



EUROPEAN COMMISSION

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PUBLIC VERSION

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**Subject: State Aid SA.104991 (2022/N) – Hungary  
COVID-19: Prolongation and amendments to the investment support  
schemes towards a sustainable recovery SA.101494 and SA.101821**

Excellency,

## **1. PROCEDURE**

- (1) By electronic notification of 23 November 2022, Hungary notified a prolongation and amendments (the “notified amendments”) to the following existing aid schemes (collectively, the “existing aid schemes”), which the Commission had already approved (the “initial decisions”) under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak<sup>1</sup> (the “Temporary Framework”):
- (a) SA.101494 (2022/N) “*COVID-19: Investment support scheme towards a sustainable recovery*”, which the Commission approved by Decision

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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), C(2021) 8442 (OJ C 473, 24.11.2021, p. 1) and C(2022) 7902 (OJ C 423, 7.11.2022, p. 9).

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

C(2022) 1407 final of 2 March 2022<sup>2</sup> (the “initial decision in SA.101494”); and

(b) SA.101821 (2022/N) “*COVID-19: 2<sup>nd</sup> investment support scheme towards a sustainable recovery*”, which the Commission approved by Decision C(2022) final of 29 March 2022<sup>3</sup> (the “initial decision in SA.101821”).

- (2) The Hungarian authorities provided additional information on 28 November 2022.
- (3) 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<sup>4</sup> and to have this Decision adopted and notified in English.

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

- (4) The objective of the existing aid schemes is to support private investments as a stimulus to overcome an investment gap accumulated in the economy due to the COVID-19 crisis. The Hungarian authorities consider that there are continued disruptions in supply chains following the COVID-19 pandemic. In addition, the economic recovery from this crisis is delayed even further, in view of the consequences on the economies of Member States caused by the unprovoked attack by Russia on Ukraine.
- (5) First, the Hungarian authorities wish to prolong the existing aid schemes until 31 December 2023. As a result, the deadline for submission of applications will be extended until 15 December 2023.
- (6) Second, the Hungarian authorities confirm that the aid granted under the Temporary Crisis Framework<sup>5</sup> may not be cumulated with aid under section 3.13 of the Temporary Framework for the same eligible costs.
- (7) Apart from the notified amendments, the Hungarian authorities confirm that no further amendments are proposed to the existing aid schemes and that all other conditions of those schemes remain unaltered.
- (8) The legal bases of the existing aid schemes<sup>6</sup> will be amended after the notification of the Commission’s decision approving the notified amendments.

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<sup>2</sup> OJ C 146, 1.4.2022, p. 1.

<sup>3</sup> OJ C 186, 6.5.2022, p. 1.

<sup>4</sup> Regulation No 1 determining the languages to be used by the European Economic Community, OJ 17, 6.10.1958, p. 385.

<sup>5</sup> 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 426, 9.11.2022, p.1). This Temporary Crisis Framework replaces the Temporary Crisis Framework adopted on 23 March 2022 (OJ 131 I, 24.3.2022, p. 1) as amended on 20 July 2022 (OJ C 280, 21.7.2022, p. 1) (‘previous Temporary Crisis Framework’). The previous Temporary Crisis Framework was withdrawn with effect from 27 October 2022.

<sup>6</sup> See recital (7) of the initial decision in SA.101494 and recital (7) of the initial decision in SA.101821.

- (9) Aid may be granted under the existing aid schemes, as amended, as from the notification of the Commission's decision approving the notified amendments.

### **3. ASSESSMENT**

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

- (10) By notifying the amendments before putting them into effect, the Hungarian authorities have respected their obligations under Article 108(3) TFEU.

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

- (11) 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.
- (12) The existing aid schemes constitute State aid within the meaning of Article 107(1) TFEU for the reasons set out in the initial decisions<sup>7</sup>. The notified amendments do not affect that conclusion. The Commission therefore refers to the assessment of the initial decisions and concludes that the existing aid schemes, as amended, constitute State aid within the meaning of Article 107(1) TFEU.

#### **3.3. Compatibility**

- (13) The existing aid schemes are compatible with the internal market pursuant to Article 107(3)(c) TFEU, since they meet the conditions of sections 2 and 3.13 of the Temporary Framework for the reasons set out in the initial decisions<sup>8</sup>. The Commission therefore refers to the respective assessment of the initial decisions.
- (14) The notified amendments do not affect the compatibility assessment made under the initial decisions. The Commission considers that the prolongation of the existing aid schemes is appropriate to ensure that national support measures effectively help affected undertakings towards a sustainable recovery following the COVID-19 pandemic. In particular, the Commission notes that aid under the schemes may only be granted until 31 December 2023, as described in recital (5). The existing aid schemes, as amended, therefore comply with point 93 of the Temporary Framework. Moreover, the aid under the existing aid schemes, as amended, may not be cumulated with aid granted under the Temporary Crisis Framework for the same eligible costs (recital (6)), therefore complying with point 91 of the Temporary Framework.
- (15) Apart from the notified amendments, the Hungarian authorities confirm that no further amendments are proposed to the existing aid schemes and that all other conditions of those schemes remain unaltered (recital (7)).

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<sup>7</sup> See recitals (40) to (45) of the initial decision in SA.101494 and recitals (30) to (35) of the initial decision in SA.101821.

<sup>8</sup> See recitals (46) to (55) of the initial decision in SA.101494 and recitals (36) to (45) of the initial decision in SA.101821.

- (16) The Commission therefore considers that the notified amendments continue to facilitate the development of certain economic activities or of certain economic areas and do not adversely affect trading conditions to an extent contrary to the common interest, since they meet 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 schemes in the initial decisions.

#### **4. CONCLUSION**

The Commission has accordingly decided not to raise objections to the existing aid schemes, as amended, on the grounds that they are compatible with the internal market pursuant to Article 107(3)(c) 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