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**Subject: State Aid SA.100716 (2021/N) – Belgium  
COVID-19: financial support for the organisation of events in the  
context of the COVID-19 health crisis in the Brussels-Capital Region  
(aide aux entreprises pour l’organisation d’évènements dans le cadre  
de la crise sanitaire du Covid-19 dans la Région de Bruxelles-  
Capitale)**

Excellency,

**1. PROCEDURE**

- (1) By electronic notification of 19 November 2021, Belgium notified aid in the form of limited amounts of aid (*aide aux entreprises pour l’organisation d’évènements dans le cadre de la crise sanitaire du Covid-19 dans la Région de Bruxelles-Capitale*, the “measure”) under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (the “Temporary Framework”)<sup>1</sup>. The Belgian authorities provided additional information on 24 and 25 November 2021.
- (2) Belgium exceptionally agrees to waive its rights deriving from Article 342 of the Treaty on the Functioning of the European Union (“TFEU”), in conjunction with

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<sup>1</sup> Communication from the Commission - Temporary framework for State aid measures to support the economy in the current COVID-19 outbreak (OJ C 91I, 20.3.2020, p. 1), as amended by Commission Communications C(2020) 2215 (OJ C 112I, 4.4.2020, p. 1), C(2020) 3156 (OJ C 164, 13.5.2020, p. 3), C(2020) 4509 (OJ C 218, 2.7.2020, p. 3), C(2020) 7127 (OJ C 340I, 13.10.2020, p. 1), C(2021) 564 (OJ C 34, 1.2.2021, p. 6), and C(2021) 8442 (OJ C 473, 24.11.2021, p. 1).

Son Excellence Madame Sophie Wilmès  
Ministre des Affaires étrangères, des Affaires  
européennes et du Commerce extérieur,  
et des Institutions culturelles fédérales  
Rue des Petits Carmes, 15  
B - 1000 Bruxelles

Hare Excellentie mevrouw Sophie Wilmès  
Minister van Buitenlandse Zaken, Europese Zaken en  
Buitenlandse Handel,  
en van de Federale Culturele Instellingen  
Karmelietenstraat 15  
B - 1000 Brussel

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

## 2. DESCRIPTION OF THE MEASURE

- (3) Belgium considers that the COVID-19 pandemic affects the real economy. The measure forms part of an overall package of measures and aims to ensure that sufficient liquidity remains available in the market, to counter the liquidity shortage faced by undertakings because of the pandemic, to ensure that the disruptions caused by the pandemic do not undermine the viability of the undertakings and thereby to preserve the continuity of economic activity during and after the pandemic.
- (4) The restrictive measures taken in the context of the COVID-19 pandemic, justified by the need to protect citizens, brought many sectors to a virtual standstill, particularly those related to the organisation of events. Events had to be cancelled, postponed or limited in capacity. The event and cultural sectors are among those most affected by the health crisis, especially in the Brussels-Capital Region<sup>3</sup>. As a result, a significant proportion of those businesses face low cash flow, making it more difficult to organise new events and jeopardising the viability of the business in the event of the application of new, stricter health measures. In addition, the health situation remains fragile, especially in the Brussels-Capital Region. The 2021-2022 winter period is likely to be accompanied by new health measures, aiming to prevent further strain on the healthcare system. It is almost inevitable that, in this case, the events sector would suffer heavily from the new restrictions. However, insurers are not willing to cover the risks associated with health measures in the wake of the ongoing pandemic.
- (5) The measure aims at providing financial support to the event sector, by paying out aid for unrecoverable costs for cancelled or postponed event or events subject to capacity restrictions due to the entry into force of more restrictive health measures in the context of the COVID-19 pandemic.
- (6) Belgium confirms that the aid under the measure is not conditioned on the relocation of a production activity or of another activity of the beneficiary from another country within the EEA to the territory of the Member State granting the aid. This is irrespective of the number of job losses actually occurred in the initial establishment of the beneficiary in the EEA.
- (7) The compatibility assessment of the measure is based on Article 107(3)(b) TFEU, in light of sections 2 and 3.1 of the Temporary Framework.

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<sup>2</sup> Regulation No 1 determining the languages to be used by the European Economic Community, OJ 17, 6.10.1958, p. 385.

<sup>3</sup> According to the latest reports from the Economic Risk Management Group, the events and recreation sector is expected to lose more than 70 % of their revenues in the first five months of 2021. According to a survey conducted by the Economic Risk Management Group on 22 June 2021, the events and leisure sector expects to lose 43 % of its turnover in 2021 and 27 % in 2022 compared to 2019. This makes that sector, along with the airline and travel sectors, the hardest hit sector by the health crisis. More than a quarter of the sector is facing 100 % revenue losses.

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

- (8) The measure is a scheme that provides aid in the form of direct grants.

