

# Concurrences

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## Competition law and health crisis

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# Competition law and health crisis

## ABSTRACT

*The unexpected shock provoked by the Covid-19 crisis and the measures taken to limit the spread of the pandemic have affected the functioning of many markets. Throughout the world, competition authorities which, in the last decade, had been enforcing their laws in the context of steady economic growth have had to adjust their enforcement practices not only to the difficulties of running their operations due to lockdowns but more importantly to adjust to collapsing markets or markets for essential goods characterized by severe shortages, in a context of deep economic depression with many firms facing severe liquidity constraints or even the threat of bankruptcy. Competition authorities have responded to these extraordinarily brutal circumstances by adjusting their enforcement priorities, exempting certain forms of cooperation, relaxing their standards for efficiency defence, adopting emergency procedures, allowing state aids under certain conditions, accepting mergers because the target had all of a sudden become a failing firm etc.... while at the same time insisting that these changes did not mean a weakening or an alteration of the competition law principles that they previously followed. This set of articles describes in detail the responses of a number of competition authorities, analyzes the differences in the responses of various governments and competition authorities to the Covid-19 crisis and discusses whether these responses imply a departure from the traditionally accepted goals and enforcement principles of competition.*

*Le choc inattendu provoqué par la crise du Covid-19 et les mesures prises pour limiter la propagation de la pandémie ont affecté le fonctionnement de nombreux marchés. Partout dans le monde, les autorités de la concurrence qui, au cours de la dernière décennie, avaient appliqué leurs lois dans le contexte d'une croissance économique régulière, ont dû adapter leurs pratiques non seulement aux difficultés de gestion de leurs opérations résultant du confinement de leurs agents mais surtout à l'effondrement de la demande sur certains marchés et l'existence de graves pénuries de biens essentiels pour lutter contre la pandémie sur d'autres marchés. Dans un contexte de profonde dépression économique, de nombreuses entreprises sont confrontées à de graves contraintes de liquidité voire à la menace de faillite. Les autorités de la concurrence ont réagi à ces circonstances extraordinairement brutales en ajustant leurs priorités, en exemptant certaines formes de coopération, en assouplissant leurs standards en matière de gains d'efficacité, en adoptant des procédures d'urgence, en autorisant sous certaines formes des aides d'État, en acceptant des concentrations au nom de la théorie de l'entreprise défaillante etc.... Simultanément, elles ont insisté sur le fait que ces changements ne signifiaient pas un affaiblissement ou une modification du droit de la concurrence. Ce dossier décrit en détail les pratiques d'un certain nombre d'autorités de la concurrence, analyse les différences dans les réponses à la crise Covid-19 de divers gouvernements et autorités de la concurrence et examine si ces réponses impliquent une modification par rapport aux objectifs ou aux principes traditionnellement acceptés de mise en œuvre du droit de la concurrence*

## Introduction

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## Foreign investment lockdown

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## Covid-19 and competition policy: A Swiss perspective

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## EU State aid control and Covid-19 outbreak: A first commentary

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## Liberalisation of the Covid-19 testing service market to ensure individual access to testing and the role of competition laws and authorities: Lessons from Japan

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# EU State aid control and COVID-19 outbreak: A first commentary\*

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1. The European Commission has adopted a new Temporary Framework for State aid in the context of the Covid-19 pandemic implementing a flexible approach for approving emergency aid granted by Member States to businesses affected by the pandemic.<sup>1</sup>

2. The Commission's DG Competition has organised itself in a similar way to its response to the 2008 crisis, setting up a specific email address and telephone number for Member States and listing all measures in a specific tab on its website. It has adopted a high rate of decisions approving the measures notified by Member States.<sup>2</sup>

3. Given the importance of the unprecedented issues and the exceptional situation facing the global economy in recent weeks, we felt it justified to take stock of the "Covid-19 aid" measures in some detail. The matter is evolving rapidly: it is sufficient to note a first decision on 12 March 2020 (Denmark) before the adoption by the Commission of a framework on 19 March, amended on 3 April, which led to the adoption of 107 other decisions (approving more than 130 different notified measures) from 21 March to 5 May, including 8 other decisions under Article 107(2)(b) TFEU.

## I. Introduction

*"State aid control is part of the solution,  
not part of the problem."*

4. These were the words of Commissioner Neelie Kroes at the beginning of the financial crisis in October 2008, which would bring the heads of States and finance ministers of the Member States to their knees as they sought to "deactivate" competition law.

5. They also apply to the economic crisis resulting from the current health crisis. A comparative analysis of the two crises of 2008 and 2020 will not be ventured. However, from the point of view of State aid control, several analogies can be made, even if the important differences are already apparent: in 2008, a systemic financial crisis with a rather limited impact on the real economy and, in 2020, a global health crisis leading to an unprecedented economic crisis—of the real economy—whose exact extent is not yet measured but which will probably require a long convalescence and deep structural changes in some sectors.

\* As of the situation on 5 May 2020.

\*\* The present article is an updated version of the article published in French in the State aid Quarterly Chronicles of *Concurrences* No. 2-2020. I am greatly indebted to Catalina Chilaru (trainee) and Alice Malaise (student) for their assistance and to Ciara Barbu-O'Connor (associate) for her language revision.

1 General texts adopted since 13 March 2020 (as of 30 April 2020):  
- 13 March 2020: Communication from the European Commission on a coordinated economic response to the Covid-19 outbreak, COM(2020) 112 final: [https://ec.europa.eu/info/sites/info/files/communication-coordinated-economic-response-covid19-march-2020\\_en.pdf](https://ec.europa.eu/info/sites/info/files/communication-coordinated-economic-response-covid19-march-2020_en.pdf)  
- 19 March 2020: Temporary Framework for State aid measures to support the economy in the current Covid-19 outbreak, OJ C 91 I, 20.03.2020, pp. 1–9;  
- 3 April 2020: Amendment to the Temporary Framework for State aid measures to support the economy in the current Covid-19 outbreak, OJ C 112 I, 04.4.2020, pp. 1–9; informal consolidation of the Temporary Framework: [https://ec.europa.eu/competition/state\\_aid/what\\_is\\_new/TF\\_consolidated\\_version\\_as\\_amended\\_3\\_april\\_2020.pdf](https://ec.europa.eu/competition/state_aid/what_is_new/TF_consolidated_version_as_amended_3_april_2020.pdf)  
- 27 March 2020: Communication from the Commission amending 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 101 I, 28.3.2020, pp. 1–3;  
- Amended notification template for aid measures under Temporary Framework for State aid measures to support the economy in the current coronavirus outbreak—available only in English; [https://ec.europa.eu/competition/state\\_aid/what\\_is\\_new/amended\\_notification\\_template\\_TF\\_coronavirus.pdf](https://ec.europa.eu/competition/state_aid/what_is_new/amended_notification_template_TF_coronavirus.pdf)  
- Notification template for aid measures under Article 107(2)(b) TFEU (exceptional occurrence)—available only in English; [https://ec.europa.eu/competition/state\\_aid/what\\_is\\_new/Notification\\_template\\_107\\_2\\_b\\_PUBLICATION.pdf](https://ec.europa.eu/competition/state_aid/what_is_new/Notification_template_107_2_b_PUBLICATION.pdf).

2 [https://ec.europa.eu/competition/state\\_aid/what\\_is\\_new/covid\\_19.html](https://ec.europa.eu/competition/state_aid/what_is_new/covid_19.html)  
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All decisions adopted by the Commission since 12 March 2020 (updated daily): [https://ec.europa.eu/competition/state\\_aid/what\\_is\\_new/State\\_aid\\_decisions\\_TF\\_and\\_107\\_2\\_b\\_and\\_107\\_3\\_b.pdf](https://ec.europa.eu/competition/state_aid/what_is_new/State_aid_decisions_TF_and_107_2_b_and_107_3_b.pdf).

