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**Subject: State Aid SA.100917 (2021/N) – Czechia
COVID-19: Prolongation of the schemes SA.57358, as already
amended, SA.58018, as already amended, SA.58167, as already
amended, SA.62471, SA.62477 and SA.62970**

Excellency,

1. PROCEDURE

- (1) By electronic notification of 3 December 2021, Czechia notified a prolongation and amendments (the “notified amendments”) to the following existing aid schemes (collectively, the “existing aid schemes”), which the Commission had already approved (“the initial decisions”) under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak¹ (the “Temporary Framework”):
- (a) SA.57358 (2020/N) “*COVID-19: Public health insurance reliefs for self-employed*”, which the Commission approved by Decision C(2020) 6230 final of 8 September 2020;

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

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- (b) SA.58018 (2020/N) “*COVID-19: Support for Health Spa’s*”, which the Commission approved by Decision C(2020) 5552 final of 7 August 2020;
 - (c) SA.58167 (2020/N) “*COVID-19 - CZ - 3.1 TF - Operational Programme Employment*”, which the Commission approved by Decision C(2020) 5890 final of 24 August 2020;
 - (d) SA.62471 (2021/N) “*COVID-19: Umbrella Scheme for Programmes to Support Entrepreneurs Affected by the Worldwide Spread of COVID-19 under section 3.1 of Temporary Framework*”, which the Commission approved by Decision C(2021) 3447 final of 10 May 2021;
 - (e) SA.62477 (2021/N) “*COVID-19: Programme of uncovered fixed costs*”, which the Commission approved by Decision C(2021) 3038 final of 26 April 2021; and
 - (f) SA.62970 (2021/NN) “*COVID-19: Deferral of payment of public health insurance premiums for self-employed persons*”, which the Commission approved by Decision C(2021) 5680 final of 2 August 2021.
- (2) Some of the existing aid schemes have been amended as follows:
- (a) SA.57358 and SA.58167 were amended by SA.59705 (2020/N), approved by Commission decision C(2020) 9349 final of 16 December 2020, and then by SA.62040 (2021/N), approved by Commission decision C(2021) 1605 final of 5 March 2021; and
 - (b) SA.58018 was amended by SA.61912 (2021/N), approved by Commission decision C(2021) 1640 final of 9 March 2021.
- (3) Czechia exceptionally agrees to waive its rights deriving from Article 342 of the Treaty on the Functioning of the European Union (“TFEU”), in conjunction with Article 3 of Regulation 1/1958,² and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE NOTIFIED AMENDMENTS

- (4) The objective of the existing aid schemes is to preserve the continuity of economic activity during and after the COVID-19 pandemic. They are designed to ensure that undertakings continue to have access to the necessary liquidity to overcome the current economic difficulties.
- (5) The notified amendments consist of the following: first, all the existing aid schemes are prolonged until 30 June 2022. Second, for SA.58167, SA.58018 and SA.62471, the maximum aid amounts are increased to EUR 290 000 per undertaking active in the primary production of agricultural products, EUR 345 000 per undertaking active in the fishery and aquaculture sector, and EUR 2 300 000 per undertaking active in all other sectors. For SA.62477 the maximum aid amount is increased to EUR 12 million per undertaking.

