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PUBLIC VERSION

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**Subject: State Aid SA.100963 (2021/N) – Slovakia
COVID-19: Amendment of the schemes SA.57484 and SA.57485, as
already amended**

Excellency,

1. PROCEDURE

- (1) By electronic notification of 7 December 2021, Slovakia notified an amendment (the “notified amendment”) to the following existing aid schemes (collectively, the “existing aid schemes”), which the Commission had already approved by the Commission decision C(2020) 4146 final of 18 June 2020 (“the initial decision”), under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak¹ (the “Temporary Framework”):
 - (a) SA.57484 (2020/N), “The National Development Fund I guarantee and grant scheme for loans with a nominal amount of maximum EUR 2 million”; and

¹ 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).

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- (b) SA.57485 (2020/N), “The National Development Fund II guarantee and grant scheme for loans with a nominal amount of maximum EUR 2 million”.
- (2) The existing aid schemes have already been amended in case SA.59982 (2020/N), approved by Commission decision C(2020) 9299 final of 15 December 2020, and in case SA.63394 (2020/N), approved by Commission decision C(2021) 4887 final of 28 June 2021 (“the first amendment” and “the second amendment”, respectively).
- (3) 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 1/1958,² and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE NOTIFIED AMENDMENT

- (4) The objective of the existing aid schemes is to preserve the continuity of economic activity during and after the COVID-19 pandemic. They are designed to ensure that undertakings continue to have access to the necessary liquidity to overcome the current economic difficulties.
- (5) The notified amendment prolongs the existing aid schemes until 30 June 2022. In addition, maximum nominal value of the grants, which are used to waive the guarantee fees, are increased to EUR 345 000 for undertakings active in the fishery and aquaculture sectors, to EUR 290 000 for undertakings active in the primary production of agricultural products, to EUR 2.3 million for all other undertakings.
- (6) Furthermore, the legal basis, as described in recital (8) below, provides an information update on the consequences of the third wave of COVID-19 in the Slovak Republic, including with regard to its macro-economy. It also provides technical clarifications on the start- and end-points of the time-periods relevant to the conditions for the granting of aid and on the deadline for verification of the documents for some eligibility conditions. However, none of these elements results in an amendment of the functioning of the schemes.
- (7) Apart from the notified amendment, the Slovakian authorities confirm that no further amendments are proposed to the existing aid schemes and that all other conditions of that schemes remain unaltered.
- (8) The legal basis for the notified amendment is described in recitals (7) and (8) of the original decision as well as in recital (4) of the second amendment.
- (9) The Slovakian authorities committed to respect all the applicable conditions of the Temporary Framework.
- (10) Aid may be granted under the existing aid schemes, as amended, as from the notification of the Commission’s approval of the notified amendment.

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

3. ASSESSMENT

3.1. Lawfulness of the measure

- (11) By notifying the amendment before putting it into effect, the Slovakian authorities have respected their obligations under Article 108(3) TFEU.

3.2. Existence of State aid

- (12) 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.
- (13) The existing aid schemes constitute State aid within the meaning of Article 107(1) TFEU for the reasons set out in the initial decisions. The amendments referred to in recital (2) did not affect this conclusion. The notified amendment does equally 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

- (14) The existing aid schemes are compatible with the internal market pursuant to Article 107(3)(b) TFEU, since they meet the conditions of sections 2, 3.1, 3.2, and 3.4 of the Temporary Framework for the reasons set out in the initial decisions. The amendments referred to in recital (2) above did not affect that assessment as confirmed in the respective Commission decisions thereon. The Commission therefore refers to the respective assessment of the initial decisions.
- (15) The Commission considers that a limited prolongation of the existing aid schemes is appropriate to ensure that national support measures effectively help affected undertakings during the COVID-19 pandemic. The notified amendment does not affect the compatibility assessment made under the initial decisions and confirmed under the amendments specified in recital (2). In particular, the Commission notes that aid under the schemes can only be granted until 30 June 2022, as described in recital (5). The schemes as amended thus comply with points 22(d) and 25(c), of the Temporary Framework.
- (16) Furthermore, the Commission notes that maximum aid amounts per beneficiary under section 3.1 are increased to EUR 345 000 for undertakings active in the fishery and aquaculture sectors, to EUR 290 000 for undertakings active in the primary production of agricultural products, to EUR 2.3 million for all other undertakings (see recital (5)). The measure thus continues to comply with points 22(a) and 23 of the Temporary Framework.
- (17) Apart from the notified amendment, Slovakia confirms that no further amendments are proposed to the existing aid schemes and that all other conditions of that scheme remain unaltered.

- (18) 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)(b) TFEU since it meets all the relevant conditions of the Temporary Framework. 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 amendments referred to in recital (2).

4. CONCLUSION

The Commission has accordingly decided not to raise objections to the schemes, as amended, on the grounds that they are compatible with the internal market pursuant to Article 107(3)(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: <http://ec.europa.eu/competition/elojade/isef/index.cfm>.

Yours faithfully,

For the Commission

Margrethe VESTAGER
Executive Vice-President