6. In this context, State aid control coordinates and provides a framework for the public support responses of the different Member States. It allows the EU to act with discernment (see the etymology of the word “crisis” below), to make the necessary choices and to avoid destructive outbidding by the law of the strongest. In this sense, State aid control is truly one of the ultimate instruments for combating the nationalist reactions of Member States affected by the sovereignty virus. Without State aid control, there can be no European Union! Even if one considers the challenges of the global competition by other regions of the world which do not have any State aid/subsidy control.

7. The Temporary Framework of 19 March 2020 expresses it well: “(...) *EU State aid control ensures that the EU Internal Market is not fragmented and that the level playing field stays intact. The integrity of the Internal Market will also lead to a faster recovery. It also avoids harmful subsidy races, where Member States with deeper pockets can outspend neighbours to the detriment of cohesion within the Union*” (point 10). And this health crisis has already amply demonstrated that it is not less Europe that we need, but more Europe when the Member States have only been able to prove the regrettable error of their refusal to transfer sovereignty (and budget) to the EU in the health field!

8. It is here that I would like to appeal to the etymology (to classical, and especially Greek philology) to come back to the exact meaning of the word “crisis.” It is generally understood to have only the limited Latin origin of “serious manifestation of a disease.” It is instinctively the meaning of the word “crisis” with its negative aspects. However, the Latin “crisis” comes from the ancient Greek “κρίσις,” associated with the verb “κρίνω, κρίνειν, *krinéo, krinein*” which covers, much more subtly, multiple meanings that can only guide action: (i) the action or the ability to distinguish, (ii) the action of choosing, (iii) the struggle, (iv) the action of deciding, hence the decision, the judgement and, finally, (v) the outcome, the decisive phase of an illness. By “κρίνω,” ancient Greeks meant “I discern, I understand, I judge, I decide, I act, I find a cure...” Crisis, therefore, is the state of emergency that pushes us, through rational analysis, to discern the (right) decisions to be taken and the (right) actions to be taken and to implement them in order to get out of a difficult situation. In order to avoid “chaos,” which the ancient Greeks referred to as “κράσις, *krasis*”, pun intended... That says it all.

9. As in 2008, we must analyse the sources of the crisis (health and economic), its development mechanism, its impact and then identify the proper measures to remedy it. As in 2008, State aid control must adapt to this exceptional situation and provide sufficiently flexible (and evolving) responses, while maintaining the essential principles that will prevent Member States from destructive drifts in their efforts to integrate Europe.

10. Since the beginning of March 2020, the Commission’s response seems to have been equal to the challenge. First of all, the Commission fairly quickly adopted a communication on 13 March 2020 on the analysis of the

global situation of the “crisis” and its economic impact. Then, with regard to State aid, it showed a responsiveness comparable to the 2008 crisis (with the publication, in a few days, of the “banking” communication of October 2008—replaced in August 2013—which was to set the guidelines for State aid control in the financial crisis) by adopting very quickly, on 19 March 2020, a Temporary Framework for State aid measures to support the economy in the current Covid-19 outbreak. Then, in a second phase, just as quickly, the framework for the approval of support measures notified by Member States was developed, with a similar speed to the crisis of late 2008–early 2009, using the same exceptional procedural means: urgent notifications, exceptional use of the English language only through language waiver (except for France apparently), dedicated teams, transparency, very rapid adoption of compatibility decisions in 24 or 48 hours, compatibility decisions favouring guarantee schemes under the framework. Lastly, the Commission has already amended its Temporary Framework on 3 April and will do it again in early May.

11. Moreover, to date, only four Member States (Denmark, France, Sweden and Germany) have notified measures under Article 107(2)(b) TFEU. This may come as a surprise. We shall return to this subject in our initial comments following the description that follows.

## II. Legal basis available and used

12. Among the urgent measures adopted by Member States, there is, first of all, a whole range of measures that do not constitute State aid within the meaning of Article 107(1) TFEU. These include general support measures aimed at all undertakings (without selectivity), such as wage subsidies, deferral or suspension of payment of corporate and value added tax or social contributions; temporary unemployment measures, or measures targeting consumers directly, such as individual financial support for cancelled services or tickets not reimbursed by the operators concerned.

13. For measures constituting State aid within the meaning of Article 107(1) TFEU, some may not need to be notified to the Commission if they benefit from the *de minimis* rule (to simplify, “transparent”—directly assessable—aid of less than €200,000 over three fiscal years) or from the General Block Exemption Regulation (GBER).

14. It should be noted at the outset that the Temporary Framework, as some have wrongly claimed, did not create new *de minimis* measures—the €800,000 threshold described below—nor did it extend the scope of the GBER. Most of the exceptional measures taken will not fall under these exemptions from prior notification and will have to be submitted to the Commission’s approval to be declared compatible with the internal market on the basis of three different legal bases: Article 107(2)(b) TFEU, Article 107(3)(b) TFEU and Article 107(3)(c) TFEU.



## 1. Article 107(2)(b) TFEU: Compensation for damage suffered as a result of the Covid-19 outbreak

15. Under this provision, Member States may grant aid “*to make good the damage caused by natural disasters or exceptional occurrences.*” This is an automatic exemption, by law, provided that the factual conditions of the provision are met.

16. The Commission must approve such aid measures, without any discretionary assessment of their compatibility, if there is indeed an “exceptional occurrence” causing economic damage.

## 2. Article 107(3)(b) TFEU: Remedy for serious disturbance in the economy of a Member State

17. These are State aid measures whose exemption depends on a discretionary assessment by the Commission of their compatibility with the internal market, where their objective is to “*remedy a serious disturbance in the economy of a Member State.*”

18. From 1958 to 2008, Article 107(3)(b) TFEU was used only three times (oil crisis of 1973–1974, crisis of the Greek economy in 1987 and 1991). Then, since October 2008, several hundred times in the context of the financial crisis.

19. On 19 March 2020, on the basis of the same provision, the Commission adopted a Temporary Framework (applicable until 31 December 2020) which clarifies the types of aid measures that Member States may put in place, after prior notification and approval by the Commission, to support businesses affected by the Covid-19 outbreak.

## 3. Article 107(3)(c) TFEU: Rescue and restructuring of undertakings in difficulty and other types of aid

20. Individual aid measures or aid schemes may also be made available, subject to prior approval by the Commission, to meet liquidity needs and support undertakings encountering financial difficulties as a result of, or exacerbated by, the Covid-19 outbreak. This may take the form of rescue aid covering operating needs for a period of six months, and up to eighteen months for SMEs or small public enterprises. It may also be restructuring aid for those companies in difficulty which can set up a long-term viability plan demonstrating that they will be able to

free themselves within a reasonable amount of time (three to five years—the time it takes to implement an adjusted business plan) from any public support and return to operating under normal market conditions. These are the usual rules of the 2014 rescue and restructuring guidelines.

21. In its Temporary Framework, the Commission has provided that the “one time, last time” principle (one rescue or restructuring aid every ten years) will not apply to measures justified by Covid-19. In other words, a firm which has received restructuring aid and whose viability is threatened by the Covid-19 outbreak will be able to benefit again from one of the Covid-19 aid measures (provided that it was not “in difficulty” on 31 December 2019—however, a firm which implements a restructuring plan approved under restructuring aid will remain “in difficulty” in principle during the implementation period, often three to five years). Moreover, when necessary, a Member State implementing a State aid scheme approved by the Commission under Article 107(3)(c) TFEU may increase the approved budget by less than 20% without prior notification to the Commission. For a budget increase of more than 20%, a simplified assessment procedure shall be proposed by the Commission.

22. During the financial crisis, specific rescue and restructuring guidelines were adopted by the Commission in July 2009. They then influenced the new 2014 guidelines for this type of exemption. The Commission has not yet adopted specific Covid-19 guidelines for rescue or restructuring aid that might arise as a result of the difficulties resulting from the Covid-19 crisis.

