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Subject: **State Aid SA.109989 (2023/N) – Slovakia**
TCTF: State aid scheme for providing Extraordinary Investment Aid in sectors strategic for the transition to a net-zero economy in accordance with section 2.8 of the Temporary Crisis and Transition Framework

Excellency,

1. PROCEDURE

(1) By electronic notification of 6 November 2023, the Slovak Republic notified a State aid scheme for providing Extraordinary Investment Aid in sectors strategic for the transition to a net-zero economy (the 'measure') under section 2.8 of the Temporary Crisis and Transition Framework for State aid measures to support the economy following the aggression against Ukraine by Russia (the 'Temporary

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Crisis and Transition Framework') ([1]). The Slovak Republic submitted additional information on 27 November and 1 December 2023.

(2) The Slovak Republic 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 ([2]) and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE MEASURE

(3) The Slovak Republic considers that the Russian aggression against Ukraine and its direct and indirect effects, including the sanctions imposed and the counter-measures taken, for example by Russia have economic repercussions on the entire internal market ('the current crisis'). In particular, the current crisis created significant economic uncertainties, disrupted trade flows and supply chains and led to exceptionally large and unexpected price increases, especially in natural gas and electricity. This highlighted the vulnerability of the industrial sectors in the Slovak Republic, their dependence on fossil fuels, and the urgent need to increase energy efficiency and diversify energy sources. Additional investments in strategic goods for the transition towards a net-zero economy are required, particularly in the current global context where such investments are at risk of being diverted away from the European Economic Area ('EEA').

(4) In view of the challenges posed by the energy crisis and the need to improve the European industries' resilience, the Commission has encouraged Member States to accelerate the economic transition in line with the REPowerEU objectives defined in the March and May 2022 communications ([3]), especially with the deployment of additional strategic investments focused on the green transition.

(5) The Slovak Republic is setting up a scheme to support investments in industrial production aimed at producing batteries, solar panels, wind turbines, heat pumps, electrolysers and equipment for carbon dioxide capture and storage and the production of their key components or the production or valorisation of critical raw materials necessary for their production. The Slovak authorities consider that, as acknowledged by the Commission ([4]), "*batteries, windmills, heat-pumps, solar, electrolysers, carbon capture and storage technologies*" are products that

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([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 on 20 November 2023 (OJ C, C/2023/1188).

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

([3]) Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, COM(2022) 108 final of 8 March 2022 – REPowerEU: Joint European Action for more affordable, secure and sustainable energy and Communication COM/2022/230 final of 18 May 2022 – REPowerEU Plan.

([4]) Communication from the Commission of 1.2.2023, A green deal industrial plan for the net-zero age, COM(2023) 62 final.

are "*key to meet the Commission's climate neutrality goals*". Thus, with the measure the Slovak Republic intends to create investment incentives in sectors strategic for the transition to a net-zero economy.

(6) The Slovak Republic 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 that actually occurred in the initial establishment of the beneficiary in the EEA.

(7) The compatibility assessment of the measure is based on Article 107(3), point (c) TFEU, in light of sections 1 and 2.8 of the Temporary Crisis and Transition Framework.

2.1. Legal basis

(8) The legal basis for the measure consists of:

(a) Act No. 57/2018 Coll. on Regional Investment Aid and on amendments to other acts, as amended ('Act No. 57/2018 Coll.') ([5]), as amended by the proposal to amend Act No. 57/2018 Coll. on Regional Investment Aid and on amendments to other acts, as amended (the 'Proposal to amend Act No.57/2018 Coll.');

(b) Regulation of the Government of the Slovak Republic No. 195/2018 Coll. laying down conditions for the granting of investment aid and setting the maximum intensity of investment aid and maximum amounts of investment aid in the regions of the Slovak Republic, as amended ([6]), as amended by the proposal to amend Regulation of the Government of the Slovak Republic No. 195/2018 Coll. laying down conditions for the granting of investment aid and setting the maximum intensity of investment aid and maximum amounts of investment aid in the regions of the Slovak Republic, as amended;

(c) Decree of the Ministry of Economy of the Slovak Republic No. 187/2018 Coll. laying down the requirements for the application for investment aid, the acceptance of the investment aid offer, the annual progress report on the implementation of the investment project, the report on the termination of the investment project, the annual report on the use of the investment, the final evaluation report and the information board ([7]) ('Decree No 187/2018 Coll.');

(d) Act No. 358/2015 Coll. on the regulation of certain relations in the field of State Aid and de minimis aid and on the amendment to certain acts, as amended ([8]) ('Act No. 358/2015 Coll.'). Ministry of Economy of the

([5]) Available at https://www.slov-lex.sk/pravne-predpisy/SK/ZZ/2018/57/20230501.

