFKLM*”, the “Group” being defined as KLM and its subsidiaries. As such, no amount of the State Loan can legally be used for anything else than KLM’s liquidity needs.
- Pursuant to Clause [...] of the Framework Agreement, KLM and the Holding must procure that KLM’s cash proceeds shall not be used for the direct benefit of the Holding and/or Air France.
- Under the Revolving Credit Facility Agreement, KLM can only draw short-term loans, for [...] months. When a short-term loan is first drawn, or to be rolled into a new loan, the cash position of KLM will be re-tested to ensure that the liquidity needs still exist. If the liquidity needs no longer exist, then KLM cannot roll over existing loans, and thus has to repay them after maximum [...] months. The same indirectly applies to the ability to draw funds under the State Loan, since amounts that can be newly drawn under the State Loan Agreement must always be accompanied by a drawdown under the Revolving Credit Facility Agreement to achieve a specific ratio between the two (i.e. [...]). That mechanism will ensure that the amount of aid granted under the notified aid measure will be tailored to KLM’s investment needs and working capital needs (i.e. in particular not the needs of the Holding or the sister companies of KLM).
- The fact that the State Loan is paid in tranches is a further safeguard against the risk that aid granted to KLM spills over to the Holding and/or Air France. As provided in the State Loan Agreement and in the Framework Agreement, for each tranche to be provided by the Dutch State, an official request must be made where KLM confirms that each condition precedent under the State Loan Agreement is complied with. One of those conditions is that no default is outstanding, which encompasses the absence of a breach of any of the obligations under the State Loan Agreement. They include the obligation that aid must only be used for the general corporate purposes of KLM and that no amount may be lent to Air France or the Holding.
- Clear limitations on dividends and other distributions also offer a safeguard to limit the risk that the measure granted to KLM spills over to the Holding and/or Air France. Specifically, KLM will not be allowed to pay any dividends or other distributions during the term of the Dutch aid measure. Therefore, KLM will not be able to transfer the aid received to the Holding or Air France via the payment of dividends.
- The Dutch State will appoint a State Agent to supervise the use of the funds received by KLM. As provided in the Framework Agreement, the State Agent’s tasks include monitoring compliance with the Framework Agreement, which clearly provides that the aid “*shall not be used for the direct benefit of the Holding and/or Air France*”.

2.5.4. *Mechanisms ensuring that the previous French aid measure to Air France does not benefit KLM*

- (54) On 4 May 2020, the Commission approved a liquidity aid measure granted by France to Air France as compatible with the internal market under Article 107(3)(b) TFEU (the “French Aid Measure”)¹¹. The French Aid Measure consisted of a State loan and a State guarantee. As the Netherlands could not obtain information on the contractual mechanisms used for the French aid measure due to confidentiality reasons, the Netherlands agreed that the French authorities would provide that information directly to the Commission. Thus, the Commission received information from the French authorities which it has analysed to ascertain whether KLM could benefit from this aid measure and thus whether there could be cumulation of aid in any form between the notified aid measure and the French Aid Measure. The Commission sets out below the elements it has identified from the documentation relating to those contractual mechanisms provided to it by the French authorities that are relevant to those issues.
- (55) First, it must be recalled that the French authorities had submitted that the French Aid Measure would ultimately benefit only the Air France subsidiary, excluding the Holding and its other subsidiaries.
- (56) Second, contractual mechanisms were put in place in order to ensure that the French Aid Measure would be fully channelled to the Air France subsidiary. Indeed, while the funding covered by the French Aid Measure was formally contracted with the Holding, it was then channelled to the Air France subsidiary through so-called ‘mirror’ instruments set up between the Holding and the Air France subsidiary. The objective of this mechanism was to ensure that the financial and economic advantage of the French Aid Measure would be fully transferred to Air France and would not benefit the Holding, KLM or other subsidiaries of the Holding.
- (57) In practice, the financing covered by the French Aid Measure was first subject of two agreements between the lenders and the Holding signed on 6 May 2020 (the “Holding Agreements”). The funds were then channelled to the Air France subsidiary through two intra-group loan agreements between the Holding and its Air France subsidiary signed on 7 May 2020 (the “Intragroup Agreements”). Under the Holding Agreements, the funds provided to the Holding were expressly earmarked for the Air France subsidiary and therefore could not be transferred to KLM¹². The Intragroup Agreements are described as ‘mirror’ instruments because their economic characteristics replicate those of the Holding Agreements. Indeed, the Intragroup Agreements are both constructed in the same contractual form and

¹¹ Decision of the Commission of 4 May 2020, SA.57082 (2020/N) – France – COVID-19 – Encadrement temporaire 107(3)(b) – Garantie et prêt d’actionnaire au bénéfice d’Air France (as corrected by the correcting decision of 17 December 2020), paras. 60-87.

¹² Article 2.2 of the Holding Agreement relating to the French State Loan expressly states that the Loan is intended to finance the provision by Air France-KLM to Air France of a current shareholder account intended to finance Air France’s needs. Similarly, Article 3.1 the Holding Agreement relating to the French State guarantee provides for the financing of the Group’s requirements with a view to maintaining its commercial activities and employees in France, it being made clear that the definition of ‘Group’ expressly excludes KLM.

each refer to the main economic terms of the Holding Agreement from which they relate. In particular, the ‘parallelism’ of the provisions was confirmed in the light of the following factors:

- The amount of the cash advances granted by the Holding to Air France under each of the Intragroup Agreements correspond to the amount of the loans under the respective Holding Agreements.
- The Intragroup Agreements provide that the Holding would make the funds available to Air France “*as soon as possible from the date of receipt of the funds by [the Holding]*” under the Holding Agreement concerned. This indicates that the fund drawings under the Holding Agreements and under the Intragroup Agreements are almost concomitant¹³.
- The interest rate applicable to each of the Intragroup Agreements reflects that of the Holding Agreement to which it relates. As regards the Intragroup Agreement relating to the French State guarantee, the applicable interest rate reflects that of the Holding Agreement concerned, including a small additional margin that aimed at covering one-off costs incurred by the Holding company in connection with its involvement in the contractual mechanism and ensuring neutrality (i.e. no loss) for the Holding.