### **2.2. Legal basis**

- (9) The legal basis for the measure is a decree of the government of the Brussels-Capital Region, a draft of which has been submitted to the Commission (*Arrêté du Gouvernement de la Région de Bruxelles-Capitale relatif à une aide aux entreprises pour l'organisation d'évènements dans le cadre de la crise sanitaire du Covid-19*). The decree will be approved and published (and thus enter into force) only after the notification of the Commission's decision authorising the measure.

### **2.3. Administration of the measure**

- (10) The aid granting and administering authority is the Brussels Regional Public Service - Brussels Economy and Employment (*Service public régional de Bruxelles – Bruxelles Economie et Emploi*).

### **2.4. Budget and duration of the measure**

- (11) The maximum estimated budget of the measure is EUR 12.5 million.
- (12) Aid may be granted under the measure as from 3 January 2022 (or a later date if the measure has not been approved by 3 January 2022) until no later than 30 June 2022.

### **2.5. Beneficiaries**

- (13) The beneficiaries of the measure are enterprises of all size that organise an event related to art, entertainment, leisure, trade fair or congresses. Financial institutions are excluded as eligible beneficiaries.
- (14) Aid may not be granted under the measure to medium<sup>4</sup> and large enterprises that were already in difficulty within the meaning of the General Block Exemption Regulation ("GBER")<sup>5</sup> on 31 December 2019. Aid may be granted to micro and small enterprises that were already 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<sup>6</sup> or restructuring aid.<sup>7</sup>

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<sup>4</sup> As defined in Annex I to 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.

<sup>5</sup> 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.

<sup>6</sup> 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.

<sup>7</sup> 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.

- (15) In addition, the beneficiary must meet all of the following conditions:
- It has contracted civil liability insurance covering the organisation of the event;
  - It does not have any social or fiscal debts at the time of the application for aid, unless they are the subject of a settlement plan concluded with the competent authorities, which is duly complied with, or of a dispute with the competent appeal body;
  - It has not already been granted, as an undertaking, including the grant referred to in this decision, more than EUR 2 300 000 in aid under section 3.1 of the Temporary Framework.

## **2.6. Sectoral and regional scope of the measure**

- (16) The measure is a sectoral measure open to undertakings that are active in the event sector. For the purpose of the measure, the event sector includes events related to art, entertainment, leisure, trade fair and congresses. Credit and financial institutions, agricultural and fishing enterprises are not within the scope of the measure.
- (17) The measure applies to undertakings that are established in the Brussels-Capital Region and organise an event on the territory of the Brussels-Capital Region.

## **2.7. Basic elements of the measure**

- (18) The measure aims at providing financial support to the event sector, by compensating for unrecoverable costs for cancelled or postponed events or events subject to capacity restrictions, in the context of the COVID-19 health crisis.
- If the event is cancelled, the aid may cover all eligible<sup>8</sup> expenses that are already incurred, non-cancellable and non-recoverable, up to a ceiling of 30 % of the total eligible expenses related to the event;
  - If the event is postponed, the aid may cover 90 % of eligible expenses (see footnote 8) that are already incurred, non-cancellable and non-recoverable;
  - If new capacity restrictions are applicable, the aid may cover 100 % of the (price of the) tickets already sold and for which the customers obtained a refund from the organizer (beneficiary of the measure) following the capacity restrictions.
- (19) The amount of aid is capped at EUR 150 000 per event and at EUR 750 000 per beneficiary. Belgium confirmed that the overall aid under the measure cannot exceed EUR 2 300 000 per undertaking at any given point in time. All figures used are gross, before any deduction of tax or other charges.
- (20) In addition, the event at stake must meet all of the following conditions:
- it is held on the territory of the Brussels-Capital Region;

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<sup>8</sup> Eligible expenses are defined in the decree as expenses that meet the following cumulative criteria: (1) they are borne by the organiser of the event; (2) they are directly related to the organisation and operation of the event; (3) they do not constitute general expenses or financial costs of the beneficiary; (4) they are not covered by insurance or other public aid; (5) they are duly proven and justified.

- it takes place within the time period from 20 January 2022 until 31 August 2022 at the latest;
- it has a total expenditure budget of at least EUR 25 000;
- it is organised in accordance with the health measures in force;
- it contributes significantly to the recovery of the economy of the Brussels-Capital Region through the active creation of revenue, added value or the creation or preservation of direct and indirect jobs;
- it does not benefit from any other public aid intended to cover, in the event of a cancellation, postponement or capacity restriction, a loss of income or any financial damage<sup>9</sup>.

## 2.8. Cumulation

- (21) The Belgian authorities confirm that aid granted under the measure may be cumulated with aid under *de minimis* Regulations<sup>10</sup> and the GBER, provided the provisions and cumulation rules of those Regulations are respected.
- (22) The Belgian 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.
- (23) The Belgian authorities confirm that if the beneficiary receives aid on several occasions or in several forms under the measure or aid under other measures approved by the Commission under section 3.1 of the Temporary Framework, the overall maximum cap per undertaking, as set out in point 22(a) of that framework, will be respected.