([6]) Available at https://www.slov-lex.sk/pravne-predpisy/SK/ZZ/2018/195/20230115.

([7]) Available at https://www.slov-lex.sk/pravne-predpisy/SK/ZZ/2018/187/20200501.

([8]) Available at https://www.slov-lex.sk/pravne-predpisy/SK/ZZ/2015/358/20160101.

Slovak Republic will establish a State aid scheme under § 7 (1) of Act No. 358/2015 Coll ('the scheme'). The scheme will be published in the Commercial Journal of the Slovak Republic.

(9) The scheme will enter into force after its approval by the Commission on the day of its publication in the Commercial Journal of the Slovak Republic.

2.2. The nature and form of aid

(10) The measure provides aid on the basis of a scheme in the form of:

(a) direct grant for the acquisition of long-term tangible assets and long-term intangible assets ([9]);

(b) income tax relief ([10]); and

(c) transfer or lease of immovable property for a value lower than the value of the immovable property or the value of the lease as determined by an expert opinion ([11]).

2.3. Administration of the measure

(11) The Ministry of Economic Affairs of the Slovak Republic ('Ministry of Economy') manages and coordinates the scheme. The Ministry of Economy will be issuing granting decisions.

(12) In case of aid in the form of direct grants, the Ministry of Economy will be implementing the granting decision.

(13) In case of aid in the form of income tax relief, the Ministry of Finance of the Slovak Republic ('Ministry of Finance') will be implementing the granting decision.

(14) In case of aid in the form of transfers or leases of immovable property for a value lower than the value of the immovable property or the value of the lease as determined by an expert opinion, the (public) owner of the immovable property will be implementing the granting decision.

2.4. Budget and duration of the measure

(15) The total estimated budget of the scheme is EUR 1 billion.

(16) The scheme will be financed through the Slovak State budget.

([9]) Pursuant to Section 28a(2)(a) of the Act No. 57/2018 Coll. as amended by the Proposal to amend Act No. 57/2018 Coll.

([10]) Pursuant to Section 28a(2)(b) of the Act No. 57/2018 Coll. as amended by the Proposal to amend Act No. 57/2018 Coll.

([11]) Pursuant to Section 28a(2)(c) of the Act No. 57/2018 Coll. as amended by the Proposal to amend Act No. 57/2018 Coll.

(17) Aid may be granted under the measure as from the notification of the Commission's decision approving the measure until no later than 31 December 2025.

2.5. Beneficiaries

(18) Aid can be granted to small and medium-sized enterprises ("SMEs") ([12]) and large enterprises ([13]) in the following economic sectors and for the following investment projects:

(a) The production of batteries, solar panels, wind turbines, heat pumps, electrolysers and carbon capture and storage equipment;

(b) the production of key components ([14]) designed and used as a direct input to manufacture the products referred to in point (a);

(c) the production or recovery of critical raw materials ([15]) necessary for the production of the products referred to in points (a) or (b).

(19) They must not be subject to an outstanding recovery order following a previous decision of the Commission declaring aid to the beneficiary illegal and incompatible with the internal market.

(20) Undertakings in difficulty ([16]), credit institutions or other financial institutions are excluded as eligible final beneficiaries.

([12]) 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, 26.6.2014, p. 1).

([13]) As defined in Article 2, point 24, of Commission Regulation (EU) No 651/2014.

