EUROPEAN COMMISSION

Brussels 22.6.2022
C(2022) 4384 final

PUBLIC VERSION

This document is made available for information purposes only.

Subject: **State Aid SA.103161 (2022/N) – Italy**
COVID-19: Exemption from social security contributions in the sector of travel agencies and tour operators

Excellency,

1. PROCEDURE

(1) By electronic notification of 26 May 2022, Italy notified aid in the form of limited amounts of aid (*Esonero contributivo nel settore agenzie di viaggi e tour operator*, the "measure") under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (the "Temporary Framework").[1]

(2) On 3 June 2022, the Commission services requested further clarifications from the Italian authorities, which they provided on 9 June 2022.

(3) Italy 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 - 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).

Onorevole Luigi Di Maio
Ministro degli Affari esteri e della Cooperazione Internazionale
Piazzale della Farnesina, 1
00135 Roma
ITALIA

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

2. DESCRIPTION OF THE MEASURE

(4) The Italian authorities consider that the COVID-19 pandemic continues to affect the real economy. According to the information provided, the Italian economy was hit more than that of other Member States and Italy was the very first Member State of the European Union to declare, with a resolution of the Council of Ministers of 31 January 2020, a state of emergency and to impose a generalised lockdown. Since then, various decrees have been enacted, which have entailed, among other things, restrictions on people's mobility, gatherings, transport of passengers and the organisation of events and have had a negative impact on the tourism sector. Some of those measures, which were particularly stringent (e.g. travel bans, time-limited validity of the green pass, the need for vaccination to carry out many activities), have effectively influenced the flow of tourists and tourist activities in Italy.

(5) In particular, the Italian authorities stress that amongst the various restrictive measures, Decree-Law No 6 of 23 February 2020, concerning "urgent measures for the containment and management of the epidemiological emergency presented by COVID-19", granted the competent authorities the power to ban inbound and outbound travel to or from a municipality or area where at least one person was tested positive to the COVID-19 coronavirus, to suspend demonstrations, events, private and public meetings, the closure of museums and art galleries and more. After the adoption of Decree-Law No 6 of 23 February 2020, which was followed by other restrictive measures, a long period of lockdown entered into force and a long period of limitations and suspensions of activities took place Italy.

(6) Italy explains that the COVID-19 pandemic has had a negative impact on the tourism sector in particular. Italy submits that in 2020 tourism generated 4.1% of the country's gross domestic product, which is a decrease from 13% in 2019. Italy also submits that in 2020, due to the COVID-19 pandemic and the containment measures taken by the Italian authorities, the sector saw a drastic drop in tourist inflow. The number of inbound tourists dropped by 54.6% compared to 2019, entailing a loss of about EUR 35 billion in revenues compared to the previous year. According to the information provided by Italy, the tourism sector continued to be impacted negatively in 2021. In particular, in the first 9 months of 2021, the accommodation sector saw a decline in the number of customers of 38.4% compared to 2019. In addition, the number of foreign tourists arriving in Italy declined by 56.1% compared to 2019. Italy submits that, that at present, the tourism sector is estimated to be one of the worst-performing industries in the country.

(7) In light of the above, the Italian authorities consider that it is crucial to help the industry cope with the contingency in order to avoid as much as possible the closure of businesses and preserve employment and economic continuity in Italy.

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

(8) The measure forms part of an overall package of measures and aims to ensure that sufficient liquidity remains available in the market, to counter the liquidity shortage faced by undertakings because of the pandemic, to ensure that the disruptions caused by the pandemic do not undermine the viability of the undertakings and thereby to preserve the continuity of employment and economic activity, in particular in the sector of activity of travel agencies, tour operators and reservations services which concerns about 26,000 direct workers across the Italian national territory.

(9) As part of the measures adopted to support the economy due to the measures taken against the COVID-19 pandemic, the measure offers, in favour of private undertakings active in the sector of activity of travel agencies, tour operators, reservation services and related activities, a total exemption from the payment of social security contributions due to the National Institute for Insurance against Accidents at Work ("INAIL"), as from 29 March 2022, up to a maximum of five months covering the months of April until August 2022. Italy considers that the total exemption of social security contributions granted under the measure will reduce the need for liquidity faced by the eligible beneficiaries due to the COVID-19 pandemic and help them maintain their activity as well as their workforce.

(10) Italy 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.

(11) The compatibility assessment of the measure is based on Article 107(3)(b) TFEU, in light of sections 2 and 3.1 of the Temporary Framework.

2.1. The nature and form of aid

(12) The measure provides aid in the form of exemptions from social security contributions.

2.2. Legal basis

(13) The legal basis for the measure is Article 4, paragraph 2 *ter* of the Decree-Law No 4 of 27 January 2022 entitled "*Urgent measures to support businesses and economic operators, work, health and local services, connected to the COVID-19 emergency, as well as to contain the effects of price increases in the electricity sector*" converted into Law No 25 of 28 March 2022.

(14) The legal basis contains a provision stipulating that aid under the measure will not be granted before its approval by the Commission[3].