(58) Thus, it follows from the above that each Intragroup Agreement reflects as closely as possible (with some necessary marginal adjustments) the economic conditions binding the Holding under the relevant Holding Agreement. Consequently, from an economic point of view, all the funds received by the Holding under the Holding Agreements are transferred to Air France.

(59) Finally, as described at recitals (46) to (47), the corporate and governance structure of the Air France-KLM group also prevents the risk of aid spill-over between Air France and KLM.

2.5.5. *Financial situation of the Beneficiary*

(60) The Dutch authorities explained, based on supporting evidence, that the Beneficiary was not in difficulty within the meaning of the General Block Exemption Regulation (“GBER”)¹⁴ on 31 December 2019.

¹³ Moreover, in practice, each fund drawing under the Intragroup Agreements has occurred on the same day as its corresponding fund drawing under the Holding Agreements.

¹⁴ 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, OJ L 187, 26.6.2014, p. 1.

2.6. Main elements of the measure

2.6.1. *The State Guarantee on a loan provided by a bank consortium*

2.6.1.1. The loan provided by a bank consortium

- (61) According to the Dutch authorities, at the time of adoption of the Initial Decision, the State Guarantee was the only option available for KLM to obtain a loan from a consortium of private banks.
- (62) The Dutch authorities consider that the guarantee provided by the State on such a loan is covered by the Temporary Framework. The aid in the form of a State Guarantee will be channelled by the bank consortium to the final beneficiary, namely KLM.
- (63) The consortium of banks granting the guaranteed loan will be represented by a member of the consortium (the “Facility Agent”). Its role is of an administrative nature: it serves as the central point of communication between the lenders (i.e. the members of the bank consortium) and the borrower (i.e. KLM).
- (64) The maximum amount of the loan principal will be EUR 2.4 billion. For the year 2019, KLM’s annual wage bill (including social security premiums) was EUR 2.7 billion. The Dutch authorities confirm that the maximum loan principal is less than twice that wage bill (approximately EUR 5.4 billion).
- (65) The interest rate for the guaranteed loan will equal to EURIBOR 1 or 3 months (depending on the duration of the term chosen by KLM for the individual advances to be drawn by KLM) plus a margin of [...] %.¹⁵
- (66) The Dutch authorities confirm that the different parameters in the guarantee agreement and the guaranteed loan ensure that the advantage is passed on to the largest extent possible to KLM, as follows: (i) the interest rates offered under the guaranteed loan are considered to appropriately reflect the credit support given by the Netherlands, (ii) the Facility Agent will, upon request from the Dutch authorities, request a member of the bank consortium to demonstrate to the Dutch authorities that it operates a mechanism that ensures that the advantages of the State Guarantee are passed on to the largest extent possible to KLM, (iii) once KLM regains access to cheaper unguaranteed funding, KLM will be able to refinance the guaranteed loan without penalty on any interest payment date.
- (67) The guaranteed loan was granted before 31 December 2020. The maximum term of the guaranteed loan is 5 years.
- (68) The proceeds of the guaranteed loan will be used for general corporate purposes, including refinancing of an existing credit facility agreement entered into before 19 March 2020. The Dutch authorities confirmed that the guaranteed loan will be used to finance KLM’s investment needs and working capital needs (see further at recital (53)).

¹⁵ [...]

2.6.1.2. The State Guarantee

- (69) The Dutch authorities submit that the Netherlands will grant the guarantee in accordance with all the conditions laid down in section 3.2 of the Temporary Framework.
- (70) The Dutch State will issue a guarantee to cover 90 % of the outstanding loan amount. The guarantee covers 90 % of the principal amount unpaid under the guaranteed loan. The guaranteed amount will decrease proportionately to continuously match the outstanding loan during its amortization over time. Losses will be incurred *pari passu*, proportionally (90/10) and under the same conditions by the State and the bank consortium.
- (71) [...]^{16 17 18}
- (72) The State Aid Compliance Agreement prohibits the lenders from making any amendments, modifications or waivers that would adversely affect the State Guarantee's compliance with the Temporary Framework.
- (73) The guarantee premium is set for a maximum period of 6 years as follows:
- 0.5 % of the total amount of the total loan amount (EUR 2.4 billion) for the first year;
 - 1 % of the total amount of the total loan amount for the second and third years;
 - 2 % of the total amount of the total loan amount for the fourth, fifth and sixth years.
- (74) The level of the State Guarantee premium is set at the level of the minimum required by the Temporary Framework, so that KLM retains incentives to return to pure market financing once the current market situation stabilizes.
- (75) The guarantee will be subject of an agreement between the parties, namely the Dutch State, KLM and the bank consortium, identifying the specific conditions for the mobilisation of the guarantee (see further at recital (53)).
- (76) The Dutch government confirms that the guarantee on the loan of the bank consortium will cover the full maturity of the loan.
- (77) The guarantee can be granted by 31 December 2020 at the latest.
- (78) The amount of payments made by the Dutch State under the State Guarantee will be added to the State loan.

¹⁶ [...]

¹⁷ [...]

¹⁸ [...]