([14]) Key components in the field of battery manufacturing: anodes, cathodes (precursor cathode active material (pCAM) or cathode active material (CAM), separators, battery-grade materials (raw), hydrofluoric acid, sulphuric acid, phosphoric acid, battery machinery and equipment, binders, coatings and additives. Key components in the field of solar panels: polysilicon, silicon crystals, wafers, crystal puller, dicing saws and diamond wires, metallisation pastes (silver and aluminium) for the manufacture of photovoltaic cells, solar cells, solar glass, laminar films or inverters. Key components in the field of wind turbines: monopiles and other foundation structures, rotor hubs, rotor blades, rotor shafts, generators including permanent magnets for wind power stations, transformers or converters. Key components in the field of heat pumps: heat exchangers including fans, compressors, valve technology, refrigerants, inverters, electric motors including permanent magnets, heat pump storage systems, heat pump piping systems, heat pump modules. Key components in the field of electrolysers: anodes, cathodes, diaphragms, bipolar plates, heat exchangers, circulation pumps, hydrogen cooling, hydrogen purification. Key components in the field of carbon dioxide capture and storage: usage and storage are air separation plants and compressors, liquefaction plants, sorption agents, membranes, porous materials for Pressure Swing Adsorption, fluidised bed reactors.

([15]) Critical raw materials listed in Annex IV of Commission Regulation (EU) 2023/1315 of 23 June 2023 amending Regulation (EU) No 651/2014 and Regulation (EU) 2022/2473, OJ L 167, 30.6.2023, p. 1.

([16]) As defined in the Communication 2014/C 249/01- Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty, OJ C 249, 31.7.2014, p. 1.

(21) The Slovak Republic confirms that the aid under the measure is not granted to undertakings under sanctions adopted by the Union, including but not limited to: (i) persons, entities or bodies specifically named in the legal acts imposing those sanctions; (ii) undertakings owned or controlled by persons, entities or bodies targeted by sanctions adopted by the Union; or (iii) undertakings active in industries targeted by sanctions adopted by the Union, insofar as the aid would undermine the objectives of the relevant sanctions.

(22) The Slovak Republic confirms that the measure may not in any way be used to undermine the intended effects of sanctions imposed by the Union or its international partners and will be in full compliance with the anti-circumvention rules of the applicable regulations ([17]). In particular, natural persons or entities subject to the sanctions will not benefit directly or indirectly from the measure.

2.6. Sectoral and regional scope of the measure

(23) Eligible projects under this measure shall be investment objectives in industrial production in sectors strategic for the transition to a climate-neutral economy and thus aimed at:

(a) manufacture of batteries, solar panels, wind turbines, heat pumps, electrolysers and carbon capture and storage equipment;

(b) the production of key components ([18]) designed and primarily used as a direct input to manufacture the products referred to in point (a);

(c) the production or recovery of critical raw materials ([19]) necessary for the production of the products referred to in points (a) or (b).

(24) The measure applies to the whole territory of the Slovak Republic.

2.7. Basic elements of the measure

(25) The purpose of the measure is to grant aid to build and develop industrial productive capacity in sectors strategic for the transition to a climate-neutral economy mentioned in recital (23).

(26) The eligible costs under this measure will be the investment costs of purchased fixed tangible assets in the form of land, buildings, machinery and equipment and the investment costs of the acquired fixed intangible assets in the form of industrial rights, know-how and licences.

(27) Costs for the purchase of land and preparatory works, such as obtaining permits and carrying out feasibility studies which were procured before the aid

([17]) For example, Article 12 of Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine (OJ L 229, 31.7.2014, p. 1).

([18]) See footnote (14).

([19]) See footnote (15).

application was submitted to the Ministry of Economy, will not be considered eligible.

(28) Works on the investment must start ([20]) only after the beneficiary has submitted the aid application, which will include the information required in Annex II of the Temporary Crisis and Transition Framework.

(29) The aid intensity may not exceed 15 % of the eligible costs defined in recital (26). However, for investments in the assisted areas designated in the regional aid map 2022-2027 for Slovak Republic ([21]) ([22]) ([23]) in accordance with Article 107(3) point (a), TFEU ("a" area), the aid intensity may be increased to 35% of the eligible costs. In addition, for investments made by small enterprises, the aid intensities may be increased by further 20 percentage points and, for investments made by medium-sized enterprises ([24]) by 10 percentage points. The maximum nominal aid amount per undertaking is limited to EUR 350 million in "a" areas and EUR 150 million in other (non-assisted) areas. A minimum investment amount of EUR 10 million in "a" areas and EUR 20 million in other (non-assisted) areas is needed for the investment to be eligible under the measure.

