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**Subject: State Aid SA.64688 (2021/NN) – Slovakia  
COVID-19: Rent rebates for tenants (amendments to SA.57599) and  
COVID-19: Fixed costs subsidies (amendments to SA.59996)**

Excellency,

## 1. PROCEDURE

- (1) By electronic notification of 3 September 2021, Slovakia notified amendments (the “notified amendments”) to the following existing aid schemes (“the existing aid schemes”) which the Commission had already approved under the Temporary Framework for State aid measures to support the economy in the current COVID-19 pandemic (the “Temporary Framework”)<sup>1</sup>:
  - (a) SA.57599 – COVID-19: Rent rebates for tenants (“Initial Decision 1”)<sup>2</sup>, which the Commission approved on 16 June 2020 and amended on 15 December 2020 in case SA.59809 (2020/N) – COVID-19 – Amendment

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<sup>1</sup> 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).

<sup>2</sup> Commission Decision SA.57599 (2020/N) – COVID-19: Rent rebates for tenants, C(2020) 4123 final, OJ C 220, 3.7.2020, p. 16.

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to the existing aid scheme SA.57599 (2020/N) – Rent rebates for tenants<sup>3</sup> (collectively, “Existing Scheme 1”),

(b) SA.59996 - COVID-19: Fixed costs subsidies<sup>4</sup>, which the Commission approved on 21 December 2020 (“Existing Scheme 2”).

- (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<sup>5</sup> and to have this Decision adopted and notified in English.

## **2. DESCRIPTION OF THE NOTIFIED AMENDMENTS**

### **2.1. Existing Scheme 1**

- (3) Existing Scheme 1 has the objective to provide aid in the form of direct grants to undertakings to cover part of their rental costs for infrastructure, the use of which has been particularly affected by the measures adopted in response to the COVID-19 pandemic.
- (4) Slovakia wishes to extend the duration of Existing Scheme 1 until 31 December 2021. The payment of the aid is possible until 30 June 2022.
- (5) The legal basis for the notified amendments is:
- Act No. 358/2015 Coll. on the regulation of certain relations in the field of State aid and minimum aid and on amendments to certain acts (the State Aid Act);
- Act No. 71/2013 Coll. on subsidies within the powers of the Ministry of Economy of the Slovak Republic as amended.
- (6) Additionally, Slovakia has explained that the budget of Existing Scheme 1 has been adjusted to an overall amount of EUR 150 million.

### **2.2. Existing Scheme 2**

- (7) Existing Scheme 2 has the objective to provide aid in the form of direct grants to undertakings to cover part of their fixed costs due to, or in relation to, restrictions imposed by Slovak authorities in connection with the COVID-19 pandemic.
- (8) Slovakia wishes to extend the duration of Existing Scheme 2 until 31 December 2021. Payment of the aid would also need to be done by that date.
- (9) Slovakia has explained that the maximum amount of aid granted under Existing Scheme 2 remains EUR 800 000; however in light of the legal basis, which

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<sup>3</sup> Commission Decision SA.59809 (2020/N) – COVID-19 – Amendment to the existing aid scheme SA.57599 (2020/N) – Rent rebates for tenants, C(2020) 9314 final, OJ C 7, 8.1.2021, p. 16.

<sup>4</sup> Commission Decision SA.59996 (2020/N) – COVID-19: Fixed costs subsidies, C(2020) 9570 final, OJ C 17, 15.1.2021, p. 21.

<sup>5</sup> Regulation No 1 determining the languages to be used by the European Economic Community, OJ 17, 6.10.1958, p. 385.

explicitly prohibits the cumulation of aid if it exceeds EUR 800 000, Slovakia wishes to increase the cumulation ceiling to EUR 1.8 million. The budget of Existing Scheme 2 remains unchanged.

- (10) The legal basis for the notified amendments is:

Act No. 358/2015 Coll. on the regulation of certain relations in the field of State aid and minimum aid and on amendments to certain acts (the State Aid Act);

Act No. 290/2016 Coll. on small and medium enterprises support and on the amendment and supplements to the Act No. 71/2013 Coll. on subsidies within the powers of the Ministry of Economy of the Slovak Republic as amended.

- (11) Apart from the notified amendments, Slovakia confirms that no further amendments are proposed to the existing aid schemes and that all other conditions of those schemes, as amended, remain unaltered.

### **3. ASSESSMENT**

#### **3.1. Lawfulness of the measure**

- (12) Pursuant to Article 108(3) TFEU, a Member State shall not put its proposed measures into effect until the notification of the Commission's final decision.
- (13) Since the amendments to the existing aid schemes have already entered into force, they involve unlawful aid.

#### **3.2. Existence of State aid**

- (14) 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.
- (15) The existing aid scheme constitutes State aid within the meaning of Article 107(1) TFEU for the reasons set out in the initial decisions of the existing aid schemes<sup>6</sup>. The notified amendments do not affect that conclusion. The Commission therefore refers to the respective assessment of the existing aid schemes and concludes that the existing aid schemes, as amended, constitute State aid within the meaning of Article 107(1) TFEU.

#### **3.3. Compatibility**

- (16) The existing aid schemes are compatible with the internal market pursuant to Article 107(3)(b) TFEU, since they meet the conditions of section 2 and section

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<sup>6</sup> See:

- Recitals (28) to (33) of the initial decision in case SA.57599;
- Recitals (30) to (36) of the initial decision in case SA.59996.

3.1 of the Temporary Framework for the reasons set out in the initial decisions of the existing aid schemes<sup>7</sup>. The Commission therefore refers to the respective assessment of the initial decisions of the existing aid schemes.

- (17) The notified amendments do not affect that conclusion. In particular:
- (a) The prolongation of the duration of the existing aid schemes (recitals (4) and (8)), is in conformity with point 22(d) of the Temporary Framework.
  - (b) The increase of the cumulation ceiling from EUR 800 000 to EUR 1.8 million (recital (9)), is in conformity with points 20 and 22(a) of the Temporary Framework.
- (18) Apart from the notified amendments, Slovakia confirms that no further amendments are proposed to the existing aid schemes and that all other conditions of that scheme remain unaltered.
- (19) 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 schemes, as amended.

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<sup>7</sup> See:

- Recitals (34) to (41) of the initial decision in case SA.57599;
- Recitals (37) to (44) of the initial decision in case SA.59996.

#### 4. CONCLUSION

The Commission regrets that Slovakia failed to meet its obligations under Article 108(3) of the Treaty on the Functioning of the European Union.

However, in light of the above, the Commission has 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