2.6.2. *The State Loan*

- (79) The maximum amount of the State Loan will be EUR 1 billion. The Dutch authorities confirm that this amount does not exceed two-thirds of the annual wage bill of KLM for the year 2019 (approximately EUR 1.8 billion).
- (80) The interest rates for the State Loan will be a coupon payable annually at a rate equal to EURIBOR 12 months plus a margin of (i) 6.25 % for the first year, (ii) 6.75 % for the second and third years, and (iii) 7.75 % for the fourth, fifth and sixth years.
- (81) The State Loan is subordinated to all unsecured and non-subordinated debt or bank loans. The State Loan agreement contains the following subordination clause¹⁹: [...]
- (82) The subordination agreement between the Dutch State, KLM and the bank consortium provides a number of assurances in favour of the bank consortium to protect the subordination of the State loan. In particular, the subordination agreement provides tools to the bank consortium to enforce that subordination in insolvency proceedings. For instance, a provision of the subordination agreement requires the State to actively inform the insolvency official²⁰ of the existence of the subordination and to turn over any amounts that should still be received by the bank consortium.
- (83) The proceeds of the State Loan will be used for working capital cash flows, as the State Loan can be used for general corporate purposes, including refinancing of an existing credit facility agreement entered into before 19 March 2020. The Dutch authorities confirmed that the State Loan will be used to finance KLM's investment needs and working capital needs.
- (84) The State Loan has a duration of 5.5 years and had to be signed by 31 December 2020 at the latest.

2.6.3. *Additional conditions*

- (85) The Dutch authorities will impose certain conditions in relation to the measure. Those conditions include conditions in the field of profit allocation, working conditions and sustainability, as well as conditions on the use of the funds as already detailed in recital (53).
 - (i) Sustainability and liveability
- (86) The Dutch authorities will impose the following conditions in the field of sustainability and liveability:

¹⁹ Clause 17.6 of the State Loan Agreement.

²⁰ An insolvency official is a person appointed to administer the reorganisation or liquidation of the company in case of insolvency.

- KLM commits itself to the objectives of the Dutch Draft Agreement on Sustainable Aviation dated 21 February 2019, including the objectives to reduce the carbon footprint in 2030 so that it does not exceed the 2005 level.
- KLM commits to the reduction of the CO2 emission per passenger kilometre by 50 % in 2030 compared to 2005.
- KLM will participate in the first Dutch sustainable aviation fuel factory. KLM commits itself to use a minimum of 14 % of sustainable aviation fuel in 2030.
- KLM commits itself to (i) the implementation of the plan to reduce hindrance, (ii) the action plan on ultra-fine particles, (iii) the action program on nitrogen and (iv) the implementation of agenda Air Rail.
- KLM will cooperate with the substantial reduction of the total number of flights at Schiphol airport to a maximum of 25,000.

(ii) Profit allocation

(87) The Dutch authorities will impose the following conditions in the field of profit allocation:

- No dividend will be distributed by KLM to its shareholders during the term of the financial support package. [...]
- [...]

(88) The Dutch authorities will impose conditions in the field of employment conditions of the management board and top management. In particular, for as long as the financial support package has not been repaid and terminated, the remuneration of the management board and top management will be reduced by at least 20 % compared to the remuneration which they received in the financial year 2019. In particular, there will be no variable income during that period.

(iii) Improved performance and competitiveness

(89) The Dutch authorities will impose conditions in the field of performance and competitiveness, including:

- The profit-sharing scheme of the KLM employees will be suspended for as long as the support of the Dutch State has not been repaid and terminated.
- The employees of KLM will need to contribute to the recovery and efficiency improvement of KLM, notably by way of arrangements regarding employment terms.
- By 1 October 2020, a restructuring plan for KLM will be drawn up for the period until 2025. The objective of that plan will be a significant improvement of the profit margin of the company.

(iv) Monitoring

- (90) The Dutch State will appoint a State agent at KLM, who will be responsible for monitoring KLM's compliance with the different commitments.

2.7. Cumulation

- (91) The Dutch authorities confirm that aid granted under the measure may be cumulated with aid under de minimis Regulations²¹ and/or Block Exemption Regulations²².
- (92) The Dutch 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.
- (93) The Dutch authorities confirm that aid granted under section 3.2 of the Temporary Framework will not be cumulated with aid granted for the same underlying loan principal under its section 3.3 and vice versa.
- (94) According to the information provided by the Dutch and French authorities, the aid granted should not be considered as being cumulated with aid previously granted to Air France, since the notified aid measure will benefit only KLM, and since the French Aid Measure only benefited Air France, as further detailed in recitals (48) to (59).

2.8. Monitoring and reporting

- (95) The Dutch 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 granted under the measure on the comprehensive State aid website or Commission's IT tool within 12 months from the moment of granting²³).
- (96) All the information regarding the granting of aid must be maintained for 10 years upon granting of the aid.

²¹ 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) 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).

²² Commission Regulation (EU) No 651/2014.

²³ Referring to information required in Annex III to Commission Regulation (EU) No 651/2014 and Annex III to Commission Regulation (EU) No 702/2014 and Annex III to Commission Regulation (EU) No 1388/2014.

3. ASSESSMENT

3.1. Existence of State aid

- (97) 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.
- (98) The measure is imputable to the State, since it is granted and administered by the Dutch Ministry of Finance and it is based on Article 4.6 of the Dutch *Comptabiliteitswet*. It is financed through State resources, since it is financed by the budget of the State.
- (99) The measure confers an advantage on the beneficiary. First, without the State Guarantee, KLM would not be able to obtain the envisaged loan under the same conditions. The State Guarantee on loans thus confers an advantage on KLM by relieving it of costs that it would have had to bear under normal market conditions.
- (100) Second, the Commission also considers that the State Loan confers an advantage to KLM considering that it would not be able to obtain the envisaged loan on the market under the same conditions. The Commission based its analysis on the following considerations:
- The financial situation of the aviation sector is particularly severe due to the COVID-19 crisis. In particular, KLM has been severely affected by that crisis. Under those circumstances, it appears very unlikely that KLM could obtain a loan on the market for the same amount and under the same conditions as those of the State loan.
 - The Commission notes that KLM could only obtain a loan from private banks thanks to the 90 % State Guarantee. This is strong indication of KLM's difficulties to obtain liquidities on the capital market without State intervention.
 - In the current context of the COVID-19 crisis, the Commission is not aware of transactions carried out between private lenders and airlines that are similar to the State loan.
 - The Commission notes that the private shareholders of Air France-KLM group do not participate in the financing along with the Dutch State.
- (101) The advantage granted by the measure is selective, since it is awarded to only one undertaking.
- (102) The measure is liable to distort competition, since it strengthens the competitive position of the beneficiary. It also affects trade between Member States, since the beneficiary is active in a sector in which intra-Union trade exists.