## 2.9. Monitoring and reporting

- (24) The Belgian 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 via the Commission's IT tool within 12 months from the moment of granting<sup>11</sup>).

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<sup>9</sup> The Belgian authorities explained that this provision aims at excluding from the scope of the measure events already covered by schemes aiming at compensating the same expenses (such as a scheme of the Flemish Region applicable to events in the Brussels-Capital Region, see Commission decision C(2021) 5447 final of 16 July 2021 in case SA.63932).

<sup>10</sup> 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).

<sup>11</sup> Referring to information required in Annex III to GBER.

### 3. ASSESSMENT

#### 3.1. Lawfulness of the measure

- (25) By notifying the measure before putting it into effect (recital (9)), the Belgian authorities have respected their obligations under Article 108(3) TFEU.

#### 3.2. Existence of State aid

- (26) 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.
- (27) The measure is imputable to the State, since it is administered by the Brussels-Capital public service (recital (10)) and it is based on an administrative act of the Brussels-Capital government (recital (9)). It is financed through State resources, since it is financed by public funds.
- (28) The measure confers an advantage on its beneficiaries in the form of direct grants (recital (8)). The measure thus confers an advantage on those beneficiaries that they would not have had under normal market conditions.
- (29) The advantage granted by the measure is selective, since it is awarded only to undertakings active in a specific sector and established in the Region of Brussels-Capital, excluding *inter alia* the financial sector (recital (16)).
- (30) The measure is liable to distort competition, since it strengthens the competitive position of its beneficiaries. It also affects trade between Member States, since those beneficiaries are active in sectors in which intra-Union trade exists.
- (31) In view of the above, the Commission concludes that the measure constitutes aid within the meaning of Article 107(1) TFEU. The Belgian authorities do not contest that conclusion.

#### 3.3. Compatibility

- (32) 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.
- (33) 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*”.
- (34) 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”.*

- (35) The measure aims at providing support to SMEs active in the event sector directly affected by restrictive measures in the Brussels-Capital Region in Belgium, at a time when the normal functioning of markets is severely disturbed by the COVID-19 pandemic and that pandemic is affecting the wider economy and leading to severe disturbances of the real economy of Member States.
- (36) The measure is one of a series of measures conceived at national level by the Belgian authorities to remedy a serious disturbance in their economy. Furthermore, the measure has been designed to meet the requirements of a specific category of aid (“*Limited amounts of aid*”) described in section 3.1 of the Temporary Framework.
- (37) The Commission accordingly considers that the measure is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State and meets all the conditions of the Temporary Framework. In particular:
- The aid takes the form of direct grants (recital (8)). The overall nominal value of the direct grants shall not exceed EUR 2.3 million per undertaking at any given point in time (recital (19)); all figures used must be gross, that is, before any deduction of tax or other charges. The measure therefore complies with point 22(a) of the Temporary Framework.
  - Aid is granted under the measure on the basis of a scheme with an estimated budget as indicated in recital (8) and recital (11). The measure therefore complies with point 22(b) of the Temporary Framework.
  - Aid may not be granted under the measure to medium and large enterprises that were already in difficulty on 31 December 2019. 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<sup>12</sup> or restructuring aid<sup>13</sup> (recital (14)). The measure therefore complies with points 22(c) and 22(c)bis of the Temporary Framework.
  - Aid will be granted under the measure no later than 30 June 2022 (recital (12)). The measure therefore complies with point 22(d) of the Temporary Framework.
- (38) The Belgian authorities confirm that the aid under the measure is not conditioned on the relocation of a production activity or of another activity of the beneficiary from another country within the EEA to the territory of the Member State

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<sup>12</sup> 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.

<sup>13</sup> 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.

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 (6)).

- (39) The Belgian authorities confirm that the monitoring and reporting rules laid down in section 4 of the Temporary Framework will be respected (recital (24)). The Belgian authorities further confirm that the aid under the measure may only be cumulated with other aid, provided the specific provisions in the sections of the Temporary Framework and the cumulation rules of the relevant Regulations are respected (recitals (21) to (23)).
- (40) The Commission therefore considers that the measure is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State pursuant to Article 107(3)(b) TFEU since it meets all the relevant conditions of the Temporary Framework.

#### **4. CONCLUSION**

The Commission has accordingly decided not to raise objections to the aid on the grounds that it is compatible with the internal market pursuant to Article 107(3)(b) of the Treaty on the Functioning of the European Union.

The decision is based on non-confidential information and is therefore published in full on the Internet site: <http://ec.europa.eu/competition/elojade/isef/index.cfm>.

Yours faithfully,

For the Commission

Margrethe VESTAGER  
Executive Vice-President