



EUROPEAN COMMISSION

Brussels, 15.12.2020  
C(2020) 9314 final

PUBLIC VERSION

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**Subject: State Aid SA.59809 (2020/N) – Slovak Republic  
COVID-19 – Amendment to the existing aid scheme SA.57599  
(2020/N) – Rent rebates for tenants**

Excellency,

**1. PROCEDURE**

- (1) By electronic notification of 27 November 2020, the Slovak Republic notified an amendment (the “notified amendment”) to the aid scheme (the “existing aid scheme”) which the Commission approved on 16 June 2020 in SA.57599 (2020/N) (the “initial decision”),<sup>1</sup> under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (the “Temporary Framework”).<sup>2</sup>

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<sup>1</sup> Commission decision of 16 June 2020 in case SA.57599(2020/N), OJ C 220, 3.7.2020, available at: [https://ec.europa.eu/competition/state\\_aid/cases1/202025/286464\\_2165879\\_67\\_2.pdf](https://ec.europa.eu/competition/state_aid/cases1/202025/286464_2165879_67_2.pdf)

<sup>2</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 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

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- (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<sup>3</sup> and to have this Decision adopted and notified in English.

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

- (3) The Slovak Republic considers that the COVID-19 outbreak continues to affect the real economy.
- (4) In response to the COVID-19 outbreak, the public authorities of the Slovak Republic have adopted a number of measures to prevent the spread of the virus. These measures include the declaration of an emergency situation,<sup>4</sup> which applied for the whole territory of the Slovak Republic as of 12 March 2020, the closing or reduced accessibility of certain establishments and the interruption of teaching at schools. Undertakings active in retail sales, hotels, restaurants, cultural and sports activities and certain others activities with a focus on customer relations were mainly affected by these measures.
- (5) The objective of the existing aid scheme was to grant liquidity to undertakings by covering 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 outbreak. As the COVID-19 outbreak continues, additional measures have been taken in response to it, such as the curfews that were imposed from 24 October 2020 to 14 November 2020.<sup>5</sup> The notified amendment aims to ensure that the existing aid scheme continues to provide liquidity to the affected undertakings by covering part of their rental costs.
- (6) In particular, the notified amendment comprises the following elements:
- (a) *First*, the notified amendment provides that aid may be granted under the measure until 30 June 2021, in line with point 22(d) of the Temporary Framework.
  - (b) *Second*, the notified amendment expands the scope of the existing aid scheme to cover rental agreements concluded before 1 August 2020, including amendments to rental agreements which have been agreed up until 31 August 2020.<sup>6</sup>

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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.

<sup>3</sup> Regulation No 1 determining the languages to be used by the European Economic Community, OJ 17, 6.10.1958, p. 385.

<sup>4</sup> Resolution of the Government of the Slovak Republic. No.111/2020 dated 11 March 2020.

<sup>5</sup> The curfew was imposed by Resolution of the Government of the Slovak Republic No. 678/2020 dated 22 October 2020; Resolution of the Government of the Slovak Republic No. 693/2020 dated 28 October 2020 and Resolution of the Government of the Slovak Republic No. 704/2020 dated 4 November 2020.

<sup>6</sup> According to recital 20 of the initial decision: “*Rental agreements entered into force after 12 March 2020 are not included in the scope of the measure*”.

- (c) *Third*, the notified amendment expands the scope of the existing aid scheme to cover undertakings affected by the curfews mentioned in recital (5).
  - (d) *Finally*, the estimated budget of the notified amendment is EUR 50 million.
- (7) All other conditions of the existing aid scheme as described in the initial decision (recitals (8) to (26)), including the form of aid (direct grants), remain unchanged.

### **3. ASSESSMENT**

#### **3.1. Lawfulness of the measures**

- (8) By notifying the measures 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 affect trade between Member States.
- (10) The qualification of the existing aid scheme as State aid was established in the initial decision (recitals (28) to (33)). The notified amendment does not affect that qualification. The Slovak authorities do not contest that conclusion.

#### **3.3. Compatibility**

- (11) In the initial decision, the Commission concluded that the existing aid scheme fulfilled the conditions set out in section 3.1 of the Temporary Framework and was therefore compatible with the internal market on the basis of Article 107(3)(b) TFEU. The Commission refers to its compatibility analysis as set out in recitals (34) to (41) of that decision.
- (12) The Commission considers that the amendments described in recital (6) do not alter the Commission's conclusions on the compatibility of the existing aid scheme as set out in the initial decision. In particular, the Slovak authorities have confirmed that the total nominal value of aid granted under the measure will not exceed EUR 800 000 per undertaking, nor EUR 120 000 per undertaking active in the fishery and aquaculture sector or EUR 100 000 per undertaking active in the primary production of agricultural products, as indicated in recital (39) of the initial decision, in line with point 22(a) and 23(a) of the Temporary Framework. Furthermore, the extension of the period in which aid may be granted is in line with point 22(d) of the Temporary Framework. The expanded scope of the measure and the budget of the notified amendment do not alter the outcome of the compatibility analysis under section 3.1 of the Temporary Framework. Apart from the amendments referred to in recital (6), the Commission notes that there are no other alterations to the existing aid scheme (recital (7)).

- (13) The Commission therefore considers that the notified amendment is appropriate, proportionate and necessary 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.

#### **4. CONCLUSION**

The Commission has accordingly decided not to raise objections to the notified amendment 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