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

3.2. Identification of the aid beneficiary

(104) As explained at recitals (98) to (103), the notified aid measure constitutes State aid in favour of KLM.

(105) The Commission also notes that KLM is part of the Air France-KLM group, which is headed by the Holding. In addition, the Holding has a second strategic subsidiary, Air France, which is also an airline. It is therefore necessary to determine whether the Holding and Air France must also be considered as beneficiaries of the notified aid measure.

(106) As explained at recital (54), on 4 May 2020, the Commission approved the French Aid Measure in favour of Air France as compatible with the internal market under Article 107(3)(b) TFEU. It is therefore necessary to determine whether KLM should also be considered as a beneficiary of the French Aid Measure. Should this be the case, the Commission would have to take into account the French Aid Measure when assessing compliance of the notified aids measure with the thresholds of points 25(d), 27(d) and 27bis of the Temporary Framework. Assessment framework

(107) The Court has established that “*where legally distinct natural or legal persons constitute an economic unit, they should be treated as a single undertaking for the purposes of Community competition law [...]. In the field of State aid, the question whether there is an economic unit arises primarily in relation to the question whether there is an aid beneficiary [...]. It has been held in that regard that the Commission has a broad discretion in determining whether companies which form part of a group should be regarded as an economic unit or rather as legally and financially independent for the purpose of applying the rules governing State aid.*”²⁴ It is therefore necessary to assess whether KLM, Air France and the Holding must be considered as a single undertaking or rather as legally and financially independent for the purpose of applying the rules governing State aid in the present case.

(108) Based on the case-law, the General Court identified several factors to be taken into account in order to determine whether legally distinct legal entities constitute an economic unit for the purpose of State aid control. Those factors relate to the existence of links between those companies, notably:

- whether the companies concerned are part of a group of companies which is directly or indirectly controlled by one of those companies
- whether in such case the controlling company exercise functions relating to control, direction and financial support in relation to subsidiaries;

²⁴ Judgment of 14 October 2004, *Pollmeier Malchow v Commission*, T-137/02, EU:T:2004:304, paragraphs 50 and 51. Also see judgment of 8 September 2009, *Acea Electrabel v Commission*, T-303/05, EU:T:2009:312, paragraph 101.

- whether these companies pursue identical or parallel economic activities; and
 - whether these companies are linked by specific contractual clauses²⁵.
- (109) It should be clarified that the fact several companies belong to the same corporate group (as sister companies or parent/subsidiary companies) does not necessarily mean that all those companies are *ipso facto* beneficiaries (within the meaning of State aid rules) of a State aid measure granted to one of those companies. Indeed, the Union Courts have accepted that the beneficiary of an aid measure may, in certain cases, be composed of only certain entities that are part of a corporate group. The Court thus held that, based on the facts of each case, only one or several specific subsidiaries of a corporate group may be considered as the beneficiary of a specific aid measure, to the exclusion of other entities of the group, including sister companies or the holding company.²⁶
- (110) For example, in the *Verlipack* case involving the grant of a State loan to a parent company which was required to pass on to certain subsidiaries the funds lent in order to enable the restructuring of the group, the Court stated: that “*in order to determine the recipient of State aid, it is necessary to identify the undertakings which have actually benefited from it*”; that “*the Commission is not precluded from taking [the] wording [of the clauses allocating the amounts loaned] into account in order to determine the recipient of the aid*”; that “*it is possible that such an analysis could lead to the conclusion that the recipient of the State aid is a different entity from the borrower*” and that “*it is not necessary when reaching such a conclusion to first make a finding that the intervention constitutes State aid to the borrower*”.²⁷
- (111) In order to identify the actual beneficiaries of the notified aid measure and the French Aid Measure, the Commission will determine whether those different entities are to be considered as legally and financially independent for the purpose of applying the rules governing State aid in the present case. To that end, the Commission will analyse: (i) the functional, economic and organic links between Air France, KLM and Holding, and (ii) the contractual mechanisms that were used to grant those aid measures and the risk of aid spill-over between Air France, KLM and Holding²⁸.

²⁵ Judgment of 19 May 2021, *Ryanair v Commission (KLM; Covid-19)*, T-643/20, EU:T:2021:286, paragraph 47.

²⁶ Judgment of 3 July 2003, *Belgium v Commission (Verlipack)*, C-457/00, EU:C:2003:387, paragraphs 55-60; judgment of 11 May 2005, *Saxonia Edelmetalle v Commission*, T-111/01 and T-333/01, *Edelmetalle v Commission*, EU:T:2005:166, paragraphs 84 and 121-125; judgment of 25 June 1998, *British Airways and others and British Midland Airways v Commission*, T-371/94, EU:T:1998:140, paragraphs 297, 314 and 315.

²⁷ Judgment of 3 July 2003, *Belgium v Commission (Verlipack)*, C-457/00, EU:C:2003:387, paragraphs 55 to 60. See also, on the conclusion that only one or more subsidiaries can benefit from aid, judgment of 11 May 2005, *Saxonia Edelmetalle v Commission*, T-111/01 and T-333/01, EU:T:2005:166, paragraphs 84, 121-125; judgment of 25 June 1998, *British Airways and others and British Midland Airways v Commission*, T-371/94, EU:T:1998:140, paragraphs 297, 314 and 315.

²⁸ Judgment of 19 May 2021, *Ryanair v Commission (KLM; Covid-19)*, T-643/20, EU:T:2021:286, paragraphs 45 to 48 and 69.