## III. Typology of approved aid measures

### 1. Article 107(2)(b) TFEU

23. The Commission confirmed that the Covid-19 pandemic constitutes the “extraordinary event” provided for in this provision, described as unforeseeable or difficult to predict, of significant and extraordinary economic magnitude or impact. Member States may therefore automatically grant aid to make good the damage directly caused by the pandemic provided that they demonstrate this causal link and the necessary and proportionate nature of the measure by prior notification. The Commission must therefore expressly approve the notified measure. The EU case law provides relevant guidance for the application of this provision.

24. Measures adopted under this provision could target specific sectors that have been particularly affected by the pandemic: tourism, transport (in particular air transport for the passenger sector), hotels, non-food retailing or “leisure events” such as concerts, exhibitions, trade fairs, sports competitions and other mass events cancelled because of Covid-19.

**25.** A direct causal link between the aid granted and the damage resulting from the Covid-19 outbreak must be proven and the aid must meet the criteria of necessity and avoid overcompensation. In addition, the Commission has indicated that it will require Member States to provide specific data related to the Covid-19 outbreak in order to approve these measures:

- the date of the first reported case in the country;
- the number of people infected at the time of notification;
- the economic impact of the Covid-19 outbreak in the Member State;
- the sequence of (main) events between the outbreak of Covid-19 and the adoption of the State aid scheme, including any official recommendations or bans decided by the competent authorities;
- the detailed information that has been published for certain sectors; as regards the aviation sector, the Commission indicated in particular the information that would be required: additional costs, loss of revenue, loss of traffic, reduction in demand, variable costs, restoration not incurred, reference period, reconstruction of the damage caused by comparing the situation during the period of spread of the pandemic with the reference period.

**26.** Exceptionally, the Commission has issued guidelines to Member States for the formulation of notifications of such measures (see references above).

**27.** Surprisingly, only four Member States have so far (5 May 2020) notified eight measures under this provision: Denmark (events, self-employed workers and undertakings and one airline), France (aviation but limited to aviation tax deferrals), Sweden (events and one airline) and Germany (one airline).

## 2. Article 107(3)(b) TFEU

**28.** In its Temporary Framework, the Commission set out the aid measures concerned and also made recommendations to Member States for their notification (see reference above).

**29.** The following description of the ten types of measures provided for in the Temporary Framework takes account of the amendments made by the Temporary Framework on 3 April 2020, which added measures related to:

- promotion of RD&I related to products needed for the fight against Covid-19;
- investment in testing and development infrastructures;

**Table 1**

Member State	Date	Decision	Type of measure	Budget	
Denmark					
1	Denmark	12 March	SA.56685	Grants to compensate organisers of events >1,000 participants or for designated at-risk groups (seniors or vulnerable persons), regardless of the number of participants, cancelled or postponed	€12 m
2	Denmark	25 March	SA.56791	Subsidies to compensate self-employed workers, covering 75% of the expected loss of turnover for a three-month period, compared to the monthly average for 2019. Max. €3,000 (DKK 23,000) per month per person	€1.3 bn
3	Denmark	8 April	SA.56774	Compensation for a significant drop in revenue related to Covid-19. Max. €8 million (DKK 60 million) per company	€5.4 m
4	Denmark	15 April	SA.56795	Revolving credit facility guarantee for Scandinavian airline SAS	€137 m
France					
5	France	31 March	SA.56765	Scheme to defer to January 2021 the payment by airlines of certain aeronautical taxes for March–December 2020. The taxes could be paid over a period of up to 24 months	N/A
Sweden					
6	Sweden	22 April	SA.57501	Direct grants scheme that compensates companies for the loss of revenue or additional costs related to the cancellation or postponement of cultural events	€38 m
7	Sweden	24 April	SA.57061	State guarantee on a revolving credit facility in favour of the Scandinavian airline SAS	€137 m
Germany					
8	Germany	27 April	SA.56867	State-guaranteed loan to compensate airline Condor for damage caused by Covid-19 outbreak	€550 m

- investment in the manufacture of Covid-19-related products;
- deferrals of tax and/or of social security contributions;
- wage subsidies for employees to avoid lay-offs.

**30.** Aid may be cumulated with each other, with the exception of:

- aid granted under Sections 3.2 and 3.3 of the Temporary Framework, if the aid is granted for the same underlying loan and if the total amount of the loan per undertaking exceeds the thresholds laid down;
- aid granted under Sections 3.6, 3.7 and 3.8 of the Temporary Framework, if the aid concerns the same eligible costs.

**31.** At the time of writing (5 May 2020), it already seems to be clear that the Commission will add another new category of aid: recapitalisation measures. The Commission consulted Member States on this issue as from 9 April 2020. It is expected that this second amendment to the Temporary Framework will contain strict conditions for the approval of such structural measures as a matter of urgency. These conditions will certainly be inspired by the lessons of the financial crisis since the Communication of December 2008, which clarified in particular the remuneration corridor of equity investments by Member States and the conditions for its exit.

**32.** In early May, the Commission was still discussing the conditions with Member States. If we consider the conditions developed during the financial crisis, we can imagine conditions such as:

- miscellaneous financial instruments, not limited to capital (subordinated loans, maximum 5% turnover, 40% of the annual wage bill);
- repayment terms with incentives to exit the State at the earliest (State remuneration increasing over time to reach the market price);
- restrictions on the behaviour of beneficiaries (commercial restraint, prohibition or limitation of acquisitions, prohibition of the payment of dividends and bonuses, of buyback programmes);
- State remuneration in proportion to the size of the beneficiary company;
- specific structural and behavioural remedies (divestitures) and exit strategy from public participation according to the size of the companies and their market position;
- restructuring plan if the State shareholding is prolonged beyond a certain date (exit depending on the State's concerned situation).

## 2.1 Aid in the form of direct grants, tax benefits and payment advantages or in other forms such as repayable advances, guarantees, loans and equity capital to meet urgent liquidity needs

**33.** Provided that the aid (other conditions apply to the agriculture, fisheries and aquaculture sectors):

- does not exceed €800,000 per undertaking (gross amounts, i.e., before taxes or other levies);
- is granted on the basis of a scheme with an estimated budget;
- is granted to undertakings that were not already in difficulty on 31 December 2019;
- is granted by 31 December 2020 at the latest (for tax advantages, this deadline does not apply and the aid is considered to be granted on the date on which the tax return for the financial year 2020 is due to be submitted).

**34.** Where an undertaking carries out activities in several sectors to which different maximum amounts apply, the Member State concerned must ensure, by appropriate means, such as separation of accounts, that the applicable ceiling is respected for each of those activities.

## 2.2 Aid in the form of loan guarantees, more targeted at large undertakings (as amended on 3 April 2020)

- Guarantee premiums set at a minimum level which increases progressively as the duration of the guaranteed loan increases.

**Table 2**

Beneficiaries	1 <sup>st</sup> year	2 <sup>nd</sup> and 3 <sup>rd</sup> years	4 <sup>th</sup> to 6 <sup>th</sup> years
SMEs	25 basis points	50 basis points	100 basis points
Large companies	50 basis points	100 basis points	200 basis points

- Aid schemes based on the above table but with modulation of the duration, premium and guarantee coverage for each main underlying individual loan (e.g., lower guarantee coverage compensating for a longer duration or lower premium). This type of assistance will allow banks to continue to provide loans to business clients who need them to cover their immediate needs.
- The guarantee shall be granted by 31 December 2020 at the latest.
- For loans maturing after 31 December 2020, the aggregate amount of the loans per beneficiary shall not exceed:

(i) double the annual wage bill of the beneficiary (including social charges as well as the cost of personnel working on the undertaking's site



but formally in the payroll of subcontractors) for 2019, or for the last year available. In the case of undertakings created on or after 1 January 2019, the maximum loan must not exceed the estimated annual wage bill for the first two years in operation, or;

(ii) 25% of the beneficiary's total turnover in 2019; or

(iii) with appropriate justification and based on self-certification by the beneficiary of its liquidity needs (working capital and investment costs) for eighteen months after the date of the grant in the case of SMEs and twelve months after the date of the grant in the case of large enterprises.

