



EUROPEAN COMMISSION

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**Subject: State Aid SA.63294 (2021/N) – Slovakia
COVID-19: Temporary Framework aid for preserving employment
and self-employment (amendments to SA.56986)**

Excellency,

1. PROCEDURE

- (1) By electronic notification of 1 June 2021, Slovakia notified amendments (the “notified amendments”) to State aid measure SA.56986 “Temporary Framework aid for preserving employment and self-employment”, as amended by SA.59280 and SA.62004 (collectively, the “existing aid scheme”)¹ under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (the “Temporary Framework”).²

¹ Commission decision of 21 April 2020 in case SA.56986 (2020/N) – Slovakia – COVID 19: Temporary Framework aid for preserving employment and self-employment (OJ C 144, 30.4.2020, p. 1) (“initial decision”); Commission decision of 25 November 2020 in case SA.59280 (2020/N) – Slovakia – COVID 19: Temporary Framework aid for preserving employment and self-employment – amendment (OJ C 7, 8.1.2021, p. 1) (“first amendment decision”); and Commission decision of 22 March 2021 in case SA.62004 (2021/N) – Slovakia – COVID 19: Second modification of SA.56986 (2020/N) – Temporary Framework aid for preserving employment and self-employment (OJ C 134, 16.4.2021, p. 1) (“second amendment decision”).

² 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) and C(2021) 564 (OJ C 34, 1.2.2021, p. 6).

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- (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 1/1958³ and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE NOTIFIED AMENDMENTS

- (3) Slovakia wishes to amend the existing aid scheme by increasing the budget of EUR 2 billion approved in the initial decision on State aid measure SA.56986 to EUR 3 billion. This increase aims to cater for the six-month prolongation of the scheme (until 31 December 2021) that was approved by the second amendment decision. The Slovak authorities have informed the Commission of their intention to co-fund the additional budget with funds from the Slovak national budget and the Recovery and Resilience Facility.⁴
- (4) Slovakia further wishes to update the description of the existing aid scheme’s legal basis by adding the Resolutions of the Government of the Slovak Republic N° 176/2021 of 31 March 2021 and N° 215/2021 of 26 April 2021. These resolutions further extend the duration of the state of emergency in Slovakia, given the persistent negative effects of the COVID-19 outbreak.
- (5) The legal basis for the notified amendments comprises the following:
- Draft amendment to the State aid scheme for temporary aid for preserving employment and self-employment during the COVID-19 outbreak, as amended. The draft amendment contains a suspensive clause that makes the entry into force of the amendment conditional on the Commission’s prior approval thereof;
 - Act 311/2001 on the Labour Code;
 - Act 292/2014 on contributions from the European Structural and Investment Funds and on the amendment of certain laws, as amended;
 - Resolutions of the Government of the Slovak Republic N° 111/2020 of 11 March 2020, N° 113/2020 of 15 March 2020, N° 114/2020 of 15 March 2020, N° 115/2020 of 18 March 2020, N° 645/2020 of 12 October 2020, N° 804/2020 of 16 December 2020, N° 808/2020 of 31 December 2020, N° 30/2021 of 17 January 2021, N° 44/2021 of 20 January 2021, N° 64/2021 of 1 February 2021, N° 72/2021 of 2 February 2021, N° 77/2021 of 5 February 2021, N° 176/2021 of 31 March 2021 and N° 215/2021 of 26 April 2021, imposing measures to contain the spread of the COVID-19 outbreak;
 - Decree of the Public Health Authority of 31 December 2020 imposing measures in the event of a threat to public health and restrictions on business operations and mass events.
- (6) Apart from the notified amendments, as described above, Slovakia confirms that no further amendments are proposed to the existing aid scheme and that all other

³ Regulation No 1 determining the languages to be used by the European Economic Community (OJ 17, 6.10.1958, p. 385).

⁴ Pursuant to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17).

conditions of that scheme remain unaltered. Slovakia confirms that all the conditions set out in Sections 2, 3.1 and 3.10 of the Temporary Framework will continue to be respected, and in particular the maximum aid amounts per undertaking (Section 3.1) and the cap on the aid amount at 80% of the monthly gross salary of the benefitting personnel (Section 3.10).

- (7) Aid may be granted under the existing aid scheme, as amended, as from the notification of the Commission's approval of the notified amendments.

3. ASSESSMENT

3.1. Lawfulness of the measure

- (8) The draft amendment contains a suspensive clause that makes the entry into force of the amendment conditional on the Commission's prior approval thereof (recital (5)). By notifying the amendments before putting them into effect, the Slovak authorities have respected their obligations under Article 108(3) TFEU.

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 (38) of the initial decision, recitals (32) to (38) of the first amendment decision and recitals (31) to (33) of the second amendment decision. The notified amendments do not affect that conclusion. The Commission therefore refers to the respective assessment of the initial decision, first amendment decision and second amendment 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)(b) TFEU, since it meets the conditions of sections 2, 3.1 and 3.10 of the Temporary Framework for the reasons set out in recitals (40) to (45) of the initial decision, recitals (39) to (47) of the first amendment decision and recitals (34) to (45) of the second amendment decision. The Commission therefore refers to the respective assessment of the initial decision, first amendment decision and second amendment decision.
- (12) The notified amendments do not affect that conclusion. In particular, the budget increase does not have any effect on the remaining elements of the existing aid scheme, as described in the initial decision and the first and second amendment decisions. Slovakia confirms that all the conditions set out in Sections 2, 3.1 and 3.10 of the Temporary Framework will continue to be respected, and in particular the maximum aid amounts per undertaking (Section 3.1) and the cap on the aid

amount at 80% of the monthly gross salary of the benefitting personnel (Section 3.10) (recital (6)).

- (13) Similarly, the addition of two resolutions to the legal basis of the existing aid scheme does not affect the other features of that scheme. As explained in recital (4), those resolutions merely extend the duration of the state of emergency in Slovakia but do not change the duration of the existing scheme.
- (14) The Commission notes Slovakia's confirmation that, apart from the notified amendments, all other conditions of the scheme remain unaltered (recital (6)).
- (15) 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)(b) TFEU, since they meet all the relevant conditions of the Temporary Framework. The Commission therefore considers that the notified amendments do not alter the Commission's conclusion on the compatibility of the existing aid scheme.

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)(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