



EUROPEAN COMMISSION

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Subject: State Aid SA.114620 (2024/N) – Slovakia
TCTF: State aid scheme to support undertakings following Russia's aggression against Ukraine (amendement SA.104846 (2022/N))

Excellency,

1. PROCEDURE

- (1) By electronic notification of 18 June 2024, Slovakia notified an amendment (the ‘notified amendment’) to the existing aid scheme (the ‘existing aid scheme’) 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⁾. The Commission approved the existing aid scheme under the Temporary Crisis Framework for State aid measures to support the economy following the aggression against Ukraine by Russia (the ‘Temporary Crisis Framework’) ⁽²⁾ by decision SA.104846 (2022/N) – “TCTF: State aid

⁽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 Communications C(2023)8045 (OJ C1188, 21.11.2023, ELI: <http://data.europa.eu/eli/C/2023/1188/oj>) (“First Amendment to the Temporary Crisis and Transition Framework”) and C(2024)3113 (OJ C3113, 2.5.2024, ELI: <http://data.europa.eu/eli/C/2024/3113/oj>) (“Second Amendment to the Temporary Crisis and Transition Framework”).

⁽²⁾ Communication from the Commission on the Temporary Crisis Framework for State aid measures to support the economy following the aggression against Ukraine by Russia adopted on 28 October 2022 (OJ C 426, 9.11.2022, p.1), replacing the Temporary Crisis Framework adopted on 23 March 2022 (OJ C 131 I, 24.3.2022, p. 1), as amended on 20 July 2022 (OJ C 280, 21.7.2022, p. 1). This previous Temporary Crisis Framework was withdrawn with effect from 9 March 2023, following the adoption of the current Temporary Crisis and Transition Framework.

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scheme to support undertakings following Russia's aggression against Ukraine” ⁽³⁾
This scheme was amended by decision SA.110622 (2022/N) ⁽⁴⁾ (‘first amendment decision’);

- (2) Slovakia 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 ⁽⁵⁾ 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 military aggression against Ukraine and its direct and indirect effects, including the sanctions imposed and the counter measures taken, for example by Russia.
- (4) Slovakia proposes to amend the existing aid scheme by extending until 31 December 2024 the possibility to grant aid in the form of limited amounts of aid under section 2.1 of the Temporary Crisis and Transition Framework to undertakings active in the primary production of agricultural products as well as undertakings active in the fishery and aquaculture sectors. These undertakings are considered affected by the current crisis, in line with point 7 of the Second Amendment to the Temporary Crisis and Transition Framework.
- (5) Apart from the notified amendment, Slovakia confirms that no additional amendments are proposed to the existing aid schemes and that all other conditions of those schemes remain unaltered.
- (6) The legal bases of the notified amendment are:
- (a) Act No. 71/2013 Coll. on subsidies within the powers of the Ministry of Economy of the Slovak Republic, as amended ⁽⁶⁾;
 - (b) Act No. 358/2015 Coll. on the adjustment of certain relations in the field of state aid and minimum aid and on the amendment of certain laws (Act on State Aid) ⁽⁷⁾;
 - (c) Act No. 523/2004 Coll. on budgetary rules of public administration and amendments to certain laws, as amended ⁽⁸⁾;

⁽³⁾ Commission Decision C(2022) 8904 of 30 November 2022 (OJ C 5, 6.1.2023, p. 9).

⁽⁴⁾ Commission Decision C(2023) 9010 of 15 December 2023 (OJ C/2023/1646, 28.12.2023).

⁽⁵⁾ Regulation No 1 determining the languages to be used by the European Economic Community (OJ 17, 6.10.1958, p. 385).