– For loans with a maturity until 31 December 2020, the principal amount of the loan may be higher than that fixed in that point, provided that this is duly justified and that the proportionality of the aid remains guaranteed.

– The duration of the guarantee shall be limited to a maximum of six years and the public guarantee may not exceed:

(i) 90% of the loan principal where the losses are sustained proportionally and under the same conditions by the credit institution and by the State; or

(ii) 35% of the loan principal where losses are attributed first to the State and only secondarily to credit institutions (first-loss guarantee); and

(iii) in both of the above cases, when the size of the loan decreases over time, for example because the loan starts to be reimbursed, the guaranteed amount must decrease proportionally.

– The guarantee shall relate to both investment and working capital loans.

– The guarantee may not be granted to undertakings that were already in difficulty on 31 December 2019.

## 2.3 Aid in the form of subsidised interest rates for loans (no cumulation of this type of aid with the aid granted under the previous point)—amendments of 3 April 2020

– Loans granted at reduced interest rates (at least equal to the base rate of the one-year IBOR rate or equivalent applicable on 1 January 2020) plus credit risk margins based on the beneficiary's credit risk margin:

Table 3

Beneficiaries	Credit risk margin 1 <sup>st</sup> y	Credit risk margin 2 <sup>nd</sup> -3 <sup>rd</sup> y	Credit risk margin 4 <sup>th</sup> -6 <sup>th</sup> y
SMEs	25 basis points	50 basis points	100 basis points
Large companies	50 basis points	100 basis points	200 basis points

– Aid schemes based on the above table but with modulation of the duration of the loan and the level of credit risk margins.

– Loan contracts shall be signed by 31 December 2020 at the latest and shall be limited to a maximum of six years (unless modulated in accordance with the previous point).

– For loans with a maturity beyond 31 December 2020, the amount of the loan per beneficiary shall not exceed the same limits as mentioned under section 3.2 above.

– The loan shall relate to both investment and working capital needs.

– The loan may not be granted to undertakings that were already in difficulty on 31 December 2019.

## 2.4 Aid in the form of guarantees and loans channelled through credit institutions or other financial institutions

35. These are measures which build on the existing lending capacity of banks and use it to support enterprises/small and medium-sized enterprises:

– such aid is considered to be direct aid to the customers of banks, and not to the banks themselves, as it does not aim at maintaining or restoring the viability, liquidity or solvency of credit institutions and should not be assessed under the State aid rules applicable to the banking sector;

– credit or other financial institutions should, as far as possible, pass on the benefits of State guarantees or subsidised loans to the final beneficiaries;

– the financial intermediary must be able to demonstrate that it uses a mechanism to ensure that the benefits are passed on to final beneficiaries as far as possible in the form of higher volumes of financing, riskier portfolios, lower collateral requirements, lower guarantee premiums or reduced interest rates.

## 2.5 Aid in the form of short-term export-credit insurance (including the amendment of 27 March 2020)

36. The Communication from the Commission on short-term export-credit insurance provides that marketable risks cannot be covered by export-credit insurance with the support of Member States.

37. Following Covid-19, the Commission has decided that all commercial and political risks associated with exports to the following countries are temporarily non-marketable until 31 December 2020: 27 Member States, the United Kingdom, Australia, Canada, Iceland, Japan, New Zealand, Norway, Switzerland and the United States of America.

## 2.6 Aid in the form of deferral of tax and/or of social security contributions

**38.** If deferrals of the payment of taxes and/or social security contributions are of general application and do not favour certain undertakings or the production of certain goods, they do not constitute State aid within the meaning of Article 107(1) TFEU.

**39.** Only if they are limited to certain sectors, regions or types of undertaking do they constitute aid which is considered compatible with the internal market on the basis of Article 107(3)(b) TFEU if they consist of:

- temporary deferrals or deferrals social security contributions and which apply to undertakings (including the self-employed) particularly affected by the Covid-19 outbreak, e.g., in specific sectors and regions or of a certain size;
- measures provided for in relation to fiscal and social security obligations intended to ease the liquidity constraints faced by the beneficiaries, including, but not limited to, the deferral of payments due in instalments, easier access to tax debt recovery, and expedited tax refunds;
- measures granted before 31 December 2020 and the end date for the deferral shall not be later than 31 December 2022.

## 2.7 Aid in the form of measures to safeguard employment: Wage subsidies for employees to avoid lay-offs during the Covid-19 outbreak

**40.** If the State measures in question apply to the economy as a whole, they do not fall within the scope of State aid control. If they provide a selective advantage to undertakings, which may occur if they are limited to certain sectors, regions or types of undertakings, they constitute aid within the meaning of Article 107(1) TFEU.

**41.** The Commission will consider such aid to be compatible with the internal market on the basis of Article 107(3) (b) TFEU, provided that the following conditions are met:

- the aid is aimed at avoiding lay-offs during the Covid-19 outbreak;
- aid is granted in the form of schemes to undertakings in specific sectors, regions or of a certain size that are particularly affected by the Covid-19 outbreak;
- the wage subsidy is granted over a period of not more than twelve months after the application for aid, for employees that would otherwise have been laid off as a consequence of the suspension or reduction of business activities due to the Covid-19 outbreak, and subject to the condition that the benefiting personnel is maintained in continuous employment for the entire period for which the aid is granted;

- the monthly wage subsidy shall not exceed 80% of the monthly gross salary (including employers' social security contributions) of the benefiting personnel. Member States may also notify, in particular in the interest of low-wage categories, alternative calculation methods of the aid intensity, such as using the national wage average or the minimum wage, provided the proportionality of the aid is maintained;
- the wage subsidy may be combined with other generally available or selective employment support measures, provided the combined support does not lead to overcompensation of the wage costs of the personnel concerned. Wage subsidies may further be combined with tax deferrals and deferrals of social security payments.

## 3. Article 107(3)(c) TFEU

**42.** Some of the aid measures described In the Temporary Framework will continue to be approved under the usual Article 107(3)(c) TFEU: the aid promoting certain Investment in Covid-19 products or services.

### 3.1 Aid in the form of promotion of R&D relating to Covid-19

**43.** This concerns aid for research and development projects relating to Covid-19 and other elements related to the fight against the virus, including projects which have been awarded the seal of excellence in relation to Covid-19 under the Horizon 2020 SME instrument, provided that all the following conditions are met:

- aid granted in the form of direct grants, repayable advances or tax advantages by 31 December 2020 at the latest;
- for R&D projects launched as of 1 February 2020 or for projects having obtained a Covid-19-specific Seal of Excellence, the aid is deemed to have an incentive effect; for projects started before 1 February 2020, the aid is deemed to have an incentive effect if it is necessary to accelerate or widen the scope of the project. In such cases, only the additional costs related to the acceleration efforts or widened scope shall be eligible for aid;
- eligible costs may refer to all the costs necessary for the R&D project during its duration, including amongst others, personnel costs, costs for digital and computing equipment, for diagnostic tools, for data collection and processing tools, for R&D services, for preclinical and clinical trials (trial phases I–IV), for obtaining, validating and defending patents and other intangible assets, for obtaining the conformity assessments and/or authorisations necessary for the marketing of new and improved vaccines and medicinal products, medical devices, hospital and medical equipment, disinfectants, and personal protective equipment; phase-IV trials are eligible as long as they allow further scientific or technological advance;

- the aid intensity for each beneficiary may cover 100% of the eligible costs for fundamental research, but shall not exceed 80% of the eligible costs for industrial research or experimental development;
- the aid intensity for industrial research and experimental development project may be increased by 15%, if more than one Member State supports the research project, or it is carried out in the context of cross-border collaboration with research organisations or other undertakings;
- aid under this measure may be combined with support from other sources for the same eligible costs, provided that the combined aid does not exceed the ceilings defined above;
- the aid beneficiary shall commit to grant non-exclusive licences under non-discriminatory market conditions to third parties within the EEA;
- the aid may not be granted to undertakings that were already in difficulty on 31 December 2019.

