EUROPEAN COMMISSION

Brussels, 30.6.2022
C(2022) 4666 final

PUBLIC VERSION

This document is made available for information purposes only.

Subject: State Aid SA.103176 (2022/N) – Poland
TCF: Aid in the form of loans

Excellency,

1. PROCEDURE

(1) By electronic notification of 20 June 2022, Poland notified liquidity support in the form of subsidised loans (draft regulation of 15 June 2022 of the Minister of Development Funds and Regional Policy on providing state aid from financial instruments and from financial engineering instruments resources subject to re-use to support the Polish economy following the aggression against Ukraine by the Russian Federation, the "measure") under the Temporary Crisis Framework for State aid measures to support the economy following the aggression against Ukraine by Russia (the "Temporary Crisis Framework")[1].

(2) Poland 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] Communication from the Commission on the Temporary Crisis Framework for State aid measures to support the economy following the aggression against Ukraine by Russia (OJ C 131 I, 24.3.2022, p. 1).

Jego Ekscelencja Zbigniew Rau
Minister Spraw Zagranicznych
Al. J. Ch. Szucha 23
00 - 580 Warszawa
POLSKA/POLAND

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

2. DESCRIPTION OF THE MEASURE

(3) Poland considers that the Russian aggression against Ukraine, the sanctions imposed by the European Union (EU) and its international partners and the counter-measures taken by Russia ('the current crisis') affects the real economy. The current crisis created significant economic uncertainties, disrupted trade flows and supply chains and led to exceptionally large and unexpected price increases, especially in natural gas and electricity, but also in numerous other input and raw materials and primary goods, including in the agri-food sector. The World Bank[3] estimates that the growth rate of Polish GDP will decline as a result of, inter alia, high inflation, disturbances in supply chains, collapse of trade with Russia, Ukraine and Belarus, and tightening of the monetary policy. According to the forecasts of the World Bank, GDP will amount to only 3.9 percent in 2022 compared to 5.7 percent in 2021. The Polish Central Statistical Office[4], published the results of a survey on the impact of the aggression against Ukraine by Russia on the activities of Polish companies active in: industrial processing, construction, wholesale trade, retail trade, transport and warehouse management, as well as accommodation and gastronomy. The research confirms that Polish enterprises in each of the analysed industries experience multiple direct and indirect effects of the crisis such as a drop in demand, disruptions in contracts and projects, a decline in turnover, disruptions in supply chains, especially in the case of raw materials, semi-finished products, grains and vegetable oils. According to the Polish Investment & Trade Agency[5], in 2021 the value of Polish exports to Ukraine amounted to EUR 6.3 billion, while the value of imports from Ukraine amounted to EUR 4.3 billion. In 2020, Ukraine was Poland's 14th partner in commodity exports and 21st in imports, while for Ukraine Poland was the second most important export partner and forth most important partner in terms of commodity imports. For some industries Ukraine was a key market: in 2021 Ukraine imported 20 % of Polish fertilizer exports and Ukraine supplied: 36 % of metal ores imported by Poland, 23 % of animal fats and 12 % of wood and wood articles. Russian exports to Poland were dominated by energy resources, metals, chemicals and wood while exports from Poland to Russia were dominated by machinery and equipment, food products, plastics, perfumes and pharmaceuticals. Disrupting those supply chains means searching for new supply sources and

---

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

3 "War in the Region", the World Bank, https://openknowledge.worldbank.org/bitstream/handle/10986/37268/9781464818660.pdf

4 https://stat.gov.pl/en/topics/business-tendency/business-tendency/business-tendency-in-manufacturing-construction-trade-and-services-april-2022,2,28.html

5 https://www.paih.gov.pl/rynki_zagraniczne/Ukraina
https://www.paih.gov.pl/rynki_zagraniczne/Rosja

paying much higher prices because of increased international competition, particularly for energy resources and related costs (e.g. for transportation). Increased prices contribute to reduced margins, and further on to increased liquidity needs that cannot be covered by sales that are reduced as a result of the war in Ukraine. Furthermore, the aggression against Ukraine by Russia also has a strong influence on Ukrainian employees in Poland and the crisis is also felt in the financial markets, in particular in terms of liquidity and fluctuations in the commodity trading market. Thus, the measure aims to remedy the liquidity shortage faced by undertakings that are directly or indirectly affected by the serious disturbance of the economy caused by the Russian aggression against Ukraine, the sanctions imposed by the EU or by its international partners, as well as by the economic counter measures taken so far by Russia.