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

- (6) Apart from the notified amendments, the Czech authorities confirm that no further amendments are proposed to the existing aid schemes and that all other conditions of these schemes remain unaltered.
- (7) The legal bases for the notified amendments of the existing schemes are as follows:
- (a) SA.57358 (2020/N): the legal basis of the measure is Act 134/2020 of 25 March 2020 amending Act No 592/1992 on insurance premiums for public health insurance;
 - (b) SA.58018 (2020/N): the legal basis for the measure are Act No. 218/2000 Coll. on budgetary rules; Act No. 164/2001 Coll. on natural curative resources, sources of naturally occurring mineral water, natural curative spas and spa facilities and change to some related acts (the Spa Act); Act No. 372/2011 Coll, on medical services; Government Resolution No. 631/2020 of 8 June 2020, on the crisis action plan for tourism in Czechia 2020-2021; Government Resolution No. 703/2020 of 29 June 2020, on the support of the spa tourism industry (COVID-Spa Act); and a draft resolution that was provided as part of this notification;
 - (c) SA.58167 (2020/N): the legal basis for the measure are Resolution No 867 of 28 November 2012 to prepare the programmes co-financed by the Common Strategic Framework Funds for programming period 2014-2020, and the Budget Rules Act No 2018/2000 of 27 June 2000;
 - (d) SA.62471 (2021/N): the legal basis for the measure are Resolution of the Czech Government No. 415/2021 of 26 April 2021 on Approval of the Umbrella Scheme for Aid Granting under Section 3.1 of the Temporary Framework); Act No. 218/2000 Coll. on Budgetary Rules; and Resolution of the Czech Government No. 1060/2021 of 22 November 2021, which approves the intention to implement the next programme call in relation to the COVID-19 pandemic;
 - (e) SA.62477 (2021/N): the legal basis for the measure are Act no. 218/2000 Coll., On the Budgetary Rules and the Amendments to Certain Related Acts (Budgetary Rules), as amended; Act no. 110/1998 Coll., On the Security of the Czech Republic; Act No. 240/2000 Coll. On Crisis Management and on Amendments to Certain Acts (Crisis Act), as amended; Resolution of the Czech Government No. 278 of 8 March 2021, which approves the “Programme Framework of the Ministry of Industry and Trade COVID – Uncovered Costs” (hereafter “the Programme Framework”); and Resolution of the Czech Government No. 1060/2021 of 22 November 2021, which approves the intention to implement the next programme call of COVID-19 – Programme of Uncovered costs; and
 - (f) SA.62970 (2021/NN): the legal basis for the measure is Act No 592/1992 Coll. on Public Health Insurance Contributions as amended by Act No. 161/2021 Coll.
- (8) The Czech authorities committed to respect all the applicable conditions of the Temporary Framework.

- (9) Aid may be granted under the existing aid schemes, as amended, as from the notification of the Commission's decision approving the notified amendments.

3. ASSESSMENT

3.1. Existence of State aid

- (10) 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.
- (11) The existing aid schemes constitute State aid within the meaning of Article 107(1) TFEU for the reasons set out in the initial decisions. The amendments referred to in recital (2) did not affect this conclusion. The notified amendments do equally not affect that conclusion. The Commission therefore refers to the assessment of the initial decisions and concludes that the existing aid schemes, as amended, constitute State aid within the meaning of Article 107(1) TFEU.

3.2. Compatibility

- (12) The existing aid schemes are compatible with the internal market pursuant to Article 107(3)(b) TFEU, since they meet the conditions of sections 2, 3.1 and 3.12 of the Temporary Framework for the reasons set out in the initial decisions. The amendments referred to in recital (2) above did not affect that assessment as confirmed in the respective Commission decisions thereon. The Commission therefore refers to the respective assessment of the initial decisions.
- (13) The Commission considers that a limited prolongation of the existing aid schemes is appropriate to ensure that national support measures effectively help affected undertakings during the COVID-19 pandemic. The notified amendments do not affect the compatibility assessment made under the initial decisions and confirmed under the amendments specified in recital (2). In particular, the Commission notes that aid under the schemes can only be granted until 30 June 2022, as described in recital (5). The schemes as amended thus comply with points 22(d) and 87(a) of the Temporary Framework.
- (14) Furthermore, the Commission notes that for SA.58167, SA.58018 and SA.62471 the maximum aid amounts per beneficiary under section 3.1 of the Temporary Framework are increased to EUR 290 000 per undertaking active in the primary production of agricultural products, EUR 345 000 per undertaking active in the fishery and aquaculture sector, and EUR 2 300 000 per undertaking active in all other sectors. For SA.62477 the maximum aid amounts per beneficiary under section 3.12 of the Temporary Framework is increased to EUR 12 million per undertaking (see recital (5)). The notified measures thus continue to comply with points 22(a), 23(a) and 87(d) of the Temporary Framework.
- (15) Apart from the notified amendments, Czechia confirms that no further amendments are proposed to the existing aid schemes and that all other conditions of that scheme remain unaltered.

- (16) The Commission therefore considers that the notified amendments are necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State pursuant to Article 107(3)(b) TFEU since they meet all the relevant conditions of the Temporary Framework. The notified amendments do not alter the Commission's conclusion on the compatibility of the existing aid schemes in the initial decision and in the amendments referred to in recital (2).

4. CONCLUSION

The Commission has accordingly decided not to raise objections to the schemes, as amended, on the grounds that they are 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