### 3.2 Investment aid for testing and upscaling infrastructures

**44.** This concerns investment aid granted for the construction or upgrading of test and development infrastructures required to develop, test and upscale, up to first industrial deployment prior to mass production, Covid-19 relevant products (see section 3.8), provided that the following conditions are fulfilled:

- the aid is granted for the construction or upgrade of testing and upscaling infrastructures required to develop, test and upscale, up to first industrial deployment prior to mass production, Covid-19 relevant medicinal products (including vaccines) and treatments, their intermediates, active pharmaceutical ingredients and raw materials; medical devices, hospital and medical equipment (including ventilators and protective clothing and equipment as well as diagnostic tools) and necessary raw materials; disinfectants and their intermediary products and raw chemical materials necessary for their production; as well as data collection/processing tools;
- the aid shall be granted in the form of direct grants, tax advantages or repayable advances by 31 December 2020;
- for projects started as of 1 February 2020, the aid is deemed to have an incentive effect; for projects started before 1 February 2020, the aid is deemed to have an incentive effect, if it is necessary to accelerate or widen the scope of the project. In such cases, only the additional costs in relation to the acceleration efforts or the widened scope of the project shall be eligible for aid;
- the investment project shall be completed within six months after the date of granting the aid. An investment project is considered completed when

it is accepted by the national authorities. Where the six-month deadline is not met, per month of delay, 25% of the amount of aid awarded in the form of direct grants or tax advantages shall be reimbursed, unless the delay is due to factors outside the control of the aid beneficiary. Where the deadline is respected, aid in the form of repayable advances is transformed into grants; if not, the repayable advance is reimbursed in equal annual instalments within five years of the date of granting the aid;

- eligible costs are the investment costs necessary to set up the testing and upscaling infrastructures required to develop the products listed in the first point above. The aid intensity shall not exceed 75% of the eligible costs;
- the maximum allowable aid intensity of the direct grant or tax advantage may be increased by 15%, either if the investment is concluded within two months of the date of aid granting or date of application of the tax advantage, or if the support comes from more than one Member State. If the aid is granted in the form of a repayable advance, and if the investment is completed within two months, or if the support comes from more than one Member State, an increase of 15% may be granted;
- aid granted under this measure shall not be combined with other investment aid for the same eligible costs;
- a loss cover guarantee may be granted in addition to a direct grant, a tax advantage or a repayable advance, or as an independent aid measure; the amount of loss to be compensated is established five years after completion of the investment. The compensation amount is calculated as the difference between the sum of the investment costs, the reasonable profit of 10% p.a. on the investment cost over five years, and the operating cost, on the one hand, and the sum of the direct grant received, revenues over the five-year period, and the terminal value of the project;
- the price charged for the services provided by the testing and upscaling infrastructure shall correspond to the market price;
- the testing and upscaling infrastructures shall be open to several users on a transparent and non-discriminatory basis. Undertakings which have financed at least 10% of the investment costs may be granted preferential access under more favourable conditions;
- the aid may not be granted to undertakings that were already in difficulty on 31 December 2019.

### 3.3 Investment aid for the production of Covid-19 relevant products

**45.** This concerns aid for the following products: relevant medicinal products (including vaccines) and treatments, their intermediate, active pharmaceutical ingredients

and raw materials; medical devices, hospital and medical equipment (including ventilators, protective clothing and equipment as well as diagnostic tools) and necessary raw materials; disinfectants and their intermediate as well as raw chemical materials necessary for their production; data collection/processing tools.

**46.** Investment aid for the production of these products is compatible with the internal market provided that the following conditions are met:

- aid granted in the form of direct grants, tax benefits or repayable advances by 31 December 2020;
- for projects started as of 1 February 2020, the aid is deemed to have an incentive effect; for projects started before 1 February 2020, the aid is deemed to have an incentive effect, if the aid is necessary to accelerate or widen the scope of the project. In such cases, only the additional costs in relation to the acceleration efforts or the widened scope shall be eligible for aid;
- the investment project is completed within six months after the date of granting the aid. An investment project is considered completed when it is accepted by the national authorities. Where the six-month deadline is not met, per month of delay, 25% of the amount awarded in form of direct grants or tax advantages is to be reimbursed, unless the delay is due to factors outside the control of the aid beneficiary. Where the deadline is respected, aid in the form of repayable advances is transformed into grants; if not, the repayable advance is reimbursed in equal annual instalments within five years after the date of granting the aid;
- eligible costs related to all investment costs necessary for the production of the above-mentioned products and the costs of trial runs of the new production facilities are eligible. The aid intensity shall not exceed 80% of the eligible costs;
- the maximum allowable aid intensity of the direct grant or tax advantage may be increased by an additional 15%, either if the investment is concluded within two months after the date of aid granting or date of application of the tax advantage, or if the support comes from more than one Member State. If the aid is granted in the form of a repayable advance and the investment is completed within two months, or if the aid comes from more than one Member State, an additional 15% may be granted;
- aid under this measure shall not be combined with other investment aid for the same eligible costs;
- a loss coverage guarantee may be granted in addition to a direct grant, a tax advantage or a repayable advance, or as an independent aid measure. The loss cover guarantee shall be issued within one month after the undertaking applied for it; the amount of losses to be compensated is established five years after completion of the

investment. The compensation amount is calculated as the difference between the sum of investment costs, reasonable profit of 10% p.a. on the investment cost over five years, and operating cost, on the one hand, and the sum of the direct grant received, revenues over the five-year period, and the terminal value of the project;

- the aid may not be granted to undertakings that were already in difficulty on 31 December 2019.

## IV. Synopsis of aid measures adopted under Article 107(3) (b) and (c) TFEU

**47.** In principle, the measures falling within the scope of this Temporary Framework may be combined with each other. The only exceptions concern (i) different types of aid relating to the same eligible costs and (ii) guarantees on loans and loans at subsidised interest rates which cannot be cumulated for the same underlying loan or if the overall amount exceeds the relevant thresholds.

**48.** Aid measures adopted by Member States on the basis of the Temporary Framework may be complemented by (and cumulated with) other support provisions, such as general measures not qualifying as State aid, measures benefiting from the *de minimis* rule, measures to compensate for direct damage adopted within the meaning of Article 107(2)(b) of the TFEU, or aid measures for rescuing or restructuring firms in financial difficulty under Article 107(3)(c) of the TFEU.

**49.** To date (5 May 2020), the Commission has already adopted 107 decisions under this Temporary Framework (one prior to the Temporary Framework, eight under Article 107(2)(b)) often within only 24 to 48 hours of notifications. They are all listed on DG Competition's website.

**50.** As of 5 May 2020, they concern 26 Member States plus the United Kingdom (under the transitional provisions of the withdrawal agreement), ranked below in order of swiftness of response of the Member States concerned:

**See the document annexed to this article (Table 4).**

**51.** About €830 billion has therefore already been committed by Member States, mainly France, Italy and the UK, although the budget for the German measures is not indicated but could be very high as well (bringing the total amount to around €1.5 trillion according to some estimates). Of course, a very important part of these commitments are State guarantees which, as in the financial crisis, will not necessarily be activated.