(4) Poland 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.

(5) The compatibility assessment of the measure is based on Article 107(3)(b) TFEU, in light of sections 1 and 2.3 of the Temporary Crisis Framework.

2.1. The nature and form of aid

(6) The measure provides aid in the form of subsidised loans.

2.2. Legal basis

(7) The legal basis for the measure is the draft regulation of 15 June 2022 of the Minister of Development Funds and Regional Policy on providing state aid from financial instruments and from financial engineering instruments resources subject to re-use to support the Polish economy following the aggression against Ukraine by the Russian Federation ("*Rozporządzenie Ministra Funduszy i Polityki Regionalnej w sprawie udzielania pomocy z instrumentów finansowych oraz ze środków instrumentów inżynierii finansowej podlegających ponownemu wykorzystaniu, w celu wspierania polskiej gospodarki w związku z agresją Federacji Rosyjskiej na Ukrainę*").

(8) The implementing regulations are the national rules referring to the use of the Cohesion Policy Funds in 2014-2020 and the re-use of resources returned from 2007-2013 financial engineering instruments, namely the Act on the principles of implementation of the Cohesion Policy programmes financed under the 2014-2020 financial perspective and the Act on the principles of conducting development policy.

2.3. Administration of the measure

(9) The Ministry of Development Funds and Regional Policy is responsible for administering the measure.

2.4. Budget and duration of the measure

(10) The estimated budget of the measure is PLN 45 million (around EUR 9.6 million[6]).

(11) Aid may be granted under the measure as from the notification of the Commission's decision approving the measure until no later than 31 December 2022.

2.5. Beneficiaries

(12) The final beneficiaries of the measure are SMEs[7] and large enterprises active in the Polish regions Podlaskie, Podkarpackie or Świętokrzyskie. Credit institutions or other financial institutions are excluded as eligible final beneficiaries and aid may only be granted to undertakings who on the day of granting the aid are not in difficulty.

(13) Aid is granted under the measure through credit institutions and other financial institutions as financial intermediaries.

(14) Poland confirms that the aid under the measure is not granted to undertakings under sanctions adopted by the EU, including but not limited to: (i) persons, entities or bodies specifically named in the legal acts imposing those sanctions; (ii) undertakings owned or controlled by persons, entities or bodies targeted by sanctions adopted by the EU; or (iii) undertakings active in industries targeted by sanctions adopted by the EU, insofar as the aid would undermine the objectives of the relevant sanctions.

(15) Poland confirms that the measure may not in any way be used to undermine the intended effects of sanctions imposed by the EU or its international partners and will be in full compliance with the anti-circumvention rules of the applicable regulations[8]. In particular, natural persons or entities subject to the sanctions will not benefit directly or indirectly from the measure.

2.6. Sectoral and regional scope of the measure

(16) The measure is open to all sectors, except the financial sector. It applies to undertakings active in the Poland's eastern regions: Podlaskie, Podkarpackie or Świętokrzyskie.

[6] Exchange rate 19 June 2022: 1 PLN = 0.213 EUR.

[7] 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).

[8] For example, Article 12 of Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine (OJ L 229, 31.7.2014, p. 1).

2.7. Basic elements of the measure

(17) According to the Polish authorities, the measure will be a liquidity support in the form of loans with subsidised interest rates granted in line with all the conditions under section 2.3 of the Temporary Crisis Framework. More specifically:

(a) the loans will be provided to cover investment and/or working capital needs;

(b) the maximum maturity of the loans is six years;

(c) the loans contracts will be signed under the measure by 31 December 2022 at the latest;

(d) as regards the maximum amount of the loan principal per beneficiary:

– the cap provided in point 50(e)(i) and point 50(e)(ii) of the Temporary Crisis Framework will apply. In this respect, in order not to exclude newly established undertakings, the Polish authorities indicate that, as regards the cap referred to in point 50(e)(i) of the Temporary Crisis Framework, when the undertaking has been established for less than three years, or, as regards the cap referred to in point 50(e)(ii), when the undertaking has been established for less than twelve months, the aforementioned caps will be calculated based on the undertaking's duration of existence at the moment of the aid application by the undertaking to the Polish authorities.

(e) the applied interest rate of the loan shall be equal to the base rate determined in accordance with the Communication from the Commission[9], available on 1 February 2022, increased by the credit risk margins as set-out in the table below. However, the minimum all-in interest rate of the loan must be equal at least to 10 basis points per year.