(30) When aid under the scheme is granted in form of tax reliefs, the aid intensities set out in recital (29) may be increased by 5 percentage points.

(31) The Slovak Republic confirms that the beneficiary must commit to maintain the investments in the area concerned for at least 5 years or three years for SMEs, after the completion of the investment. Such a commitment should not prevent the replacement of plant or equipment that has become outdated or broken within this period, provided that the economic activity is retained in the area concerned for the minimum period. However, no further aid may be awarded to replace that plant or equipment.

(32) Aid may not be granted to facilitate the relocation of the production activities ([25]) to another contracting state of the EEA agreement. For this purpose, the

([20]) "Start of works" means either the start of construction works relating to the investment, or the first legally binding commitment to order equipment or any other commitment that makes the investment irreversible, whichever is earlier. Buying land and preparatory works such as obtaining permits and conducting preliminary feasibility studies are not considered as start of works.

([21]) Commission Decision C(2021) 6649 final, in case SA.64151 (2021/N) – Slovakia – Regional aid map for Slovakia (1 January 2022 – 31 December 2027) (OJ C 410, 8.10.2021, p. 3), available at: https://competition-cases.ec.europa.eu/cases/SA.64151.

([22]) Commission Decision C(2023) 1047 final, in case SA.105438 (2023/N) – Slovakia – Amendment to the Regional aid map for Slovakia (1 January 2022 – 31 December 2027) – increased aid intensities for territories identified for support from the JTF (OJ C 090, 10.3.2023, p. 10), available at: https://competition-cases.ec.europa.eu/cases/SA.105438.

([23]) Commission Decision C(2023) 6809 final, in case SA.109293 (2023/N) – Slovakia - Amendment to the Regional aid map for Slovakia (1 January 2022 – 31 December 2027) for the period 1 January 2024 to 31 December 2027 (mid-term review) (OJ C 567, 31.10.2023), available at: https:// competition-cases.ec.europa.eu/cases/SA.109293.

([24]) Within the meaning of Annex I to Commission Regulation (EU) No 651/2014.

([25]) Within the meaning of footnote 147 to the Temporary Crisis and Transition Framework.

beneficiary must confirm that, in the two years preceding the aid application, no relocation has taken place to the establishment in which the aided investment will be carried out and commit not to carry out such relocation for a period of two years after completion of the investment.

(33) The Slovak authorities confirm that the granting authority will verify, inter alia, before granting the aid, the real risk that the investment will not be carried out in the EEA in the absence of aid and that there is no risk of relocation within the EEA, as defined in recital (32).

(34) The Slovak authorities confirm that they must inform the Commission within 60 days from the moment of granting the aid, about the granting date, the aid amount, the eligible costs, the beneficiary's identity, the type and location of the investment supported on the basis of the information provided by the beneficiary in Annex II of the Temporary Crisis and Transition Framework.

2.8. Compliance with relevant provisions of Union law

(35) The Slovak authorities confirm that the proposed measures do not by themselves, or by the conditions attached to them or by their financing method constitute a non-severable violation of Union law.

2.9. Cumulation

(36) The Slovak authorities confirm that aid under the measure may not be cumulated with any aid under measures approved by the Commission under the COVID-19 Temporary Framework) ([26]).

(37) The Slovak 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 Crisis and Transition Framework provided the provisions in those specific sections are respected.

(38) The Slovak authorities confirm that aid granted under the measure can be cumulated with State aid in relation to the same eligible costs, partly or fully overlapping, only if such cumulation does not result in exceeding the highest aid intensity or aid amount applicable under any of the relevant rules. Under no circumstances will the total aid amount exceed 100 % of the eligible costs.

2.10. Monitoring and reporting

(39) The Slovak authorities confirm that they will respect the monitoring and reporting obligations laid down in section 3 of the Temporary Crisis and Transition Framework (including the obligation to publish relevant information on each individual aid above EUR 100 000 granted under the measure on the

([26]) 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).

comprehensive national State aid website or Commission's IT tool within 6 months from the moment of granting ([27]).

3. ASSESSMENT

3.1. Lawfulness of the measure

(40) By notifying the measure before putting it into effect (recital (8)), the Slovak authorities have respected their obligations under Article 108(3) TFEU.