3.2.1. Identification of the beneficiary of the notified aid measure

(112) First, the Commission notes that, (as detailed in recitals (25) to (47)), there are certain functional, economic and organic links between Air France, KLM and the Holding:

- Air France and KLM are part of the same group of companies, which is controlled by the Holding;
- The companies in the Air France-KLM group pursue a parallel economic activity (i.e. activities related to the air transport of passengers and goods);
- The Holding helps its subsidiaries to coordinate some of their activities, in particular in the area of sales and PRM (price and revenue management);
- The Holding provides general holding support functions to its subsidiaries in some however limited areas (as further detailed in recital (37));
- The Holding provides certain financial services to its subsidiaries and may raise (occasionally) capital on the markets for the benefit of its subsidiaries;
- The Holding has certain veto rights over KLM's business plans, budgets and senior management's remuneration, appointment and dismissal;
- The Holding has an approval right in respect of KLM's financing transactions exceeding EUR 150 million.

(113) However, the Commission also notes that despite those links between Air France and KLM and the Holding, KLM and Air France enjoy *de facto* considerable functional, economic and organic autonomy, both vis-à-vis each other and vis-à-vis their parent company (the Holding):

- The Holding's subsidiaries (including Air France and KLM) remain very autonomous in terms of commercial management and are fully responsible for most key elements of its business operations (separate management teams, independent management of business with the exception of the area of sales and PRM) (see recitals (41) and (42));
- Air France and KLM remain very autonomous in terms of financial management (independent management of their financial activities and liquidity needs) and the Holding's financial role remains limited in that area (see recitals (38) to (40)). In particular, KLM independently manages its liquidity needs and its financing and the Holding has no control over the funds of KLM;
- The Holding, which has no external revenue generating activities, does not provide financial support to KLM and Air France;
- The financial or commercial relationships between KLM and Air France (and, more generally, between all subsidiaries of the Air France-KLM group) take place at normal market terms due to the way in which the Air France-KLM group is structured and managed (see recitals (46) to (47));

- The financing costs and operational expenses of the Holding made for the benefit of both subsidiaries are compensated by payments and fees on an arm's length basis (see recital (44)).
- (114) Second, the Commission notes that the contractual mechanisms described at recital (53) include multiple safeguards that ensure that the funds granted through the notified aid measure do not benefit any entity other than KLM (and its subsidiaries). They are thus equivalent to an allocation clause and make it possible to channel effectively and exclusively the actual benefit of the notified aid measure to a sole company, namely KLM (and its subsidiaries).
- (115) In addition, the Commission notes the involvement of the Holding in the granting of the aid as the Holding is a signatory of the Framework Agreement. However, the Commission also notes that the role of the Holding relating to the notified aid measure is only limited to what is necessary in view of its position as the main shareholder in KLM (see recital (51)). In particular, the Commission notes that the funds will be directly transferred from the lenders to KLM and will therefore not transit through the Holding (see recital (50)). Therefore, notwithstanding its minor involvement in the granting of the aid, the Holding cannot be considered as a beneficiary of the notified aid measure.
- (116) Finally, the Commission considers that the corporate and governance structure of the Air France-KLM group (described in recitals (46) to (47) and (52)) prevents the risk that the aid received by KLM may be transferred to Air France through financial agreements or commercial cooperation agreements on advantageous terms for Air France. In that respect, the Commission considers that the explanations and examples provided by the Netherlands (see recital (47)) demonstrate that the commercial relations between Air France and KLM take place under normal market conditions. Therefore, KLM alone will retain the actual benefit of the notified aid measure and Air France cannot be considered as a beneficiary of the notified aid measure.
- (117) On balance, despite the links between KLM, Air France and the Holding, the Commission considers that, overall, on the basis of the body of evidence set out in section 2.5 and assessed in the recitals (112) to (116), the KLM subsidiary is sufficiently legally and financially autonomous to be considered a distinct economic unit from the Holding and Air France for the purposes of applying State aid rules to the notified aid measure. Therefore, the Commission considers that neither the Holding nor Air France benefits from the notified aid measure, as KLM is the only beneficiary of the notified aid measure.

3.2.2. *Identification of the beneficiary of the French Aid Measure*

- (118) As explained at recitals (112) and (113), the Commission considers that, despite the links between Air France and KLM and the Holding, Air France enjoys *de facto* considerable functional, economic and organic autonomy, both vis-à-vis KLM and its parent company (the Holding).
- (119) Second, the Commission notes that the contractual mechanisms include multiple safeguards that ensure that the funds granted through the French Aid Measure do not benefit any entity other than Air France (and its subsidiaries). They are thus equivalent to an allocation clause and make it possible to channel effectively and

exclusively the actual benefit of the notified aid measure to a sole company, namely Air France (and its subsidiaries).

- (120) In particular, the Commission considers that the mirror instruments described in the recitals (56) to (59) will allow the full transfer of the funds received by the Holding to the Air France subsidiary. Thus, because of the introduction of those mirror instruments, KLM will not be able to benefit from that funding, and no aid will remain at the level of the Holding. Thus, due to the existence of the mirror instruments, neither the liquidity of the Holding nor that of KLM is improved by the French Aid Measure. As a result, the mirror instruments are equivalent to an allocation clause and make it possible to channel effectively the actual benefit of the French Aid Measure to a particular company, namely Air France.
- (121) As regards the Holding, the Commission notes its involvement in the financial system set up. However, the Commission notes that, in the light of the *Verlpack* case-law, the Holding's involvement does not necessarily make it a beneficiary of the French Aid Measure. As mentioned, the result of the mirror instruments is that Holding will not retain any benefit from – and therefore no actual use of – the aid in question (i.e. no additional liquidity). Therefore, notwithstanding its role as borrower and lender, the Holding cannot be considered as a beneficiary of the French Aid Measure.
- (122) Finally, the Commission considers that the corporate and governance structure of the Air France-KLM group (described in recitals (46) to (47) and (52)) prevents the risk that the aid received by Air France may be transferred to KLM through financial agreements or commercial cooperation agreements on advantageous terms for KLM. In that respect, the Commission considers that the explanations and examples provided by the Netherlands (see recital (47)) demonstrate that the commercial relations between Air France and KLM take place under normal market conditions. Therefore, Air France alone will retain the actual benefit of the French Aid Measure and KLM cannot be considered as a beneficiary of the French Aid Measure.
- (123) On balance, despite the links between Air France and the Holding and KLM, the Commission considers that, overall, on the basis of the body of evidence set out in section 2.5 and assessed in the recitals (118) to (122), the Air France subsidiary is legally and financially autonomous for the purposes of applying State aid rules to the French Aid Measure. Therefore, the Commission considers that neither the Holding nor KLM benefitted from the French Aid Measure, as Air France remains the only beneficiary of the French Aid Measure.