Type of recipient	**Credit risk margin for 1st year**	**Credit risk margin for 2nd –3rd year**	**Credit risk margin for 4th -6th year**
SMEs	25bps	50bps	100bps
Large enterprises	50bps	100bps	200bps

(18) The Polish authorities foresee two potential implementation mechanisms, to be chosen by the administrating body:

Implementation mechanism with a fund-of-funds or a holding fund:

9 Base rates calculated in accordance with the Communication from the Commission on the revision of the method for setting the reference and discount rates (OJ C 14, 19.1.2008, p. 6) and published on the website of DG Competition at https://ec.europa.eu/competition/state_aid/legislation/reference_rates.html.

The administrating body will select and sign the funding agreement with a well-established financial institution with long-term presence on the market and highly qualified staff (e.g. national promotional bank, European Investment Bank, etc.), which will become the fund-of-funds manager or the holding fund manager. The fund-of-funds or holding fund is responsible for developing, within the limits of this scheme, the parameters of the loans to be provided. The fund-of-funds or holding fund will then select financial intermediaries (e.g. commercial banks, loan funds, guarantee funds, regional development agencies, etc.) and entrust them with the implementation of the loan scheme. The latter will provide the loans directly to the final beneficiaries.

Implementation mechanism without fund-of-funds or holding fund:

The administrating body will select and sign the funding agreements directly with financial intermediaries (e.g. commercial banks, loan funds, guarantee funds, regional development agencies, etc.), which will be both responsible for developing, within the limits of this scheme, the parameters of the loans and to provide them to the final beneficiaries. These financial intermediaries will provide the loans directly to the final beneficiaries.

(19) Under the draft regulation of 15 June 2022, financial intermediaries[10] are obliged to provide a mechanism to ensure that benefits are transferred, to the greatest extent possible, to the final beneficiary.

(20) The fund-of-funds, holding funds and/or financial intermediaries implementing the loan scheme will transfer any potential benefit to the final beneficiaries by deciding to provide financing that would not be available on the market without public intervention. In particular the value of interest resulting from the interest rate of the loan applied by the entity granting aid in the form of a loan shall be lower than the market value of interest indicating that the benefits will be transferred to the final beneficiaries.

2.8. Cumulation

(21) The Polish authorities confirm that aid granted under the measure may be cumulated with aid under *de minimis* Regulations[11] or the General Block

[10] As defined in Article 2(34) 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). This definition includes, among others, fund-of-funds, private equity investment funds, public investment funds.

[11] 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), Commission Regulation (EU) No 1408/2013 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 in the agriculture sector (OJ L 352, 24.12.2013 p. 9), Commission Regulation (EU) No 717/2014 of 27 June 2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid in the fishery and aquaculture sector (OJ L 190, 28.6.2014, p. 45) 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).

Exemption Regulation, the Agriculture Block Exemption Regulation and the Fisheries Block Exemption Regulation[12] provided the provisions and cumulation rules of those Regulations are respected.

(22) The Polish authorities confirm that aid under the measure may be cumulated with other forms of Union financing, provided that the maximum aid intensities indicated in the relevant Guidelines or Regulations are respected.

(23) The Polish authorities confirm that aid under the measure may be cumulated with aid granted under the COVID Temporary Framework for which cumulation is allowed[13]. Those measures were approved by the Commission under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak[14] (COVID-19 Temporary Framework) and the aid under the notified measure may be cumulated with those measures provided the respective cumulation rules are respected.

(24) The Polish 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 Crisis Framework provided the provisions in those specific sections are respected.

---

12 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 of 26.6.2014, p. 1), Commission Regulation (EC) No 702/2014 of 25 June 2014 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (OJ L 193, 1.7.2014, p. 1) and Commission Regulation (EU) No 1388/2014 of 16 December 2014 declaring certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (OJ L 369, 24.12.2014, p. 37).