3.2. Existence of State aid

(41) 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.

(42) The measure is imputable to the State, since it is administered by the Ministry of Economy (recital (11)) and it is based on legal acts of the Slovak Republic (recital (8)). It is financed through State resources since it is financed by public funds (recital (16)).

(43) The measure confers an advantage on its beneficiaries in the form of direct grants, income tax reliefs and transfer or lease of immovable property for a value lower than the value of the immovable property or the value of the lease as determined by an expert opinion (recital (10)). The measure thus confers an advantage on those beneficiaries which they would not have had under normal market conditions to the extent the aid is provided in the form of tax reliefs, the measure relieves those beneficiaries of costs which they would have had to bear under normal tax rules.

(44) The advantage granted by the measure is selective, since it is awarded only to certain undertakings, in particular undertakings active in the specific sectors listed in recital (18) excluding notably the financial sector (recital (20)).

(45) 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.

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

([27]) Referring to information required in Annex III to Commission Regulation (EU) No 651/2014 and Annex III to Commission Regulation (EU) 2022/2472 and Annex III to Commission Regulation (EU) 2022/2473.

3.3. Compatibility

(47) 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.

(48) Pursuant to Article 107(3), point (c), TFEU, the Commission may declare compatible with the internal market 'aid to facilitate the development of certain economic activities or of certain economic areas, where such aid does not adversely affect trading conditions to an extent contrary to the common interest'.

(49) The current crisis has demonstrated the urgent need to reduce dependency on imports of fossil fuels and to accelerate the energy transition. In that context, the Commission considers that Member States may need to take additional measures to address the productive investment gap in sectors strategic for the transition towards a net-zero economy in order to achieve the Union's climate targets. The adoption of the Temporary Crisis and Transition Framework demonstrates the Commission's view that State aid is justified and can be declared compatible with the internal market on the basis of Article 107(3), point (c), TFEU for a limited period of time if it contributes to accelerating the economic transition and addressing the productive investment gap in sectors strategic for the transition towards a net-zero economy by providing incentives for their fast deployment, also considering global challenges posing a threat of new investments in these sectors being diverted in favour of third countries outside the EEA (recitals (4) and (5)).

(50) The Commission considers that the measure is necessary, appropriate and proportionate in the current context and can be declared compatible with the internal market on the basis of Article 107(3), point (c), TFEU. In particular:

- The measure is aimed at investment projects with strategic importance for the transition towards a net-zero economy. The measure will support the following activities: (i) the production or recovery of equipment needed for the transition to a net-zero economy, namely batteries, battery cells, electrolysers, fuel cells; (ii) the production of key components designed and primarily used as direct input for the production of the equipment defined under (i), the production or recovery of related critical raw materials necessary for the production of the equipment and components defined in (i) and (ii) (recital (25)). The measure therefore complies with point 85(a) of the Temporary Crisis and Transition Framework.

- The aid is granted under the measure on the basis of a scheme with an estimated budget (recitals (10) and (15)). The measure therefore complies with point 85(b) of the Temporary Crisis and Transition Framework.

- Aid under the measure can be granted until 31 December 2025 at the latest (recital (17)). The measure therefore complies with point 85(c) of the Temporary Crisis and Transition Framework.

- The measure provides that beneficiaries must apply for the aid before the start of works and must provide the information required in Annex II of the Temporary Crisis and Transition Framework (recital (28)). The measure therefore complies with point 85(d) of the Temporary Crisis and Transition Framework.

– Aid under the measure will be granted in the form of direct grants, income tax reliefs and transfer or lease of immovable property for a value lower than the value of the immovable property or the value of the lease as determined by an expert opinion (recital (10)). The measure therefore complies with point 85(e) of the Temporary Crisis and Transition Framework.

– The calculation of eligible costs as set out in recital (26) fulfils the requirements of point 85(f) of the Temporary Crisis and Transition Framework.

– The aid intensities and the overall nominal aid amounts under the measure (recitals (29) and (30)) comply with the thresholds in points 85(g) and 85(h) of the Temporary Crisis and Transition Framework.