3.3. Compatibility

- (124) 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.

3.3.1. Contribution of the measure to remedy a serious disturbance in the economy

- (125) 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*”.

- (126) 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*”.
- (127) According to the Dutch authorities, the measure adopted in support of KLM is justified in view of the particularly severe impact of the current COVID-19 crisis on the activities of KLM and the essential role played by KLM in the Dutch economy.
- (128) The COVID-19 crisis has dramatically affected KLM’s operations. Global lockdown measures, the inability of people to travel and almost complete halt of ticket sales of tickets, have resulted in a grounding of the vast majority of the KLM fleet.
- (129) The figures in Table 2 show the steep fall in number of passengers and freight for KLM in March and April 2020 compared to the same period in 2019, and while those in Table 3 show expectations for the rest of 2020 in relation to passengers.

Table 2 – Number of KLM passengers and freight volumes (2020 vs 2019 for the months of March and April)

<u>Period</u>	<u>March 1-31</u>	<u>April 1-30</u>
#Passengers 2019	[...]	[...]
#Passengers 2020	[...]	[...]
Freight volume 2019	[...]	[...]
Freight volume 2020	[...]	[...]

Source: The Netherlands

Table 3 – Number of KLM passengers (2019 and 2020 projection)

<u>Period</u>	<u>May</u>	<u>Jun</u>	<u>July</u>	<u>Aug</u>	<u>Sep</u>	<u>Q4</u>
# Passengers 2019	[...]	[...]	[...]	[...]	[...]	[...]
# Passengers 2020	[...]	[...]	[...]	[...]	[...]	[...]

Source: The Netherlands

- (130) The key role of KLM concerns in particular the following elements: (i) the role of KLM in the Dutch economy; (ii) the importance of KLM to guarantee Dutch connectivity; and (iii) the importance of KLM during the COVID-19 crisis and to the Dutch economic recovery.

3.3.1.1. The role of KLM in the Dutch economy

- (131) With some 36,600 employees, KLM is the Netherlands’ second-largest private employer. That number only includes the KLM workforce, but excludes staff

working at suppliers and their own suppliers in turn (facility services, security, ground handling services, subcontracted IT services, catering and maintenance suppliers) and other activities (Schiphol business activity, logistic centres, hotels, travel agents, education and so on).

- (132) Besides the significant direct impact of KLM on the Dutch economy in terms of employment, the KLM network of destination also has a significant impact on Dutch connectivity and economy. In particular, the KLM network is vital for many key sectors in the Netherlands for business, trade, investment and cross-border cooperation and innovation with partners in Europe and across the world.
- (133) The KLM network is based at Schiphol airport, which is the third-largest airport in Europe, serving 71.7 million passengers in 2019 and offering direct links to 332 international destinations. Thanks to the KLM network, Schiphol is one of the largest airports in the world and a major asset of the open and internationally-oriented Dutch economy. Schiphol provides both the Netherlands and northwest Europe with access to a sophisticated continental and intercontinental route network that is a pillar of the Dutch and the regional economy.
- (134) Approximately 114,000 jobs and EUR 10.4 billion added value to the Dutch economy are related to economic activity in the aviation sector at Schiphol. In addition, as well as employment directly related to aviation, many supply chains, sectors as well as the general Dutch business community benefit from the international connectivity provided by KLM. KLM's extensive continental and intercontinental route network underpins the Dutch national economy by facilitating business and trade and attracting international headquarters and investments to the Netherlands.
- (135) In addition to business travellers, Schiphol airport also allows tourists from across the world to travel to and from the Netherlands. On a yearly basis, KLM transports approximately 5 million tourists to and from Schiphol (approximately 2.5 million incoming and 2.5 million outgoing).
- (136) Schiphol airport operates direct connections to 194 cities and 38 countries in Europe. Some 50.5 million passengers from European cities flew to or from Schiphol in 2019, and 31 % of them transferred to another flight at Schiphol.
- (137) The significance of Schiphol is largely due to its hub function. The extensive network of intercontinental destinations could not be served if Schiphol were not a continental and intercontinental hub. Passengers from many, mainly European, cities transfer at Schiphol to fly to an intercontinental destination, and vice versa. The two functions, serving intercontinental destinations and operating a European network for transfer passengers, are inseparable and together form Schiphol's continental and intercontinental hub function.
- (138) The hub function is carried by the large intercontinental network of destinations of KLM and its partners. Out of more than 300 destinations served by Schiphol, KLM serves 165 direct destinations. Apart from its size, the KLM network distinguishes itself by frequency of flights as well as the year round character of flights to destinations.

- (139) The hub network at Schiphol is however very vulnerable, especially because of the specific Dutch context (such as the small home market), and is very dependent on the presence of KLM.
- (140) In early 2019, because of the public interest attached to the KLM network of destinations at Schiphol, the Dutch State took a 14 % interest in Air France-KLM group to safeguard the unique connectivity provided by KLM and its partners in the long-term. That investment reflected the importance of KLM and Air France-KLM group to the Dutch economy and society.

