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PUBLIC VERSION

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Subject: State Aid SA.101418 (2022/N) – Greece
COVID-19: Amendment to SA.100951: subsidy scheme for the municipalities of Mantoudi-Limni-St.Anna and Istiaia-Aidipsos of the region of Northern Evia

Excellency,

1. PROCEDURE

(1) By electronic notification of 7 January 2022, Greece notified amendments (the "notified amendments") to State aid measure SA.100951 "subsidy scheme for the municipalities of Mantoudi-Limni-St.Anna and Istiaia-Aidipsos of the region of Northern Evia" (the "existing aid scheme") which the Commission has already approved (the "initial decision"[1]), under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (the "Temporary Framework").[2]

(2) Greece exceptionally agrees to waive its rights deriving from Article 342 of the Treaty on the Functioning of the European Union ("TFEU"), in conjunction with

[1] Commission Decision C(2021) 9608 final of 14 December 2021 - SA.100951 (2021/N.

[2] 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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Article 3 of Regulation 1/1958[3] and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE NOTIFIED AMENDMENTS

(3) The objective of the existing aid scheme is to support undertakings that are still active in the municipalities of Mantoudi-Limni-St.Anna and Istiaia-Aidipsos of the region of Northern Evia, whose business activity was impacted by the COVID-19 outbreak (see recital (3) of the initial decision).

(4) With the notified amendments, Greece wishes to introduce amendments to the existing aid scheme as follows:

(a) The budget of the scheme is increased from EUR 7.5 million (see recital (11) of the initial decision) to a total of EUR 11.5 million. The estimated number of beneficiaries is also increased to approximately 2 000.

(b) A reduction of turnover of at least 20% will be required, instead of 30% (as described in recital (14)(a) of the initial decision). The Greek authorities also make the precision that, in the situations where the beneficiary has zero turnover in the relevant periods of 2019 and of 2020, the reference turnover can be that of the second quarter of 2021 (see footnote 6 of the initial decision).

(c) Companies for which no data are available for a reliable comparison of turnover, may be eligible for the minimum amount of aid, that is EUR 1 000 (see recital (18) of the initial decision), as long as they operate in certain sectors of the economy that are highly affected by the pandemic, i.e. lodging/accommodation, retail and catering/restaurants. More specifically:

– Private companies, subject to VAT, established after 1.1.2021 may be eligible for an amount of EUR 1 000, as long as they operate in the sectors of lodging/accommodation, retail and catering/restaurants.

– Private companies non-subject to VAT may be eligible for an amount of EUR 1 000 as long as they operate in the sector of lodging/accommodation.

(d) Greece explains that all beneficiaries must be subject to VAT, except for the possibility in paragraph (c) above, second indent.

(e) Greece specifies that the eligible passenger transportation companies (see recital (13)(b) of the initial decision) are shipping companies that serve the prefecture of Evia, as determined by the Ministry Of Shipping and Island Policy, and certain bus operators[4] also serving the prefecture of Evia.

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

4 Common Fund for Bus Revenues (KTEL) provide public transportation services for passengers.

Furthermore, the exclusions in recital (13)(b), first and second indent, referring to companies with more than 1 000 employees and to certain entities (inter alia public, regional or municipal legal entities), do not apply to such passenger transportation companies. Greece also clarifies that the condition of having the beneficiary's registered office or permanent establishment in the municipalities of Mantoudi-Limni-St.Anna and Istiaia-Aidipsos of the region of Northern Evia (see recital (14)(a) of the initial decision) does not apply to passenger transportation services, for which the eligibility condition is fulfilled if they serve the region of North Evia.

(f) Greece specifies that beneficiaries must be active (see recital (14)(a) of the initial decision) on the date of 3 August 2021.

(5) Apart from the notified amendments, Greece confirms that no further amendments are proposed to the existing aid scheme and that all other conditions of that scheme remain unaltered.

(6) The legal bases for the notified amendments are Joint Decisions of the Ministers for Finance, Development and Investments No 157866/2021 (Official Gazette 5712/9.12.2021) and No 168528/2021 (Official Gazette 6374/31.12.2021). Both Joint Decisions introduced modifications to the draft measure notified in SA.100951.

(7) The notified amendments include a suspensory clause and will not enter into effect until the notification of the Commission's decision.

3. Assessment

3.1. Lawfulness of the measure

(8) By notifying the measure before putting it into effect, the Greek authorities have respected their obligations under Article 108(3) TFEU.

3.2. Existence of State aid

(9) 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.

(10) The existing aid scheme constitutes State aid within the meaning of Article 107(1) TFEU for the reasons set out in recitals (27) to (32) of the initial decision. The notified amendments do not affect that conclusion. The Commission therefore refers to the respective assessment of the initial decision and concludes that the existing aid scheme, as amended, constitutes State aid within the meaning of Article 107(1) TFEU.

3.3. Compatibility

(11) 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 section 3.1 of the Temporary Framework for the reasons set out in recitals (33) to (41) of the initial decision. The Commission therefore refers to the respective assessment of the initial and previous amendment decisions.

(12) The notified amendments do not affect that conclusion. In particular:

(a) The modified budget of the scheme (see recital (3)(a)) continues to comply with point 22(b) of the Temporary Framework.

(b) Neither the lowering of the required reduction of turnover necessary to be a beneficiary of the scheme from 30% to 20%, nor the clarification that the turnover of the second quarter of 2021 will be used to establish the reference turnover when the relevant turnover of both 2019 and 2020 is zero (see recital (3)(b)), change the conclusion that the scheme continues to benefit companies that have been severely affected by the COVID-19 pandemic. In the same way, only companies that operate and have been severely affected by the pandemic because they operate in certain sectors highly affected by the pandemic, such as lodging/accommodation, retail and catering/restaurants, will be exempted from the condition of showing the reduction of turnover and entitled to the minimum amount of aid of EUR 1 000 (see recital (3)(c)).

(c) The clarification that all beneficiaries must be subject to VAT, save for the possibility of companies in the lodging/accommodation sector of having access to the minimum amount of aid of EUR 1 000 (see recital (d)), does not affect the assessment of the scheme.

(d) The clarification of the scope of eligible passenger transportation companies (see recital (3)(e)) does not affect the assessment of the scheme. In particular, eligible passenger transportation companies continue to have been severely affected by the pandemic.

(e) The specification of the date at which a beneficiary must be active (see recital (3)(f)), that is, on 3 August 2021, does not affect the assessment of the scheme.

(13) 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 Commission therefore considers that the notified amendments do 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 amended, 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