[3] Article 4, paragraph 2 septies of the Decree-Law provides that "*the exemption referred to in paragraph 2-ter shall be granted in accordance with Communication from the European Commission of 19 March 2020 C (2020) 1863 final 'Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak and within the limits and under the conditions set out in that communication. Pursuant to Article 108(3) of the Treaty on the Functioning of the European Union, the effectiveness of paragraphs 2-ter to 2-sexies is subject to authorisation by the European Commission*".

2.3. Administration of the measure

(15) The Ministry of Labour and Social Policies is responsible for administering the measure.

(16) The National Institute for Social Security ("INPS") is responsible for the granting of the aid under the measure.

2.4. Budget and duration of the measure

(17) The estimated budget of the measure is EUR 56.25 million.

(18) Aid may be granted under the measure as from the notification of the Commission's decision approving the measure until no later than 30 June 2022.

2.5. Beneficiaries

(19) The beneficiaries of the measure are undertakings operating in the entire sector of activity of travel agencies, tour operators, reservation services and related activities in Italy, irrespective of their size.

(20) Aid may not be granted under the measure to medium-sized[4] and large enterprises that were already in difficulty within the meaning of the General Block Exemption Regulation ("GBER")[5] on 31 December 2019. Aid may be granted to micro and small enterprises that were in difficulty within the meaning of the GBER on 31 December 2019, if those enterprises, at the moment of granting the aid, are not subject to collective insolvency procedure under national law and they have not received rescue aid[6] or restructuring aid.[7]

2.6. Sectoral and regional scope of the measure

(21) The measure is open to undertakings that operate in the sector of activity of travel agencies, tour operators, reservations services and related activities.

(22) The measure applies to the whole territory of Italy.

2.7. Basic elements of the measure

(23) The measure will consist of a total exemption from social security contributions[8] covering the period from April 2022 until August 2022 (the "reference period").

---

[4] 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 of 26.6.2014, p. 1.

[5] As defined in Article 2(18) of Commission Regulation (EU) No 651/2014.

[6] Alternatively, if they have received rescue aid, they have reimbursed the loan or terminated the guarantee at the moment of granting of the aid under the notified measure.

[7] Alternatively, if they have received restructuring aid, they are no longer subject to a restructuring plan at the moment of granting of the aid under the notified measure.

[8] Excluding the premiums and other contributions due to the INAIL.

(24) The exact amount of the exemption granted to each beneficiary will be calculated on the basis of the number of persons employed[9] by each eligible undertaking over the reference period.

(25) Notwithstanding the above, since the budget of the measure will be limited to EUR 56.25 million (recital (17)), the exact number of months for which the exemption is effectively granted to the beneficiaries (up to a maximum of five months covering the reference period) will be identified on the basis of the total number of beneficiaries of the measure. In the event that the number of beneficiaries covered from April 2022 until August 2022 would lead to exceed the abovementioned budget limit, the exemption of social security contributions effectively granted to the beneficiaries will be recalculated and applied on a monthly basis.

(26) In any event, the amount of aid per beneficiary cannot exceed EUR 2.3 million[10].

(27) In order to be eligible for the measure, the undertakings must be registered in the Business Register under the following ATECO codes:

   (a) ATECO 79.11.00 – Activities of travel agencies;

   (b) ATECO 79.12.00 – Activities of tour operators;

   (c) ATECO 79.90.11 – Ticket reservation services for theatre, sporting and other recreational and entertainment events;

   (d) ATECO 79.90.19 – Other reservation services and other tourist assistance activities not carried out by travel agents; and

   (e) ATECO 79.90.20 – Activities of guides and tour leaders.

(28) As from the date of the notification of the Commission's decision approving the measure and in any event by 30 June 2022 at the latest, all undertakings operating in the field of travel agencies and tour operators, registered under the above-mentioned ATECO codes will receive, by electronic or physical communication, a letter from INPS (i) informing them that they have been granted aid under the measure and (ii) awarding them with an authorisation code 2J[11] ("CA 2J") which will ensure their precise identification by the competent authorities.

(29) Following the award to each beneficiary with their individual CA 2J code, subsequent communication from INPS will provide them with precise instructions with regard to the procedure for the quantification of the aid and the methods for the filling of the declarations forms.

(30) In particular, instructions will be provided regarding the completion of the electronic form "*Exemption provided for in Article 4/22 of Legislative Decree No 4/22, Article 4(2-ter*)" which will be made available in the "Portale delle

---

[9] Including any employment relationship that would be established after the granting of the aid.

[10] All figures used must be gross, that is, before any deduction of tax or other charges.

[11] The code CA 2J has, from June 2022 and for the purpose of the implementation of the measure, been attributed the meaning "*Company authorised for exemption under Legislative Decree 4/22 Article 4(2b)"*.

Facilizioni" (formerly "Diresco"), so that each undertaking, to whom a CA 2J code has been awarded, will be able to provide the information necessary to quantify the exact amount of aid that it will receive.