3.3.1.2. Importance of KLM to Dutch connectivity

- (141) The KLM network contributes to 53 % of direct connectivity from Schiphol Airport. The KLM network is crucial for the connectivity to and from the Netherlands for both passengers and cargo. In addition, KLM is very important for the connectivity of the Dutch regions overseas.
- (142) Approximately 50 % of passenger flights and 35 % of transported cargo from Schiphol is operated by KLM.
- (143) The KLM network is crucial due to its size, frequency of flights, all year flights and number of unique destinations. In particular:
- 158 of all KLM destinations (95.8 %) are serviced by KLM at least four times per week;
 - 71 routes to/from Schiphol are operated exclusively by KLM, which represent 22.9 % of KLM's destinations at Schiphol.
- (144) The hub function is carried by the large intercontinental network of destinations of KLM and its partners. On average, 60 % of KLM passengers are transfer passengers (65 % on intercontinental routes and 58 % on European routes). In the absence of transfer passengers, the Dutch market would be too small to continue the majority of those routes with direct flights on a regular and/or high frequency base, in particular for the business market.
- (145) The hub network of Schiphol airport is therefore vital for the Dutch economy. However, it presents some vulnerability due to the small domestic market for intercontinental and transfer traffic. In addition, in the absence of the KLM network, Schiphol airport would likely lose its hub function with a strong impact on Dutch connectivity as there is no an alternative in the Netherlands.
- (146) According to the Dutch authorities, recent research has shown that the absence of KLM network would lead to a loss of [...] % of flights from Schiphol airport and its hub role. In particular, many of the intercontinental connections would be lost especially to and from Asia and Africa.
- (147) KLM also plays a crucial role for the connectivity of the Dutch regions overseas. Prior to the crisis, KLM flew daily to Curaçao, daily to Aruba and Bonaire (combination flight) and twice per week to Sint Maarten.

3.3.1.3. Importance of KLM during the COVID-19 crisis and to Dutch economic recovery

- (148) During the COVID-19 crisis KLM played a key role in maintaining air connectivity to and from the Netherlands. Many Dutch nationals and other EU residents were able to return home from across the world on dedicated repatriation flights. During the same period KLM played a vital role in the transport of medical equipment to the Netherlands. After the COVID-19 crisis, international connectivity will be key for business in the Netherlands to return to normal.
- (149) During the period of March 14 to May 6 2020, KLM operated 6,460 flights and carried 460,000 passengers. A large part of those passengers were repatriation passengers flying back home to the Netherlands, or destinations elsewhere in Europe or the rest of the world. KLM also operated 40 dedicated repatriation flights to destinations that were difficult to reach (e.g. Sydney).
- (150) KLM has set up an airlift between the Netherlands and China for the Dutch government. It consists of ten frequencies to Shanghai and four frequencies to Beijing. In addition, KLM maintained a weekly scheduled service to Curaçao twice a week up to the end of April. KLM also operated flights to Bonaire and Sint Maarten for the purpose of bringing medical personnel, relief supplies and evacuation.
- (151) According to the Dutch authorities, the aviation sector will continue to be vital for the Dutch economy and its recovery considering that the Dutch economy is open and very much internationally oriented.
- (152) In particular, more than 30 % of the Dutch GDP is related to external markets, for example by the export of high value, time-sensitive and/or perishable goods and services to destinations all over the world. The availability of worldwide international connectivity by air is one of the pillars to restore the exports of the Netherlands. The worldwide network that KLM maintains at Schiphol Airport is fundamental for the trade, business and tourist connectivity of the Netherlands with other Member States and the rest of the world. The presence of KLM will be key for re-starting the flow of goods, services and people across borders as soon as the greatest impact of COVID-19 has eased. KLM is the only airline that is practically able to maintain such an extensive coverage from the Netherlands.
- (153) Given the importance of KLM in the Dutch economy, the Commission considers that a failure of KLM would have serious consequences for the Dutch economy in the context of the current health and economic crisis.

3.3.2. *Compatibility of the State Guarantee on loan with section 3.2 of the Temporary Framework*

- (154) The State Guarantee meets all the conditions of the Temporary Framework (as amended on 3 April 2020, 8 May and 29 June 2020).
- (155) The measure sets an annual guarantee premium of (i) 50 bps for the first year, (ii) 100 bps for the second and third years and (iii) 200 bps for the fourth, fifth and sixth years (recital (73)). It therefore complies with point 25(a) of the Temporary Framework.

- (156) The guarantee must be granted by 31 December 2020 at the latest (recital (77)). The measure therefore complies with point 25(c) of the Temporary Framework.
- (157) As the maximum amount of the loan principal will be EUR 2.4 billion (recital (21)), which is less than twice KLM's 2019 annual wage bill (approximately EUR 5.4 billion), the measure complies with point 25(d) of the Temporary Framework.
- (158) [...]
- (159) The duration of the guarantee does not exceed 6 years (recital (73)) and losses stemming from the loan are sustained proportionally and under the same conditions by the credit institutions and the State (recital (70)). Furthermore, when the size of the loan decreases over time, the guaranteed amount decreases proportionally (recital (70)). The measure therefore complies with point 25(f) of the Temporary Framework.
- (160) The guarantee relates to an investment and working capital loan (recital (68)). The measure therefore complies with point 25(g) of the Temporary Framework.
- (161) As explained by the Dutch authorities (see recital (60)), and on the basis of supporting evidence provided by the Netherlands, the Commission concludes that the guarantee is granted to an undertaking that was not already in difficulty on 31 December 2019. The measure therefore complies with point 25(h) of the Temporary Framework.
- (162) The Dutch authorities have confirmed that they will respect the monitoring and reporting rules laid down in section 4 of the Temporary Framework (recitals (95) and (96)).
- (163) The Commission considers that the measure complies with point 31 of the Temporary Framework as the banks providing the guaranteed loan pass on the advantages of the State Guarantee to KLM to the largest extent possible:
- KLM could not obtain a EUR 2.4 billion loan on the market without State support under the then current circumstances. Furthermore, KLM could not obtain a loan at such a low interest rate (i.e. EURIBOR plus [...] %) on the market without State support under the then current circumstances.
 - Once KLM regains access to cheaper unguaranteed funding, KLM will be able to refinance the guaranteed loan without penalty on any interest payment date.
 - The Facility Agent will, upon request from the Dutch authorities, request a member of the bank consortium to demonstrate that it operates a mechanism that ensures that the advantages of the State Guarantee are passed on to the largest extent possible to KLM.
- (164) The applicable cumulation rules are respected since the Dutch authorities have confirmed that the State Guarantee is not granted for the State Loan (recital (93)).