⁽⁶⁾ *Zákon č. 71/2013 Z. z. o poskytovaní dotácií v pôsobnosti Ministerstva hospodárstva Slovenskej republiky v znení neskorších predpisov.*

⁽⁷⁾ *Zákon č. 358/2015 Z. z. o úprave niektorých vzťahov v oblasti štátnej pomoci a minimálnej pomoci a o zmene a doplnení niektorých zákonov (zákon o štátnej pomoci).*

⁽⁸⁾ *Zákon č. 523/2004 Z. z. o rozpočtových pravidlách verejnej správy a o zmene a doplnení niektorých zákonov v znení neskorších predpisov.*

- (d) Act No. 575/2001 Coll. on the organization of government activities and the organization of the central state administration, as amended ⁽⁹⁾;
 - (e) Act No. 431/2002 Coll. on accounting, as amended ⁽¹⁰⁾;
 - (f) Act No. 278/1993 Coll. on the administration of state property, as amended ⁽¹¹⁾; and
 - (g) Act No. 357/2015 Coll. on financial control and audit and on the amendment of certain laws, as amended ⁽¹²⁾.
- (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.

3. ASSESSMENT

3.1. Existence of State aid

- (8) 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.
- (9) The existing aid scheme constitutes State aid within the meaning of Article 107(1) TFEU for the reasons set out in recitals (32) to (37) of the initial decision, and in recitals (10) and (11) of the first amendment decision.
- (10) The notified amendment does not affect those conclusions. The Commission therefore refers to the respective assessments of the initial decision and the amending decision and concludes that the existing aid scheme, as amended, constitutes State aid within the meaning of Article 107(1) TFEU.

3.2. Compatibility

- (11) The existing aid scheme is compatible with the internal market pursuant to Article 107(3), point (b), TFEU, by meeting the conditions of sections 1 and 2.1 of the Temporary Crisis and Transition Framework for the reasons set out in the initial decision, as amended ⁽¹³⁾. The Commission therefore refers to the respective assessments of the initial decision and of the amending decision.

⁽⁹⁾ Zákon č. 575/2001 Z. z. o organizácii činnosti vlády a organizácii ústrednej štátnej správy v znení neskorších predpisov.

⁽¹⁰⁾ Zákon č. 431/2002 Z. z. o účtovníctve v znení neskorších predpisov.

⁽¹¹⁾ Zákon č. 278/1993 Z. z. o správe majetku štátu v znení neskorších predpisov.

⁽¹²⁾ Zákon č. 357/2015 Z. z. o finančnej kontrole a audite a o zmene a doplnení niektorých zákonov v znení neskorších predpisov.

⁽¹³⁾ See recitals (38) to (48) of the initial decision, and recitals (12) to (15) of the first amendment decision.

- (12) In particular, the Commission notes that the extension of the date until which aid may be granted, as described in recital (4), complies with point (61)(c) of the Temporary Crisis and Transition Framework.
- (13) The Commission further notes that while the economic disturbance affects the economy widely across all Member States, the implementation of certain measures to effectively remedy these effects may require more time specifically in the sectors for primary production of agricultural products, fisheries and aquaculture. In these specific sectors, that are characterised by a particular high share of small undertakings, the adjustment process to effectively overcome the current crisis requires additional time. In addition, and in particular for the primary production of agricultural products and to a certain extent also for aquaculture, the dependency on the annual growths seasons and harvesting cycles are relevant sector-specific features to be considered, including the need to acquire inputs at a time of particularly high prices whilst selling the resulting products at the current depressed prices. Against this background, the Commission considers that those undertakings can be considered undertakings affected by the current crisis for the purpose of point 61(d) of the Temporary Crisis and Transition Framework without the notifying Member State having to provide any further justification. The beneficiaries affected by the extension of the date until which aid may be granted, as described in recital (4), are active in the sectors for primary production of agricultural products, fisheries and aquaculture and thus considered undertakings affected by the current crisis under point 61(d) of the Temporary Crisis and Transition Framework, in line with point 7 of the Second Amendment to the Temporary Crisis and Transition Framework.
- (14) Apart from the notified amendment, Slovakia confirms that no further amendments are proposed to the existing aid schemes and that all other conditions of those schemes remain unaltered (recital (5)).
- (15) The Commission therefore considers that the notified amendment does not alter the Commission's conclusion on the compatibility of the existing aid schemes in the initial decision and in the amending decision. The Commission therefore considers that the notified amendment is 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 it meets all of the relevant conditions of the Temporary Crisis and Transition Framework.

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), 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