



EUROPEAN COMMISSION

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PUBLIC VERSION

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**Subject: State Aid SA.100937 (2021/N) – Lithuania  
COVID-19: Prolongation of Deferral of social security contributions  
(SA.58885 as prolonged by SA.63496)**

Excellency,

## 1. PROCEDURE

- (1) By electronic notification of 2 December 2021, Lithuania notified a prolongation (the “notified prolongation”) of State aid measure SA.58885 (2020/N) Deferral of social security contributions (the “existing aid scheme”) approved by Commission decision C(2020)8165 final on 18 November 2020 (the “initial decision”) under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (the “Temporary Framework”).<sup>1</sup> A first prolongation of the existing aid scheme was approved by Commission decision C(2021)4856 final on 25 June 2021.<sup>2</sup>
- (2) Lithuania 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).

<sup>2</sup> In case SA.63496 (2021/N) – Lithuania COVID-19: Prolongation of Deferral of social security contributions (SA.58885)

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

## **2. DESCRIPTION OF THE NOTIFIED AMENDMENTS**

- (3) Lithuania wishes to prolong the existing aid scheme, so that aid may be granted until no later than 30 June 2022 and the end date for the deferrals shall not be later than 30 June 2023.
- (4) Apart from the notified prolongation, Lithuania confirms that no further amendments are proposed to the existing aid scheme and that all other conditions of that scheme remain unaltered.
- (5) The legal basis for the notified prolongation are the Rules for granting of State aid to undertakings affected by the COVID-19 outbreak by the State Social Insurance Fund, which Lithuania intends to amend in order to introduce the notified prolongation.
- (6) Aid may be granted under the existing aid scheme, as prolonged, as from the notification of the Commission's approval of the notified prolongation.

## **3. ASSESSMENT**

### **3.1. Lawfulness of the measure**

- (7) By notifying the prolongation before putting it into effect, the Lithuanian authorities have respected their obligations under Article 108(3) TFEU.

### **3.2. Existence of State aid**

- (8) 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 be liable to affect trade between Member States.
- (9) The existing aid scheme constitutes State aid within the meaning of Article 107(1) TFEU for the reasons set out in the initial decision. The notified prolongation does not affect that conclusion. The Commission therefore refers to the respective assessment of the initial decision and concludes that the existing aid scheme, as prolonged, constitutes State aid within the meaning of Article 107(1) TFEU.

### **3.3. Compatibility**

- (10) The existing aid scheme is compatible with the internal market pursuant to Article 107(3)(b) TFEU, since it meets the conditions of Section 2 and

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<sup>3</sup> Regulation No 1 determining the languages to be used by the European Economic Community, OJ 17, 6.10.1958, p. 385.

Section 3.9 of the Temporary Framework for the reasons set out in the initial decision. The Commission therefore refers to the respective assessment of the initial decision.

- (11) The notified prolongation does not affect that conclusion. In particular, according to point 41 of the Temporary Framework, the aid shall be granted before 30 June 2022 and the end date for the deferral shall not be later than 30 June 2023.
- (12) Apart from the notified prolongation, Lithuania confirms that no further amendments are proposed to the existing aid scheme and that all other conditions of that scheme remain unaltered.
- (13) The Commission therefore considers that the notified prolongation 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. The Commission therefore considers that the notified prolongation does not alter the Commission's conclusion on the compatibility of the existing aid scheme in the initial decision.

#### **4. CONCLUSION**

The Commission has accordingly decided not to raise objections to the scheme, as prolonged, 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