3.3.3. *Compatibility of the State Loan with section 3.3 of the Temporary Framework*

- (165) The State Loan meets all the conditions of the Temporary Framework (as amended on 3 April 2020, 8 May and 29 June 2020).
- (166) The State Loan is subordinated to all unsecured and non-subordinated debt or bank loans. The applicable interest rate for such debt instrument must comply with the minimum interest rates referred to in point 27bis of the Temporary Framework. The interest rates for the State Loan will be a coupon payable annually at a rate equal to EURIBOR 12 months plus a margin of (i) 6.25 % for the first year, (ii) 6.75 % for the second and third years, and (iii) 7.75 % for the fourth, fifth and sixth years (recital (80)). Therefore, the applicable interest rate complies with point 27bis of the Temporary Framework.
- (167) The State Loan agreement had to be granted by 31 December 2020 at the latest and is limited to a maximum of 5.5 years (recital (84)). The measure therefore complies with point 27(c) of the Temporary Framework.
- (168) As the maximum amount of the loan will be EUR 1 billion (recital (22)), which is less than twice KLM's 2019 annual wage bill (approximately EUR 5.4 billion) and than two-thirds of KLM's 2019 annual wage bill (approximately EUR 1.8 billion), the measure therefore complies with both of points 27(d) and 27bis of the Temporary Framework.
- (169) Loans granted under the measure relate to investment and working capital needs (recital (82)). The measure therefore complies with point 27(f) of the Temporary Framework.
- (170) As explained by the Dutch authorities (recital (60)), and on the basis of supporting evidence provided by the Netherlands, the Commission concludes that the State Loan is granted to an undertaking that was not already in difficulty on 31 December 2019. The measure therefore complies with point 27(g) of the Temporary Framework.
- (171) The Dutch authorities confirm that the monitoring and reporting rules laid down in section 4 of the Temporary Framework will be respected (recitals (95) and (96)).
- (172) The Dutch authorities further confirm that the aid measure may only be cumulated with other aid, provided the specific provisions in the sections of the Temporary Framework are respected and the cumulation rules of the relevant Regulations are respected. In particular, the Dutch authorities have confirmed that the State Guarantee is not granted for the State Loan (recital (93)). Moreover, the overall amount of the loans granted to KLM by the bank consortium and the State Loan (i.e. EUR 3.4 billion) is less than twice the annual wage bill of KLM for the year 2019 (including the social security premiums), which is approximately EUR 5.4 billion. The measure therefore complies with the cumulation rules set out in points 20, 24bis, and 26bis of the Temporary Framework.

(173) 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.

4. COMPLIANCE WITH INTRINSICALLY LINKED PROVISIONS OF DIRECTIVE 2014/59/EU AND REGULATION (EU) 806/2014

(174) Without prejudice to the possible application of Directive 2014/59/EU on bank recovery and resolution (“BRRD”)²⁹ and of Regulation (EU) 806/2014 on the Single Resolution Mechanism (“SRMR”),³⁰ in the event that an institution benefiting from the measures meets the conditions for the application of that Directive or of that Regulation, the Commission notes that the notified measure does not appear to violate intrinsically linked provisions of the BRRD.

(175) In particular, aid granted by Member States to non-financial undertakings as final beneficiaries under Article 107(3)(b) TFEU in line with the Temporary Framework, which is channeled through credit institutions or other financial institutions as financial intermediaries, may also constitute an indirect advantage to those institutions.³¹ Nevertheless, any such indirect aid granted under the measure does not have the objective of preserving or restoring the viability, liquidity or solvency of those institutions. The objective of the measure is to remedy the liquidity shortage faced by undertakings that are not financial institutions and to ensure that the disruptions caused by the COVID-19 outbreak do not undermine the viability of such undertakings. As a result, aid granted under the measure does not qualify as extraordinary public financial support under Article 2(1)(28) BRRD and Article 3(1)(29) SRMR.

(176) Moreover, as indicated in recitals (66) and (163), the measure introduces safeguards in relation to any possible indirect aid in favour of the credit institutions or other financial institutions to limit undue distortions to competition. Such safeguards ensure that those institutions, to the largest extent possible, pass on the advantages provided by the measure to the final beneficiary.

The Commission therefore concludes that the measure does not violate any intrinsically linked provisions of the BRRD and the SRMR.

²⁹ OJ L 173, 12.6.2014, p. 190.

³⁰ OJ L 225, 30.7.2014, p. 1.

5. 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.

If this letter contains confidential information which should not be disclosed to third parties, please inform the Commission within fifteen working days of the date of receipt. If the Commission does not receive a reasoned request by that deadline, you will be deemed to agree to the disclosure to third parties and to the publication of the full text of the letter in the authentic language on the Internet site: <http://ec.europa.eu/competition/elojade/isef/index.cfm>.

Your request should be sent electronically to the following address:

European Commission,
Directorate-General Competition
State Aid Greffe
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Yours faithfully,

For the Commission

Margrethe VESTAGER
Executive Vice-President