**52.** Only one Member State is missing: Cyprus. Many States have taken general economic support measures that do not constitute State aid. In the case of France, the Ministry for the Economy and Finance has posted a special file on economic support measures which is regularly updated:

<https://www.economie.gouv.fr/files/files/PDF/2020/Coronavirus-MINEFI-10032020.pdf>

## V. A few comments

**53.** It is still too early to draw lessons from this already impressive series of decisions since 21 March. The Commission seems to have wanted to provide as much guidance as possible to Member States' reactions, as it did in October 2008 (general principles) and subsequently in December 2008 (remuneration of public shareholdings and Temporary Framework amended several times until 2011), February 2009 (toxic assets of banks) and July 2009 (restructuring).

**54.** However, the Temporary Framework of March 2020 seems to have the effect of making Member States' action more rigid, in a similar way to the GBER. Member States are called upon to choose from the "toolbox" of the Temporary Framework those measures that more or less correspond to their needs and the Commission adopts its compatibility decisions "mechanically" by verifying compliance with the conditions imposed. The Temporary Framework system is somewhat similar to the GBER system, but with suspension condition and prior formal notification.

**55.** The measures taken also appear to be poorly targeted and it is difficult to identify the safeguard measures taken to avoid windfall effects altogether. On preliminary examination of the information resulting from the published decisions, it is not clear how Member States have been strictly controlled as to the need to target aid measures only to those beneficiaries who have actually suffered economic damage (precisely because this is outside the scope of Article 107(2)(b) TFEU). The Temporary Framework does contain some specific provisions, but it is questionable whether these are sufficient to avoid windfall effects, for example:

- for loans with a maturity beyond 31 December 2020, the overall amount of loans per beneficiary must not exceed certain levels related either to the annual wage bill or to 25% of total turnover; however, where is the link to the exact reduction in turnover of the affected company?
- in duly justified cases and on the basis of "self-certification" (no definition is provided however) by the beneficiary of its liquidity needs, the amount of the loan may be increased.

**56.** In this respect, measures based on Article 107(2)(b) TFEU are more naturally likely to avoid windfall effects since it is a matter of strictly demonstrating the

loss of income, the damage to be compensated by the aid measure. Moreover, the very limited number of decisions adopted under this provision (eight by 5 May 2020) is surprising. As Vice-President Vestager stated recently the use of Article 107(2)(b): "the most obvious way to go".

**57.** However, certain sectors particularly affected by the impact of Covid-19 should rather be the first beneficiaries of such measures since their activities have simply ceased (sometimes partially or sometimes gradually) as a result of the pandemic. We are thinking in particular of the following sectors whose turnover losses are impressive (Belgian sources: Economic Risk Management Group under the aegis of the National Bank of Belgium, with contributions from the business federations VBO-FEB, UWE, VOKA and the Brussels Chamber of Commerce, BECI):

- air transport, accommodation and food: –90%;
- arts, entertainment and recreation: –75%;
- wholesale and retail trade (non-food): –60%;
- construction: –45%;
- extractive industries: –40%;
- administrative services: –40%;
- real estate activities: –35%;
- agriculture, forestry and fisheries: –33%;
- other transport and storage: –30%.

**58.** These data need to be refined, of course, but they provide some indications that might have justified targeting measures to provide direct compensation for loss of turnover rather than measures aimed mainly at supporting loans or investments (guarantees, interest subsidies, grants, etc.) for activities that have already ceased.

**59.** Of course, the application of Article 107(2)(b) TFEU requires financial (or economic) analyses that are much more developed and detailed than framework decisions based on Article 107(3)(b) TFEU. Indeed, for decisions on notifications of compensation for exceptional occurrences, it is in particular necessary to examine in detail the counterfactual, the causal link, the exact extent of the aid in relation to the damage. The Commission's guide to notifying such measures illustrates the level of data requirements.

**60.** A final comment at this stage is the total absence of any new rescue or urgent restructuring cases. What is the reason for this? Would the aid measures be too broad and avoid these urgent cases in advance? It is doubtful. Would the Member States not wish to deal with individual cases? Whenever possible, as we have seen in the financial crisis, it is indeed better to deal with it generally and not on a case-by-case basis. That would be unmanageable. But sometimes it is unavoidable. However, one may wonder how the (many) companies that have seen their activities simply closed down and received very insufficient direct public support at this stage (lump sums of a few thousand euros here and there) survive under



the current conditions before considering loan guarantees or new loans. Rescue and restructuring aid is there to support eligible companies and certainly those that were

healthy before Covid-19 and which fall into difficulty simply because of the outbreak. To be followed closely. ■

**Table 4**

Member State		Date	Decision	Type of measure	Budget
<b>France</b>					
1	France	21 March	SA.56709	Two guarantee schemes via Bpifrance for loans and credit lines for companies <5,000 employees. A guarantee scheme to banks on new loans for all types of companies	€300 bn
2	France	30 March	SA.56823	Subsidies to VSEs for operating costs (<10 employees and <1 million € if activity suspended or turnover March 2020 minus 70%)	€1.2 bn
3	France	2 April	SA.56887	Amendment to SA.56823. Eligibility for the subsidy of €1,500 in favour of beneficiaries with a loss of turnover of > 50% during the same period (instead of 70%). Budget increased to €1.7 bn from the €1.2 bn	€0.5 bn (second scheme)
4	France	12 April	SA.56903	State guarantee scheme supporting domestic trade insurance—trade credit insurance	€10 bn
5	France	15 April	SA.57010	Extension and modification of the Solidarity Fund. Beneficiaries: natural and legal persons under private law started before 1 February 2020 and not in compulsory liquidation on 1 March 2020	€4.65bn
6	France	20 April	SA.56985	"Régime cadre temporaire": scheme to support non-financial companies: i) Direct grants, equity injections, repayable advances and subsidised loans ii) State guarantees for loans; and/or iii) Public loans to companies with favourable interest rates	€7 bn
7	France	24 April	SA.56868	Scheme in form of State guarantees on loans open to all French exporting companies with an annual turnover below €1.5 billion	€150 m
8	France	29 April	SA.57134	Loan guarantee scheme for the Renault group with a loan coverage of 90%	€5 bn
9	France	4 May	SA.57082	Loans guarantee and shareholder loan to Air France. Guarantee larger (90%) than under SA.56709 (70%).	€7 bn
<b>Denmark</b>					
10	Denmark	21 March	SA.56708	SME Guarantee Fund: guarantees for operating loans of limited duration and amount (max. 70% of the risk assumed by the State)	€130 m
11	Denmark	30 March	SA.56808	SME Export Guarantee Fund: guarantees for loans and credits where exports >10% of annual revenues and decline (actual or expected) in revenues >30%	€130 m
12	Denmark	1 April	SA.56856	Travel Guarantee Fund Loan (cancellations): Package tours cancelled as a result of imposed travel bans	€200 m
13	Denmark	30 April	SA.57027	Tax deferrals and similar measures in relation to VAT and payroll tax liabilities (SMEs)	€130 m (DKK 970 m)
14	Denmark	5 May	SA.57164	Two loan schemes with subsidised interest rates (start-up companies, companies in their early stages, companies having already received venture capital)	€296 m (DKK 2.2 bn)
<b>Germany</b>					
15	Germany	24 March	SA.56787	State and regional guarantee of loans on preferential terms to all enterprises (except banks) to cover their immediate working capital and investment needs	N/A
16	Germany	24 March	SA.56790	Direct grants, repayable advances, tax benefits and payment advantages <€120,000 per enterprise (fisheries and aquaculture) and €100,000 per enterprise (primary production of agricultural products), <€800,000 for all other affected enterprises	N/A
17	Germany	2 April	SA.56863	Extension of the scheme approved on March 22 to measures taken by regional authorities and development banks	N/A
18	Germany	11 April	SA.56974	Amendments to the plans approved on March 24 and April 2. Extension to loans, guarantees and equity. Authorisation of subsidised interest rates for loans granted to beneficiaries (directly by an authority with private banks in consortium or indirectly through risk sub-participation for investments and working capital needs of beneficiaries)	N/A
19	Germany	14 April	SA.56941	State guarantee scheme supporting the insurance of trade between undertakings supplying goods and services against the risk of non-payment by their customers	N/A
20	Germany	29 April	SA.57100	"Umbrella" scheme to support R&D, testing and production of coronavirus relevant products ( <i>Bundesregelung Forschung, Entwicklungs- und Investitionsbeihilfen</i> )	N/A