2.8. Cumulation

(31) The Italian authorities confirm that aid granted under the measure may be cumulated with aid under de minimis Regulation[12] or the GBER provided the provisions and cumulation rules of those Regulations are respected.

(32) The Italian 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 Framework provided the provisions in those specific sections are respected.

(33) The Italian authorities confirm that if the beneficiary receives aid on several occasions or in several forms under the measure or aid under other measures approved by the Commission under section 3.1 of the Temporary Framework, the overall maximum cap per undertaking, as set out in point 22(a) of that framework, will be respected.

2.9. Monitoring and reporting

(34) The Italian authorities confirm that they will respect the monitoring and reporting obligations laid down in section 4 of the Temporary Framework (including the obligation to publish relevant information on each individual aid above EUR 100 000 granted under the measure on the comprehensive national State aid website or Commission's IT tool within 12 months from the moment of granting[13]).

3. ASSESSMENT

3.1. Lawfulness of the measure

(35) By notifying the measure before putting it into effect, and by introducing a legal provision stipulating that the aid will not be granted before its approval by the Commission (recital (14)), the Italian authorities have respected their obligations under Article 108(3) TFEU.

3.2. Existence of State aid

(36) 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.

---

12 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.

13 Referring to information required in Annex III to the GBER.

(37) The measure is imputable to the State, since it is administered by the Ministry of Labour and Social Policies and granted by INPS (see recitals (15) and (16)) and it is based on a provision of national law (recital (13)). It is financed through State resources, since it is financed by public funds.

(38) The measure confers an advantage on its beneficiaries in the form of exemptions from social security contributions (recital (12)). The measure thus relieves those beneficiaries of costs which they would have had to bear under normal market conditions.

(39) The advantage granted by the measure is selective, since it is awarded only to undertakings registered in the Business Register under the ATECO codes referred to in recital (23), to the exclusion of any other undertaking active in any other sector of activity.

(40) 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.

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

3.3. Compatibility

(42) 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.

(43) 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*".

(44) By adopting the Temporary Framework on 19 March 2020, the Commission acknowledged (in section 2) that "*the COVID-19 outbreak affects all Member States and that the containment measures taken by Member States impact undertakings*". 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, to remedy the liquidity shortage faced by undertakings and ensure that the disruptions caused by the COVID-19 outbreak do not undermine their viability, especially of SMEs*".

(45) The measure aims at supporting the beneficiaries, in view of their lack of liquidity resulting from the COVID-19 pandemic and from the measures rendered necessary by the persistence of the pandemic, at a time when the normal functioning of markets is severely disturbed by the COVID-19 pandemic and that pandemic is affecting the wider economy and leading to severe disturbances of the real economy of Member States.

(46) The measure is one of a series of measures conceived at national level by the Italian authorities to remedy a serious disturbance in their economy. The objective of the measure is to preserve employment and economic continuity in Italy, in particular in the sector of activity of travel agencies, tour operators and

reservations services which concerns about 26,000 direct workers across the whole national territory. Considering the importance of tourism for the Italian economy, the measure can be reasonably anticipated to produce effects across the entire economy of that Member State.

(47) 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 conditions of the Temporary Framework. In particular:

- The aid provides for limited amounts of aid in the form of exemptions from social security contributions (recital (12)).

  The overall nominal value of the abovementioned exemptions from social contributions will not exceed EUR 2.3 million per undertaking; all figures used must be gross, that is, before any deduction of tax or other charges (recital (26)). The measure therefore complies with point 22(a) of the Temporary Framework.

- Aid is granted under the measure on the basis of a scheme with an estimated budget as indicated in recital (17). The measure therefore complies with point 22(b) of the Temporary Framework.

- Aid may not be granted under the measure to medium-sized[14] and large enterprises that were already in difficulty on 31 December 2019 (recital (20)). The measure therefore complies with point 22(c) of the Temporary Framework. Aid may be granted to micro and small enterprises that were in difficulty on 31 December 2019, if those enterprises, at the moment of granting the aid, are not subject to collective insolvency procedure under national law and they have not received rescue aid[15] or restructuring aid[16] (recital (20)). The measure therefore complies with point 22(c)bis of the Temporary Framework.

- Aid will be granted under the measure no later than 30 June 2022 (recital (18)). The measure therefore complies with point 22(d) of the Temporary Framework.

(48) The Italian authorities confirm 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 (recital (10)).

(49) The Italian authorities confirm that the monitoring and reporting rules laid down in section 4 of the Temporary Framework will be respected (recital (34)). The Italian 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

---

[14] As defined in Annex I to the GBER.

[15] Alternatively, if they have received rescue aid, they have reimbursed the loan or terminated the guarantee at the moment of granting of the aid under the notified measure.

[16] Alternatively, if they have received restructuring aid, they are no longer subject to a restructuring plan at the moment of granting of the aid under the notified measure.

Temporary Framework and the cumulation rules of the relevant Regulations are respected (recitals (31)to (33)).

(50) 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 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