



EUROPEAN COMMISSION

Brussels, 14.12.2020
C(2020) 9291 final

PUBLIC VERSION

This document is made available for
information purposes only.

**Subject: State Aid SA.59768 (2020/N) – Slovakia
COVID-19: Modification of SA.58054 (2020/N): ESIF Liquidity
Support State Aid Scheme for Innovative Companies with Limited
Access to Credit Facilities**

Excellency,

1. PROCEDURE

- (1) By electronic notification of 26 November 2020, Slovakia notified a modification concerning the existing ESIF Liquidity Support State Aid Scheme for Innovative Companies with Limited Access to Credit Facilities (SA.58054 (2020/N)) (“the existing aid scheme”) which the Commission approved by Decision C(2020) 5577 on 21 August 2020 (“the initial decision”) in light of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (“the Temporary Framework”)¹.

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 Communication from the Commission C(2020) 2215 final of 3 April 2020 on the Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 112I, 4.4.2020, p. 1, by Communication from the Commission C(2020) 3156 final of 8 May 2020 on the Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 164, 13.5.2020, p. 3, by Communication from the Commission C(2020) 4509 final of 29 June 2020 on the Third Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 218, 2.7.2020, p. 3 and by Communication from the Commission C(2020) 7127 final of 13 October 2020 on the Fourth Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak and amendment to the Annex to the Communication from the Commission to the Member States on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to short-term export-credit insurance, OJ C 340 I, 13.10.2020, p. 1.

Ivan KORČOK
minister zahraničných vecí a európskych záležitostí Slovenskej republiky
Hlboká cesta 2
SK-833 36 Bratislava
SLOVENSKÁ REPUBLIKA

- (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 1/1958² and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE MEASURE

- (3) On 13 October 2020, the Commission adopted a Communication³ prolonging until 30 June 2021 the validity of the Temporary Framework, which would otherwise expire at the end of 2020.
- (4) Following the prolongation of the Temporary Framework, the Slovak authorities would like to extend the duration of the existing aid scheme (as described in Section 2.4 of the initial decision) until 30 June 2021.
- (5) All other conditions of the existing aid scheme remain unchanged.
- (6) The modification will only be put into effect after the notification of the Commission’s decision.

3. ASSESSMENT

3.1. Lawfulness of the measure

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

3.2. 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 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 (27) to (32) of the initial decision. The proposed modification does not affect that conclusion. The Commission therefore refers to the respective assessment of the aforementioned decision and concludes that the existing scheme as modified constitutes State aid in the meaning of Article 107 (1) of the TFEU.

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 C(2020) 7127 final of 13 October 2020 on the Fourth Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak and amendment to the Annex to the Communication from the Commission to the Member States on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to short-term export-credit insurance, OJ C 340 I, 13.10.2020, p. 1.

3.3. Compatibility

- (10) The Commission assessed the existing aid scheme on the basis of Article 107 (3)(b) of the TFEU in light of the Temporary Framework and concluded that it was compliant with the compatibility conditions set out in that Framework. The Commission refers to its assessment of compatibility as set out in recitals (33) to (41) of the initial decision.
- (11) The Commission considers that the notified amendment meets the conditions of the Temporary Framework and does not alter the Commission's conclusion on the compatibility of the respective aid scheme in the initial decision.
- (12) The assessment of the notified modification of the existing aid scheme is carried out based on the amended Temporary Framework (point 22(d)). The notified amendment is in line with the said provision, allowing the extension of the duration of aid schemes under section 3.1 of the Temporary Framework until 30 June 2021.
- (13) Apart from the modification referred to in recital (4), the Commission notes that there are no other alterations to the existing aid scheme.
- (14) The Commission therefore considers that the ESIF Liquidity Support State Aid Scheme for Innovative Companies with Limited Access to Credit Facilities, as modified, is necessary, appropriate, and proportionate to remedy a serious disturbance in the economy of a Member State (Slovakia) pursuant to Article 107(3)(b) TFEU since it meets all the relevant conditions of the Temporary Framework.

4. CONCLUSION

The Commission has accordingly decided not to raise objections to the modification with regards to the ESIF Liquidity Support State Aid Scheme for Innovative Companies with Limited Access to Credit Facilities 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