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PUBLIC VERSION
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Subject: State Aid SA.102512 (2022/N) – Hungary
7th amendment to SA.56926 (2020/N) – COVID-19: Aid measures for increasing competitiveness of undertakings in relation with the COVID-19 outbreak

Excellency,

1. PROCEDURE

(1) By electronic notification of 4 April 2022, Hungary notified an amendment to the aid scheme SA.56926 (“the initial scheme”), which the Commission approved by decision of 8 April 2020 (“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.


Szijjártó Péter
Külgazdasági és Külügyminiszter
1027 Budapest, Bem rakpart 47.
Magyarország

(3) Hungary complemented the notification on 12 April 2022.

(4) Hungary 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 and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE AMENDMENT

(5) Hungary intends to introduce a seventh amendment to the amended scheme.

(6) Hungary proposes to extend the deadline for completion of the investment as follows (“the notified amendment”):

   (a) from 30 April 2022 until 31 December 2022 for investments of at least EUR 150 000;

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

10 The deadline for beneficiaries to implement an investment in Hungary of at least EUR 150 000 was extended from 30 June 2021 to 31 December 2021 (see recital (12) sixth bullet point of the initial
(b) from 31 August 2022 until 31 December 2022 for investments of at least EUR 2 million in the cases where the beneficiary cannot provide a guarantee for the implementation of the investment\textsuperscript{11}.

(7) There are no further modifications proposed to the amended scheme. The Hungarian authorities confirm that they maintain all the commitments made in the notifications concerning the initial scheme and the first, the second, the third, the fourth, the fifth and the sixth amendments.

(8) The national legal basis is the Government Decree No. 118/2022. (III. 22.) on the rules for emergency situations relating to the extension of the duration of the supported activity.

3. **ASSESSMENT**

3.1. **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 affect trade between Member States.

(10) The qualification of the amended scheme as State aid within the meaning of Article 107(1) TFEU was established in recitals (23) to (28) of the initial Decision approving the initial scheme and in the subsequent decisions approving the amendments to the initial scheme\textsuperscript{12}. The modifications to the amended scheme described in recital (6) do not affect those conclusions. The Commission therefore refers to the assessment of the initial Decision and the subsequent decisions approving the amendments to the initial scheme and concludes that the amended scheme continues to constitute State aid within the meaning of Article 107(1) TFEU.

3.2. **Compatibility**

(11) The Commission already assessed the initial scheme and its amendments on the basis of Article 107(3)(b) of the TFEU in light of the Temporary Framework and concluded that they were compliant with the compatibility conditions set out in that Framework. The Commission refers to its compatibility analysis as set out in

\textsuperscript{11} For beneficiaries that provide a guarantee, the time limit to implement an investment in Hungary of at least EUR 2 million is already 31 December 2022 (see recital (8)(d) of the Decision approving the fifth amendment).

\textsuperscript{12} To that effect, see recitals (10) and (11) of the Decision approving the first amendment, recitals (13) to (15) of the Decision approving the second amendment, recitals (9) and (10) of the Decision approving the third amendment, recitals (9) and (10) of the Decision approving the fourth amendment, recitals (14) and (16) of the Decision approving the fifth amendment, and recitals (15) and (16) of the Decision approving the sixth amendment.
recitals (29) to (34) of the initial Decision and in the subsequent decisions approving the amendments to the initial scheme.

(12) The Commission considers that its conclusions on the compatibility assessment of the measure with the Temporary Framework are not altered by the notified amendment as described in recital (6). In particular, the extension of the deadlines for the completion of the investments does not affect the end date by when the aid may be granted under the measure, being 30 June 2022.

(13) Apart from these amendments referred to in recital (6), the Commission notes that there are no other alterations to the amended scheme (see recital (7)).

(14) In light of the above, the Commission considers that the notified amendment does not alter the conclusions on the compatibility of the scheme as amended.

4. **Conclusion**

The Commission has accordingly decided not to raise objections to the notified amendment 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](http://ec.europa.eu/competition/elojade/isef/index.cfm).

Yours faithfully,

For the Commission

Margrethe VESTAGER
Executive Vice-President

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13 To that effect, see recitals (12) to (14) of the Decision approving the first amendment, recitals (16) to (22) of the Decision approving the second amendment, recitals (11) to (13) of the Decision approving the third amendment, recitals (11) to (15) of the Decision approving the fourth amendment, recitals (17) to (20) of the Decision approving the fifth amendment, and recitals (17) to (25) of the Decision approving the sixth amendment.