13 As examples of schemes where there is a slightly higher risk that cumulation may occur are:
SA.56896 (2020/N) - COVID-19: Anti-crisis measures in the form of loans and guarantees financed from EU funds approved by Commission decision C(2020) 2340 final of 8 April 2020 which was amended by SA.58848 (2020/N), approved by Commission decision C(2020) 7549 final of 27 October 2020, by SA.62078 (2021/N), approved by Commission decision C(2021) 1880 final of 16 March 2021 and by SA.100902 (2021/N), approved by Commission decision C(2021) 9960 final of 22 December 2021;
SA.57065 (2020/N) - COVID-19: Anti-crisis measures in the form of loans and guarantees financed from the re-use of resources returned from 2007-2013 financial instruments approved by Commission decision C(2020) 2634 final of 22 April 2020 which was amended by SA.58849 (2020/N), approved by Commission decision C(2020) 7549 final of 27 October 2020, by SA.62078 (2021/N), approved by Commission decision C(2021) 1880 final of 16 March 2021 and by SA.100902 (2021/N), approved by Commission decision C(2021) 9960 final of 22 December 2021;
SA.57306 (2020/N) - COVID-19: Financial shield for large enterprises: Liquidity loans approved by Commission decision C(2020) 3535 final of 25 May 2020 which was amended by SA.59715 (2020/N), approved by Commission decision C(2020) 9315 final of 15 December 2020, by SA.59872 (2020/N), approved by Commission decision C(2021) 1512 final of 1 March 2021 by SA.62752 (2021/N), approved by Commission decision C(2021) 4534 final of 17 June 2021 and by SA.100902 (2021/N), approved by Commission decision C(2021) 9960 final of 22 December 2021.

14 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).

(25) The Polish authorities confirm that for the same underlying loan principal aid granted under section 2.3 of the Temporary Crisis Framework will not be cumulated with aid granted under section 2.2 of that framework and vice versa. For different loans, aid granted under section 2.3 may be cumulated with aid granted under section 2.2 provided the overall amount of loans per beneficiary does not exceed the ceilings set out in point 50(e) of the Temporary Crisis Framework.

(26) A beneficiary may benefit in parallel from multiple schemes under section 2.3 of the Temporary Crisis Framework provided the overall amount of loans per beneficiary does not exceed the ceilings set out in point 50(e) of the Temporary Crisis Framework.

2.9. Monitoring and reporting

(27) The Polish authorities confirm that they will respect the monitoring and reporting obligations laid down in section 3 of the Temporary Crisis Framework (including the obligation to publish relevant information on each individual aid above EUR 100 000 granted under the measure and EUR 10 000 in the primary agriculture and in the fisheries sectors on the comprehensive national State aid website or Commission's IT tool within 12 months from the moment of granting[15]).

3. ASSESSMENT

3.1. Lawfulness of the measure

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

3.2. Existence of State aid

(29) 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.

(30) The measure is imputable to the State, since it is administered by the Ministry of Development Funds and Regional Policy and it is based on the draft regulation of 15 June 2022 of the Minister of Development Funds and Regional Policy on providing state aid from financial instruments and from financial engineering instruments resources subject to re-use to support the Polish economy following the aggression against Ukraine by Russia (recitals (9) and (7)). It is financed through State resources, since it is financed by public funds (recital (10)).

---

[15] Referring to information required in Annex III to Commission Regulation (EU) No 651/2014 and Annex III to Commission Regulation (EU) No 702/2014 and Annex III to Commission Regulation (EU) No 1388/2014. For loans the nominal value of the underlying instrument shall be inserted per beneficiary.

(31) The measure confers an advantage on its beneficiaries in the form of subsidised interest rates (recital (6)). The measure thus relieves those beneficiaries of costs which they would have had to bear under normal market conditions.

(32) The advantage granted by the measure is selective, since it is awarded only to certain undertakings, in particular undertakings active in the regions Podlaskie, Podkarpackie or Świętokrzyskie, excluding the financial sector (recital (16)).

(33) 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.

(34) In view of the above, the Commission concludes that the measure constitutes aid within the meaning of Article 107(1) TFEU. The Polish authorities do not contest that conclusion.

3.3. Compatibility

(35) 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.

(36) 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*".

(37) By adopting the Temporary Crisis Framework on 23 March 2022, the Commission acknowledged (in section 1) that the military aggression against Ukraine by Russia, the sanctions imposed by the EU or its international partners and the counter measures taken, for example by Russia, have created significant economic uncertainties, disrupted trade flows and supply chains and led to exceptionally large and unexpected price increases, especially in natural gas and electricity, but also in numerous other input and raw materials and primary goods, including in the agri-food sector. Those effects taken together have caused a serious disturbance of the economy in all Member States, including in the economy of Poland. 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 if it serves to remedy the liquidity shortage faced by undertakings that are directly or indirectly affected by the serious disturbance of the economy caused by the Russian military aggression against Ukraine, the sanctions imposed by the EU or by its international partners, as well as the economic counter measures taken so far, for example by Russia.

