

NOTIFICATION TEMPLATE

TEMPORARY FRAMEWORK FOR STATE AID MEASURES TO SUPPORT THE ECONOMY IN THE CURRENT COVID-19 OUTBREAK

On 19 March 2020, the Commission adopted the Communication on the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (TF COVID-19).¹ In that Communication, the Commission set out temporary State aid measures that it considers compatible under Article 107(3)(b) TFEU.

The Commission invites Member States to provide in their notification:

- the general information under point 1 (including the language waiver in Annex I) and
- the additional information:
 - under point 2 below, for aid under section 3.1 of the TF COVID-19 - Aid in form of direct grant, repayable advance or tax advantages;
 - under point 3 below, for aid under section 3.2 of the TF COVID-19 – Aid in form of guarantees on loans;
 - under point 4 below, for aid under section 3.3 of the TF COVID-19 – Aid in form of subsidised interest rates for loans.

1. General information

1.1. Description of the serious disturbance in the economy of your country and the official reaction of your authorities

Considering that the COVID-19 outbreak affects all Member States and that the containment measures taken by Member States impact undertakings, the Commission considers that State aid is justified and can be declared compatible with the internal market on the basis of Article 107(3)(b) TFEU. The information below aims at clarifying the country specific situation.

- Data on the economic impact of the COVID-19 outbreak in your country, notably in the sectors covered by the scheme, info on liquidity shortage faced by undertakings, if available.
- Sequence of (main) events between the occurrence and the adoption of the scheme including any official recommendations or prohibitions decided by the competent authorities.

1.2. General description of the aid measure

- National legal basis - please provide a copy;
- Granting authority and competent authority to manage the scheme, if different;
- Objective;

¹ Communication from the Commission C(2020) 1863 final of 19 March 2020 on the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak. https://ec.europa.eu/competition/state_aid/what_is_new/sa_covid19_temporary-framework.pdf. Please note that all language versions of the Temporary Framework are available at https://ec.europa.eu/competition/state_aid/what_is_new/covid_19.html

- Estimated budget;
- Geographical scope;
- Beneficiaries: estimated number / sectors concerned / size of companies concerned, if relevant / exclusions from scope;
- Duration:
 - Date of entry into force of the scheme;
 - Confirmation of compliance with 108(3) TFEU²;
 - Time period in which beneficiaries can submit application for aid;
 - Latest date until which individual aid will be granted under the notified measure.

1.3. General confirmations and commitments:

- Confirm that the measure is not open to undertakings that were in difficulty (within the meaning of the General Block Exemption Regulation³, the Agricultural Block Exemption Regulation⁴ or the Fisheries Block Exemption Regulation⁵ respectively) on 31 December 2019;
- Confirm that the measure is open to undertakings that were not in difficulty on 31 December 2019 but faced difficulties or entered in difficulty thereafter as a result of the COVID-19 outbreak;
- Confirm that the measure is open to undertakings that are not in difficulty;
- Commit to comply with all the monitoring and reporting provisions in section 4 of the TF COVID-19;
- Confirm that the notification does not contain business secrets. Otherwise, indicate the information from the notification that contains business secrets;
- If the scheme is co-financed by the European Regional Development Fund (ERDF), European Social Fund (ESF), Cohesion Fund (CF), European Agricultural Fund for Rural Development (EAFRD), European Maritime and Fisheries Fund (EMFF), European Union Solidarity Fund (EUSF) or the Coronavirus Response Investment Initiative (CRII), please confirm that the rules applicable under these Funds will be respected;

² No aid granted or paid out before notification and approval by Commission.

³ As defined in Article 2 (18) of the 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.

⁴ As defined in Article 2 (14) of the Commission Regulation (EU) 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, OJ L 193 of 1.7.2014, p.1.

⁵ As defined in Article 3 (5) of the 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, OJ L 369 of 24 December 2014, p. 37.

- Please provide the language waiver in Annex I.

2. Additional information for aid to be granted under Section 3.1 of the TF COVID-19: Aid in form of direct grants, repayable advances and tax advantages

- Confirm that the aid is granted on the basis of a scheme;
- Indicate the maximum aid amount(s) per undertaking⁶ (gross, i.e. before any deduction of tax or other charge);
- Describe the form of aid (direct grant, repayable advances, tax or payments advantages, for example social contributions);
- Indicate whether aid under section 3.1 can be cumulated with aid under section 3.2 and 3.3;
- Confirm that where the beneficiaries are undertakings active in the processing and marketing of agricultural products, the aid is not being partly or entirely passed on to primary producers and is not fixed on the basis of the price or quantity of products purchased from primary producers or put on the market by the undertakings concerned;
- For agricultural, fisheries and aquaculture sector, confirm that:
 - aid to undertakings active in the primary production of agricultural products is not fixed on the basis of the price or quantity of products put on the market;
 - aid to undertakings active in the fishery and aquaculture sector does not concern any of the categories of aid referred to in Article 1, paragraph (1)(a) to (k) of Commission Regulation (EU) No 717/2014⁷;
 - where an undertaking is active in several sectors to which different maximum amounts apply, by appropriate means such as separation of accounts, for each of these activities the relevant ceiling is respected and that the highest possible amount is not exceeded in total⁸.