Italy					
21	Italy	22 March	SA.56786	Aid scheme for the production and supply of medical devices and personal protective equipment	€50 m
22	Italy	25 March	SA.56690	State guarantee with moratorium on SME debt (deferral of repayment of overdraft facilities, bank advances, loans, mortgages and leasing operations)	€50 m
23	Italy	13 April	SA.56963	Guarantee scheme for new working capital and investment loans granted by banks	€200 bn
24	Italy	13 April	SA.56966	State guarantees on investment and working capital loans, and direct grants in the form of fee waivers for guarantees given to the self-employed, SMEs and mid-cap companies	€1.7 bn
25	Italy	21 April	SA.57068	Scheme to support SMEs in the agricultural, forestry, fishery and aquaculture sectors: (i) State guarantees on investment and working capital loans; (ii) Direct grants, in the form of waiving of the applicable fee on guarantees awarded	€100 m
26	Italy	21 April	SA.57005	Subsidised interest rates loan; and/or direct grants scheme to support agriculture, forestry and fishery sectors in Friuli Venezia Giulia region	€50 m
27	Italy	4 May	SA.57185	Zero-interest rate loans scheme to SMEs in the agricultural and fishery sectors	€30 m
Portugal					
28	Portugal	22 March	SA.56755	Four guarantee schemes for SMEs and mid-cap companies for: tourism, catering, extractive and manufacturing industries, travel agencies, tourist entertainment, event organisation	€3 bn
29	Portugal	4 April	SA.56873	Direct grant scheme and State guarantee scheme for investment and working capital credits granted by commercial banks	€13 bn
30	Portugal	8 April	SA.56886	Subsidised interest rate line of credit (fisheries and aquaculture)	€20 m
31	Portugal	17 April	SA.57035	Direct grants scheme to support investment in R&D, testing and production of products that are relevant to the coronavirus outbreak, open to all enterprises capable to carry out such activities in all sectors	€140 m
Latvia					
32	Latvia	23 March	SA.56722	Subsidised loan scheme and loan guarantee	€250 m
33	Latvia	17 April	SA.56932	Direct grants scheme to support agriculture, fishery, food and school catering sectors	€35.5 m
Luxembourg					
34	Luxembourg	24 March	SA.56742	Refundable advance scheme up to €500,000 per company	€300 m
35	Luxembourg	27 March	SA.56805	Loan guarantees on preferential terms for all companies (except real estate development, rental and sale and acquisition of financial holdings)	€2.5 bn
36	Luxembourg	8 April	SA.56954	Loan guarantees on preferential terms for all enterprises (except for real estate development, rental and sale and acquisition of financial participations)	€30 m
Spain					
37	Spain	24 March	SA.56803	Two guarantee schemes for new loans and refinancing operations for (i) self-employed persons and SMEs and (ii) larger enterprises	€20 bn
38	Spain	2 April	SA.56851	National framework scheme authorising treasury support for the self-employed, SMEs and large enterprises (direct grants, repayable advances, tax and payment advantages, loan guarantees and subsidised interest rates)	N/A
39	Spain	24 April	SA.57019	"Umbrella" scheme in form of (i) aid for coronavirus-related R&D; (ii) investment aid for testing and upscaling infrastructures; (iii) investment aid for the production of coronavirus relevant products; (iv) aid in the form of deferrals of tax and/or of social security contributions; and (v) aid in the form of wage subsidies for employees to avoid lay-offs during the coronavirus outbreak	N/A
United Kingdom					
40 – 41	UK	25 March	SA.56792 and SA.56794	Two separate aid schemes supporting SMEs in all sectors until 30.9.2020: (i) guarantees up to 80% of loans for SMEs with a turnover of <£45m; (ii) direct grants <€800,000	€654 m (second scheme)
42	UK	6 April	SA.56841	Temporary National Framework for the full range of measures under the Temporary Framework. SMEs and large enterprises, either directly or through financial intermediaries (guarantees)	€57 bn
43	UK	23 April	SA.57078	Amendment to SA.56841: Replaces a flat fee structure and provides for the pricing of guarantees on loans to be charged on a stepped basis	N/A
Estonia					
44	Estonia	30 March	SA.56804	Two public guarantee schemes for new and existing loans, and for soft loans via the KredEx Public Foundation and the Estonian Public Foundation for Rural Development	€1.75 bn
45	Estonia	21 April	SA.57014	Direct grants and payment advantages to provide liquidity in form of direct grants, waiver of penalties, reduced leases and usage fees to lessees of municipal property for companies from different sectors	€75.5 m
46	Estonia	28 April	SA.57028	S1) Public guarantees, loans and subsidised interest rates for loans for all companies. S2) Public guarantees and loans for agriculture, fishery and food processing sectors	Share and financed with the €1.75 bn of SA.56804