– The Slovak Republic commits that beneficiaries under the measure will maintain the investments in the area concerned for at least five years, or three years for SMEs, after the completion of the investment, and to respect the additional conditions set in line with point 85(i) of the Temporary Crisis and Transition Framework (recital (31)). The measure therefore complies with point 85(i) of the Temporary Crisis and Transition Framework.

– The Slovak Republic commits that before each individual grant of aid under the measure, the granting authority will verify, on the basis of the information provided by the beneficiary (recital (28)), the concrete risks of the productive investment to be supported under the measure not taking place within the EEA and that there is no risk of relocation within the EEA (recital (32)). The measure therefore complies with point 85(j) of the Temporary Crisis and Transition Framework.

– The Slovak Republic commits that beneficiaries under the measure will have to (i) confirm that in the two years preceding the application for aid, they have not carried out a relocation to the establishment in which the aided investment is to take place; and (ii) commit not to carry out such relocation up to a period of two years after completion of the investment (recital (32)). The measure therefore complies with point 85(k) of the Temporary Crisis and Transition Framework.

– Aid under the measure will not be granted to undertakings in difficulty (recital (20)). The measure therefore complies with point 85(l) of the Temporary Crisis and Transition Framework.

– The Slovak Republic confirmed that aid under the measure may be cumulated with State aid in relation to the same eligible costs, partly or fully overlapping, only if such cumulation does not result in exceeding the highest aid intensity or aid amount applicable under any of the relevant rules (recital (38)). Under no circumstances may the total aid amount exceed 100 % of the eligible costs (recital (38)). The measure therefore complies with point 85(m) of the Temporary Crisis and Transition Framework.

– The Slovak Republic committed to inform the Commission, within 60 days from the moment of granting individual aid under the measure, about the granting date, the aid amount, the eligible costs, the beneficiary's identity, the type and location of the investment supported on the basis of the information provided by the beneficiary (recital (34)). The measure therefore complies with point 85(o) of the Temporary Crisis and Transition Framework.

(51) State aid measures that entail, by themselves, by the conditions attached to them or by their financing method a non-severable violation of Union law cannot be declared compatible with the internal market ([28]).

(52) The Slovak Republic has confirmed that the proposed measure does not by itself, or by the conditions attached to it or by its financing method constitute a non-severable violation of Union law. In addition, the Commission has no indications of any possible breach of Union law that would prevent the notified measure from being declared compatible with the internal market.

(53) The Slovak authorities confirm that, as required by point 51 of the Temporary Crisis and Transition Framework, 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 that actually occurred in the initial establishment of the beneficiary in the EEA (recital (6)).

(54) The Slovak authorities confirm that, as required by point 52 of the Temporary Crisis and Transition Framework, the aid under the measure will not be granted to undertakings under sanctions adopted by the Union, including but not limited to:

(a) persons, entities or bodies specifically named in the legal acts imposing those sanctions;

(b) undertakings owned or controlled by persons, entities or bodies targeted by sanctions adopted by the Union; or

(c) undertakings active in industries targeted by sanctions adopted by the Union, insofar as the aid would undermine the objectives of the relevant sanctions (recital (21)).

(55) The Slovak authorities confirm that the monitoring and reporting requirements set out in section 3 of the Temporary Crisis and Transition Framework will be respected (recital (39)). The Slovak authorities further confirm that aid under the measure may only be cumulated with other aid if the specific provisions in the relevant sections of the Temporary Crisis and Transition Framework, the previous

([28]) Judgment of 31 January 2023, *Commission v Braesch and Others*, C-284/21 P, EU:C:2023:58, paragraphs 96 *et seq.*

Temporary Crisis Framework and the cumulation rules in the relevant Regulations and applicable Communications are respected (recitals (36) to (38)).

(56) The Commission has taken due consideration of the fact that the measure facilitates the development of certain economic activities and of the positive effects of that measure which accelerates the economic transition and overcomes the current crisis when balancing those effects against the potential negative effects of the measure on the internal market. The Commission considers that the positive effects of the measure outweigh its potential negative effects on competition and trade and it is compatible with the internal market pursuant to Article 107(3), point (c), TFEU since it meets all the relevant conditions of the Temporary Crisis and Transition Framework.

4. CONCLUSION

The Commission has decided not to raise objections to the aid on the grounds that it is compatible with the internal market pursuant to Article 107(3), point (c), TFEU.

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