



EUROPEAN COMMISSION

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**Subject: State Aid SA.58547 (2020/N) – Italy
COVID-19: amendment to SA.57021 – Regime Quadro – aid to small
and micro enterprises**

Excellency,

1. PROCEDURE

- (1) By electronic notification of 2 September 2020, Italy notified an amendment (“the notified amendment” or “the measure”) to the aid scheme (“the existing aid scheme”) previously approved by Decision of 21 May 2020 in case *SA.57021-COVID 19 Regime Quadro* (the “Regime Quadro” or “the initial Decision”)¹.
- (2) Italy 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.

¹ Commission Decision of 21 May 2020 on State Aid SA.57021 (2020/N, ex 2020/PN) – Italy - COVID-19 *Regime Quadro*.

² Regulation No 1 determining the languages to be used by the European Economic Community, OJ 17, 6.10.1958, p. 385.

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2. DESCRIPTION OF THE MEASURE

- (3) The Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, as amended (“the Temporary Framework”)³, provides that aid may be granted to micro or small enterprises (within the meaning of Annex I of the General Block Exemption Regulation (“GBER”)⁴, Annex I of the Agricultural Block Exemption Regulation (“ABER”)⁵ and Annex I of the Fisheries Block Exemption Regulation (“FIBER”)⁶) that were already in difficulty on 31 December 2019, provided that, at the moment of the granting, these enterprises are not subject to collective insolvency procedure under national law and that they have not received rescue aid or restructuring aid. Alternatively, if they have received rescue aid, they must have reimbursed the loan or terminated the guarantee at the moment of granting of the aid; if they have received restructuring aid, they must no longer be subject to a restructuring plan at the moment of granting of the aid.
- (4) By way of Article 62 of Decree Law No. 104 of 14 August 2020, Italy amended the provisions of the Regime Quadro by extending the scope of the beneficiaries eligible to benefit from the existing aid scheme also to micro and small enterprises that comply with the relevant requirements of the Temporary Framework mentioned in recital (3). The Italian authorities indicated that the suspensory clause provided for by Article 61(3) of Law Decree n. 34 of 19 May 2020, which covered the measures introduced by the Regime Quadro, applies also to the notified amendment.
- (5) No further changes to the existing aid scheme are envisaged.

³ 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 and 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.

⁴ As defined in Article 2(18) of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, OJ L 187, 26.6.2014, p. 1.

⁵ As defined in Article 2(14) of Commission Regulation (EU) No 702/2014 of 25 June 2014 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty, OJ L 193, 1.7.2014, p. 1.

⁶ As defined in Article 3(5) of Commission Regulation (EU) No 1388/2014 of 16 December 2014 declaring certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty, OJ L 369, 24.12.2014, p. 37.

3. ASSESSMENT

3.1. Lawfulness of the measure

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

3.2. Existence of State aid

- (7) 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.
- (8) The qualification as State aid of the measures forming part of the Regime Quadro was established in the initial Decision. The Commission therefore refers, for this analysis, to recitals 31 to 36 of the initial Decision.

3.3. Compatibility

- (9) The Commission assessed the initial notification on the basis of Article 107(3)(b) and Article 107(3)(c) of the TFEU and concluded that the Regime Quadro was compliant with the compatibility conditions set out in the Temporary Framework.
- (10) The Commission refers to its analysis of compatibility as set out in recitals 37 to 58 of the initial Decision.
- (11) Concerning the notified amendment, the Commission finds that it is in line with the Temporary Framework for the following reasons.
- (12) As provided for at points 22 c.bis, 25 h.bis, 27 g.bis, 35 h.bis, 37 k.bis and 39 i.bis of the Temporary Framework, the notified amendment provides that aid can be granted to micro or small enterprises⁷ that were already in difficulty on 31 December 2019, provided that they are not subject to collective insolvency procedure under national law and that they have not received rescue aid or restructuring aid. Alternatively, if they have received rescue aid, they must have reimbursed the loan or terminated the guarantee at the moment of granting of the aid; if they have received restructuring aid, they must no longer be subject to a restructuring plan at the moment of granting of the aid.
- (13) In view of the above, the Commission considers that the notified amendment meets the conditions of the Temporary Framework and does not affect the compatibility analysis of the existing aid scheme as set out in the initial Decision.

⁷ See footnotes 4 to 6, above.

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) and Article 107(3)(c) of the TFEU.

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