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PUBLIC VERSION

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Subject: State Aid SA.114616 (2024/N) – Italy
TCTF: Amendments to the scheme SA.103289, as amended by SA.104962 and SA.110596

Excellency,

1. PROCEDURE

(1) By electronic notification of 18 June 2024, Italy notified amendments (the 'notified amendments') under the Temporary Crisis and Transition Framework for State aid measures to support the economy following the aggression against Ukraine by Russia (the 'Temporary Crisis and Transition Framework') ([1]) to the aid scheme ('the existing aid scheme') SA.103289 (2022/N) – Italy. *TCF: "Decontribuzione SUD - Agevolazione contributiva per l'occupazione in aree svantaggiate colpite dalla aggressione militare russa in Ucraina" (partial exemption from the payment of social security contribution in disadvantaged areas affected by the Russian aggression against Ukraine)*, approved by the Commission with decision of 24 June 2022 ([2]) (the 'initial decision'). The existing aid scheme was amended by decision of 6 December 2022 in case

([1]) Communication from the Commission on the Temporary Crisis and Transition Framework for State Aid measures to support the economy following the aggression against Ukraine by Russia (OJ C 101, 17.3.2023, p. 3), as amended by Commission Communication C(2023)8045 (OJ C1188, 21.11.2023, ELI: http://data.europa.eu/eli/C/2023/1188/oj) and by Commission Communication C(2024)3123 (OJ C3113, 2.5.2024, ELI: http://data.europa.eu/eli/C/2024/3113/oj).

([2]) Commission Decision C(2022) 4499 final of 24 June 2022 in case SA.103289 (OJ C 316, 19.08.2022, p. 8).

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SA.104962 ([3]) under the Temporary Crisis Framework for State aid measures to support the economy following the aggression against Ukraine by Russia ('the Temporary Crisis Framework') ([4]), and by decision of 15 December 2023 in case SA.110596 ([5]) under the Temporary Crisis and Transition Framework. The Italian authorities submitted additional information on 18 June 2024.

(2) 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 Article 3 of Regulation 1/1958 ([6]) 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 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 and its direct and indirect effects, including the sanctions imposed and the counter-measures taken, for example by Russia.

(4) With the notified amendments, Italy proposes to:

(a) extend until 31 December 2024 the contribution period to which the reduction of the social security contribution ([7]) applies;

(b) increase the estimated budget by EUR 2.9 billion.

(5) Apart from the notified amendments, Italy 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 basis for the notified amendments is Article 1, paragraphs 161 to 167 of Law No 178 of 30 December 2020 on the "Budget of the State for the financial year 2021 and multi-year budget for the three-year period 2021-2023".

(7) Aid may be granted under the existing aid scheme, as amended, as from the notification of the Commission's decision approving the notified amendments. A standstill clause is provided in paragraph Article 1, paragraph 165, of Law 178/2020.

([3]) Commission Decision C(2022) 9191 final of 6 December 2022 in case SA.104962 (OJ C 490, 22.12.2022, p. 9).

([4]) 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), as amended on 20 July 2022 (OJ C 280, 21.7.2022, p. 1) and replaced by the Temporary Crisis Framework adopted on 28 October 2022 (OJ C 426, 9.11.2022, p. 1).

([5]) Commission Decision C(2023) 9018 final of 15 December 2023 in case SA.110596 (OJ C 1653, 28.12.2023, p. 1)

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

([7]) As described in recital (18) of the initial decision and amended by decisions in cases SA.104962 and SA.110596.

3. ASSESSMENT

3.1. Lawfulness of the measure

(8) By notifying the amendments before putting them into effect, the Italian authorities have respected their obligations under Article 108(3) TFEU (recital (7)).

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 (31) to (36) 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), point (b) TFEU, since it meets the conditions of section 1 and section 2.1 of the Temporary Crisis and Transition Framework for the reasons set out in recitals (37) to (46) of the initial decision. The Commission therefore refers to the respective assessment of the initial decision.

(12) The notified amendments do not affect the conclusion that the existing aid scheme is compatible with the internal market pursuant to Article 107(3), point (b) TFEU. In particular:

(a) the extension until 31 December 2024 of the contribution period to which the reduction of the social security contribution applies (recital (4)(a)) does not alter the fact that aid under the existing aid scheme will be granted no later than 30 June 2024, as set out in recital (4) of decision in case SA.110596. The notified amendments thus comply with point 61(c) of the Temporary Crisis and Transition Framework;

(b) the estimated budget increase by EUR 2.9 billion does not alter the fact that aid under the existing aid scheme is based on an estimated budget. The notified amendments thus comply with point 61(b) of the Temporary Crisis and Transition Framework.

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

(14) 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), point (b) TFEU, since they meet all the relevant conditions of the Temporary Crisis and Transition 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), point (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: https://competition-cases.ec.europa.eu/search?caseInstrument=SA.

Yours faithfully,

For the Commission

Margrethe VESTAGER
Executive Vice-President