3. Additional information for aid to be granted under Section 3.2 of the TF COVID-19: Aid in form of guarantees on loans

- Confirm that guarantees are granted in line with all conditions under section 3.2 of the TF COVID-19;
- Please describe the following:
 - Types of eligible instruments:
 - Investment and/or working capital loans,

⁶ See paragraphs 22(a) and 23(a) TF COVID-19.

⁷ 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 90 of 28.6.2014, p. 45.

⁸ Paragraph 23(d) TF COVID-19.

- Indicate whether the guarantee can be granted to new loans or also to existing loans;
 - Maturities of the eligible instruments; indicate whether the guarantee cover the full maturity of the underlying instrument or not,
 - Maximum amount of the loan principal⁹,
 - For loans with a maturity until 31 December 2020, please provide the necessary justifications and explain how the proportionality of the aid remains assured, if the amount of the loan principal may be set at a higher level than under point 25(d) of TF COVID-19;
 - Maximum amount of the guarantee (as % of loan principal),
 - Duration of the guarantee,
 - Attribution of losses under the guarantee,
 - Time period in which guarantees may be granted (at the latest 31 December 2020),
 - Describe the level of guarantee premiums and the justification in case the levels under point 25(a) of TF COVID-19 are not respected in line with the possibility envisaged by point 25(b) of the TF COVID-19;
- Confirm that the mobilisation (triggering) of the guarantee is contractually linked to specific conditions which have to be agreed between the parties when the guarantee is initially granted;
 - If the aid is channelled through credit institutions or other financial institutions (Section 3.4 of the TF COVID-19), please describe how it is ensured that the advantage is passed on to the final beneficiaries by the financial intermediaries (in particular in schemes in which guarantees are used for existing loans, please describe in more detail the safeguards put in place to ensure the interest rate adjustments is fully passed through);
 - Describe any other additional conditions imposed in the aid scheme;
 - Confirm that aid granted under section 3.2 of the TF COVID-19 cannot be cumulated with other aid granted for the same underlying loan principal under section 3.3 of the TF COVID-19, and vice versa.

4. Additional information for aid to be granted under Section 3.3 of the TF COVID-19: aid in form of subsidised interest rates on loans

- Describe and confirm that the conditions under section 3.3 of the TF COVID-19 are respected:
 - Types of eligible instruments (e.g. investment and/or working capital loans),
 - Maturities of eligible instruments,

⁹ To facilitate the implementation of the requirement under paragraph 25 (d) TF COVID-19, Member States may use the example in Annex II when granting the aid under the scheme.

- Maximum amount of loan principal¹⁰,
 - For loans with a maturity until 31 December 2020, please provide the necessary justifications and explain how the proportionality of the aid remains assured, if the amount of the loan principal may be set at a higher level than under point 27(e) of TF COVID-19;
 - Time period for signing loan contracts (at the latest 31 December 2020),
 - Describe the level of credit risk margins and provide the necessary justifications in case the levels in point 27(a) of TF COVID-19 are not respected in line with the possibility envisaged by point 27(b) of the TF COVID-19,
 - If the aid is channelled through credit institutions or other financial institutions (Section 3.4 of the TF COVID-19), please describe how it is ensured that the advantage is passed on to the final beneficiaries by the financial intermediaries.
- Describe any other additional conditions imposed in the scheme;
 - Confirm that aid granted under section 3.2 of the TF COVID-19 cannot be cumulated with other aid granted for the same underlying loan principal under section 3.3 of the TF COVID-19, and vice versa.

¹⁰ To facilitate the implementation of the requirement under paragraph 27 (d) TF COVID-19, Member States may use the example in Annex II when granting the aid under the scheme.

* * *

Annex I - Language waiver

In order to speed up the processing of the notification, the below language waiver should be provided with the notification, on letterhead of the relevant authorities, dated and signed.

Due to the urgent need to adopt and notify a Decision in relation to the present notification relating to [brief description of the scheme subject to the notification], the [national: specify] government agrees exceptionally to waive its rights deriving from Art. 342 TFEU in conjunction with Art. 3 of the EC Regulation 1/1958 and to have the planned Decision adopted and notified pursuant to Article 297 of the Treaty in English language.

Annex II

Example for liquidity needs under paragraph 25 and 27 (d)(iii) TF COVID-19

		Net cash position per month							
Period		1	2	3	4	5	6	7	8
Net cash position at the beginning of the period									
Cash Inflows		0	0	0	0	0	0	0	0
	Clients								
	other operational income								
	Non operational income								
	Others (any other cash inflow)								
Cash Outflows		0	0	0	0	0	0	0	0
	Suppliers								
	Staff related costs (wages, social costs,...)								
	Financial costs (loan repayment, interests,...)								
	Varia (rentals,...)								
	others (please add any other cash outflow)								
Difference cash inflows - outflows		0	0	0	0	0	0	0	0
Net cash position at the end of the period		0	0	0	0	0	0	0	0