<b>Ireland</b>					
47	Ireland	31 March	SA.56845	Repayable advances to companies >10 employees with a decrease (realised or expected) in turnover of at least 15% compared to their income prior to Covid-19 (manufacturing sectors and sectors involved in international trade)	€200 m
48	Ireland	22 April	SA.57036	"Sustaining Enterprise Scheme": direct grants, repayable advances, equity injections, and subsidised loans scheme to support undertakings operating in the manufacturing and internationally traded services sectors in Ireland	€200 m
<b>Malta</b>					
49	Malta	2 April	SA.56843	Scheme for guarantees of working capital loans by commercial banks	€350 m
50	Malta	22 April	SA.57075	Direct grants scheme to support investment in R&D (relevant medicinal products and treatments, medical devices, hospital and medical equipment, disinfectants, data collection and processing tools, and applications supporting a better dissemination of recommendations by health authorities)	€5.3 m
51	Malta	24 April	SA.57076	Employment aid scheme open to companies of all sizes and also self-employed individuals operating in sectors	€215 m
<b>Sweden</b>					
52	Sweden	2 April	SA.56860	Guarantee scheme for new loans granted by commercial banks to SMEs in particular	€9.1 bn
53	Sweden	11 April	SA.56812	Guarantee scheme to support Swedish licensed airlines at least from 1 January 2020 (exclusion of the main activity of non-scheduled air transport of passengers)	€455 m
54	Sweden	15 April	SA.56972	Rent rebate scheme to support tenants operating in the hotel, restaurant, retail and certain other sectors	€453 m
<b>Netherlands</b>					
55	Netherlands	3 April	SA.56915	Direct grant scheme for Dutch providers of social assistance and home health care services (max. €100,000 per company)	€23 m
56	Netherlands	22 April	SA.56914	Loan guarantee scheme for working capital and investment loans granted by banks, to help Dutch companies meet their liquidity needs	€10 bn
57	Netherlands	24 April	SA.57107	Scheme in form of subsidised interest rates on loans, open to SMEs whose main source of financing derives from external equity, venture capital or microcredit	€100 m
<b>Poland</b>					
58	Poland	3 April	SA.56876	Scheme of guarantees by the National Development Bank of Poland for new and existing loans (investment credits and working capital loans). Medium and large enterprises in all sectors	€22 bn
59	Poland	8 April	SA.56896	Loans and guarantees from EU funds open to SMEs and large companies	€0.7 bn
60	Poland	10 April	SA.56979	Direct grant schemes to cover part of the interest on loans, which should normally be borne by the borrower. SMEs and large enterprises	€115 m
61	Poland	22 April	SA.57065	Guarantees on loans and subsidised interest rates for loans scheme	€110 m
62	Poland	23 April	SA.56922	Eleven support schemes, in form of (i) direct grants, (ii) repayable advances, (iii) tax and payments advantages, (iv) deferrals of tax payments and (vi) wage subsidies, open to micro (including self-employed workers), SMEs and large companies	€7.8 bn
63	Poland	24 April	SA.57015	Scheme in form of grants and repayable advances, co-financed by the European structural funds, open to companies in all sectors, including the agricultural and fishery and aquaculture sectors	€700 m
64	Poland	28 April	SA.56996	Scheme in form of repayable advances open to SMEs	€16.6 bn
<b>Greece</b>					
65	Greece	2 April	SA.56857	Scheme of guarantees by the Greek Development Bank in favour of financial intermediaries covering eligible working capital loans from the financial intermediaries. All Greek companies, except financial intermediaries, banks, aquaculture and agriculture and sectors not eligible for ERDF support	€2 bn
66	Greece	7 April	SA.56815	Refundable advance scheme for firms in all sectors with a reduction in activity of at least 30% compared with the average for the corresponding period over the previous three years or another equivalent period (firm set up less than three years ago)	€1 bn
67	Greece	8 April	SA.56839	Grant scheme open to SMEs active in sectors affected by the epidemic and operating throughout Greece	€1.2 bn
68	Greece	30 April	SA.57048	Modification of SA.56857: – accessible to the SE and to aquaculture and agriculture companies; – subsidisation of the guarantee premiums for loans from the Covid-19 Guarantee Fund	Add €250 m (total: €2.25bn)
69	Greece	5 May	SA.57194	Direct grant scheme in the primary production of floricultural products	€10 m
<b>Croatia</b>					
70	Croatia	9 April	SA.56957	Interest-free and subsidised loan schemes for all types of businesses, regardless of their sector of activity (with the exception of sectors generally excluded by HBOR policy)	€1 bn
70	Croatia	17 April	SA.56998	Direct grants scheme to support companies in the Croatian fishery and aquaculture sector	€4 m
<b>Bulgaria</b>					
72	Bulgaria	8 April	SA.56933	Guarantee scheme of the Bulgarian Development Bank for SMEs (excluding medium-sized and large enterprises). All sectors and the whole territory of Bulgaria	€255 m
73	Bulgaria	15 April	SA.56905	Aid in the form of wage subsidies to companies active in the sectors most affected by the health crisis	€770 m
74	Bulgaria	23 April	SA.57052	Scheme in form of equity and quasi-equity investments open to SMEs active in all sectors with certain exceptions defined by Bulgaria	€150 m

<b>Hungary</b>					
75	Hungary	8 April	SA.56926	Support measures to increase business competitiveness	€140 m
76	Hungary	17 April	SA.56994	Scheme in form of direct grants, loans and equity measures financed by the European structural funds open to all companies, which have access to European structural funds	€1 bn
77	Hungary	17 April	SA.57007	Wage subsidies support scheme aiming to finance the wage costs of undertakings for R&D active in all sectors affected	€88 m
78	Hungary	28 April	SA.57121	Scheme to support companies M1) State guarantees on new and existing investment and working capital loans. M2) State guarantees on new investment and working capital loans	€1.55 bn
79	Hungary	29 April	SA.57064	Direct grants, guarantees on loans, and subsidised interest rates for loans for companies	€900 m
<b>Belgium</b>					
80	Belgium	9 April	SA.56919	Working capital and investment credit guarantee scheme (Flemish Region)	€3 bn
81	Belgium	April 11	SA.56819	Loan guarantee scheme (independent traders, SMEs and large businesses in all sectors except financial sector and government entities)	€50 bn
82	Belgium	11 April	SA.56807	Scheme for deferring payment by Walloon airports (Charleroi and Liège) of the concession fees due for the year 2020	N/A
83	Belgium	24 April	SA.57056	Scheme in form of direct grants open to companies active in the primary production of agricultural products and in aquaculture for the food sector	€200,000
84	Belgium	27 April	SA.57057	Scheme in form of direct grants for R&D projects in the Brussels-Capital region, open to SMEs and large enterprises from all sectors	€4 m
85	Belgium	30 April	SA.57083	Walloon region guarantee scheme	€530 m
86	Belgium	5 May	SA.57132	Flemish region subordinated loan scheme (start-ups, scale-ups and SMEs in Flanders)	€250 m
<b>Lithuania</b>					
87	Lithuania	9 April	SA.56980	Subsidised interest rate loan scheme for SMEs in all sectors and subsidised interest rate loan scheme for SMEs and large enterprises in 3 specific categories	€150 m
88	Lithuania	11 April	SA.56927	Loan guarantee scheme for all companies operating in Lithuania. All sectors, except (i) purely financial activities for investment purposes, (ii) acquisition or improvement of residential apartments, (iii) production, processing and marketing of arms and ammunition, tobacco and tobacco products and distilled alcoholic beverages, (iv) gambling, or (v) enterprises intending to pay dividends, repay or grant loans to shareholders or to pay part of their equity capital by reducing the nominal value of shares or by other methods of reducing share capital	€110 m
89	Lithuania	24 April	SA.57066	Scheme in form of direct grants open to SMEs active in road freight transport	€5 m
90	Lithuania	30 April	SA.57135	Direct grants scheme to support tenants operating in certain sectors (retail, hotels, restaurants, culture and sports) and whose annual turnover in the previous year does not exceed €50 million.	€101.5 m
<b>Austria</b>					
91	Austria	9 April	SA.56840	Liquidity scheme in the form of grants and guarantees on loans granted by COFAG (Covid-19 Finanzierungsagentur des Bundes GmbH), accessible to all undertakings in all sectors	€15 bn
92	Austria	17 April	SA.56981	Guarantees for underlying loans scheme to support SMEs	N/A
<b>Romania</b>					
93	Romania	10 April	SA.56895	Scheme of direct grants and loan guarantees to SMEs active in all sectors (except gambling and betting, production or sale of arms or ammunition, explosives, tobacco, alcohol, substances under national control, plants, narcotic drugs and psychotropic substances, investigation and protection activities)	€3.3 bn
<b>Czech Republic</b>					
94	Czech Republic	14 April	SA.56961	Scheme in the form of direct grants for investments in the production of coronavirus-related products (SMEs and 50% of eligible costs)	€37 m
95	Czech Republic	5 May	SA.57094	Loan guarantee scheme (EGAP) for large companies with export activities (20% yearly sales)	€5.2 bn (CZK142 bn)
96	Slovakia	21 April	SA.56986	Employment aid scheme allowing the Slovak authorities to finance a part of the wage costs (including employer's social security contributions) of undertakings that, due to the coronavirus outbreak, would otherwise have laid off personnel	€2 bn
<b>Finland</b>					
97	Finland	21 April	SA.57059	State guarantees on new investment and working capital loans and subsidised investment and working capital loans with favourable interest rates	€2 bn
98	Finland	24 April	SA.56995	Aid in form of direct grants, equity injections, selective tax advantages and advance payments, as well as repayable advances, State guarantees and loans, open to all companies, with the exception of companies active in the primary agricultural, fishery and aquacultural sectors	€3 bn
<b>Slovenia</b>					
99	Slovenia	24 April	SA.56999	"Umbrella" scheme in form of direct grants, wage subsidies, exemption from paying social security contributions, reduction of certain taxes and water fees, bank guarantees, deferred payment of certain credits and compensatory payments	€2 bn
100	Slovenia	30 April	SA.57143	- €500,000 rent rebates and rent exemptions for tenants of commercial real estate managed by Slovenian public bodies; - €2 b guarantees on investment and working capital loans.	€2 bn