(38) The measure aims at facilitating the access of undertakings to external finance at a time when a wide range of economic sectors are affected, the normal functioning of markets is severely disturbed leading to severe disturbances of the real economy of Member States, including in the economy of Poland.

(39) The measure is one of a series of measures conceived by the Polish authorities to remedy a serious disturbance in their economy. The importance of the measure to increase the availability of liquidity to enterprises is widely accepted by economic commentators and the measure is of a scale which can be reasonably anticipated to produce effects across the economy of the Polish regions: Podlaskie,

Podkarpackie and Świętokrzyskie located in the proximity of Ukraine, Belarus and Russia. Furthermore, the measure has been designed to meet the requirements of a specific category of aid ("*Aid in the form of subsidised loans*") described in section 2.3 of the Temporary Crisis Framework and the requirements for aid in the form of loans channelled through credit institutions or other financial institutions, described in point 50(g) of the Temporary Crisis Framework, which will provide the aid to the final beneficiary. When, within the limits of this scheme, the parameters of the loans are set by the fund-of-funds, holding funds or credit institutions non-market parameters will be introduced, in particular the value of interest resulting from the interest rate of the loan applied by the entity granting aid in the form of a loan shall be lower than the market value of interest (recitals (19) and (20)).

(40) 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 relevant conditions of the Temporary Crisis Framework. In particular:

- Loans under the measure granted in response to the current crisis will not be granted to credit institutions or other financial institutions (recital (12)). The measure therefore complies with point 50(a) of the Temporary Crisis Framework.

- The applicable interest rates for loans granted under the measure are equal to the base rate (as published by the Commission)[16] available on 1 February 2022 plus a credit margin of 25, 50 and 100 bps for SMEs and 50, 100 and 200 bps for large enterprises on loans with a maturity of, respectively, 1, 2 to 3 and 4 to 6 years and the minimum all-in interest rate will be at least 10 bps per year (recital (17)(e)). The measure therefore complies with point 50(b) of the Temporary Crisis Framework.

- The loan contracts will be signed by 31 December 2022 at the latest and are limited to a maximum of six years (recitals (17)(c) and (17)(b)). The measure therefore complies with point 50(d) of the Temporary Crisis Framework.

- The maximum loan amount per beneficiary granted under the subsidised loan scheme is in line with point 50(e)(i) and point 50 (e)(ii) of the Temporary Crisis Framework (recital (17)(d)).

- Loans granted under the measure relate to investment and working capital needs (recital (17)(a)). The measure therefore complies with point 50(f) of the Temporary Crisis Framework.

- The cumulation rules set out in point 49 of the Temporary Crisis Framework are respected (recital (25)).

[16] Base rates calculated in accordance with the Commission's Communication on the revision of the method for setting the reference and discount rates (OJ C 14, 19.1.2008, p. 6).

- The measure introduces safeguards in relation to the possible indirect aid in favour of the credit institutions or other financial institutions to limit undue distortions to competition. In particular, the Commission notes that financial intermediaries will be required to charge borrowers interest rates that are lower than market interest rates. The safeguards thus ensure that those institutions, to the largest extent possible, pass on the advantages of the measure to the final beneficiaries without conditioning the granting of subsidised loans under this section to refinancing existing loans. (recitals (19) and (20)). The measure therefore complies with point 50(g) of the Temporary Crisis Framework.

(41) The Polish authorities confirm that, pursuant to point 32 of the Temporary Crisis Framework, 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 (recital (4)).

(42) The Polish authorities confirm that, pursuant to point 33 of the Temporary Crisis Framework, the aid under the measure will not be granted to undertakings under sanctions adopted by the EU, including but not limited to: a) persons, entities or bodies specifically named in the legal acts imposing those sanctions; b) undertakings owned or controlled by persons, entities or bodies targeted by sanctions adopted by the EU; or c) undertakings active in industries targeted by sanctions adopted by the EU, insofar as the aid would undermine the objectives of the relevant sanctions (recital (14)).

(43) The Polish authorities confirm that the monitoring and reporting rules laid down in section 3 of the Temporary Crisis Framework will be respected (recital (27)). The Polish 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 Crisis Framework, the COVID-19 Temporary Framework and the cumulation rules of the relevant Regulations are respected (recitals (21) to (26)).

(44) 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 Crisis 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

CERTIFIED COPY
For the Secretary-General

Martine DEPREZ
Director
Decision-making & Collegiality
EUROPEAN COMMISSION