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SENSITIVE*: *COMP Operations*

**Subject: State Aid SA.100833 (2021/N) – Italy (Friuli Venezia Giulia)
COVID-19: Prolongation of the schemes SA.57005 and SA.57252
(2020/N), as already amended**

Excellency,

1. PROCEDURE

- (1) By electronic notification of 29 November 2021, Italy notified a prolongation (the “notified amendment”) to the following existing aid schemes (collectively, the “existing aid schemes”), which the Commission had already approved (“the initial decisions”) under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak¹ (the “Temporary Framework”):
- (a) SA.57005 (2020/N) “*Granting of State aid under the COVID-19 anti-crisis program provided for by article 12 of the regional law n. 5/2020 in compliance with the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak*”, which the Commission approved by Decision C(2020) 2624 final of 21 April 2020;
 - (b) SA.57252 (2020/N) “*Modifications to COVID-19 Regime Quadro*”, which the Commission approved by Decision C(2020) 4334 final of 24 June 2020. This scheme supplemented the measure approved by

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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 Commission Communications C(2020) 2215 (OJ C 112I, 4.4.2020, p. 1), C(2020) 3156 (OJ C 164, 13.5.2020, p. 3), C(2020) 4509 (OJ C 218, 2.7.2020, p. 3), C(2020) 7127 (OJ C 340I, 13.10.2020, p. 1), C(2021) 564 (OJ C 34, 1.2.2021, p. 6), and C(2021) 8442 (OJ C 473, 24.11.2021, p. 1).

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Commission Decision (2020) 3482 final of 21 May 2020 -SA.57021 (2020/N).

- (2) The scheme SA.57005 has firstly been amended in case SA.57256 (2020/N), approved by Commission decision C(2020) 3188 final of 11 May 2020; then, both existing aid schemes have been amended, in case SA.59447 (2020/N), approved by Commission decision C(2020) 8243 final of 19 November 2020, and in case SA.62409 (2021/N), approved by Commission decision C(2021) 2707 final of 16 April 2021 (as corrected by Commission decision C(2021) 3585 final of 18 May 2021).
- (3) 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 1/1958,² and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE NOTIFIED AMENDMENT

- (4) The objective of the existing aid schemes is to preserve the continuity of economic activity during and after the COVID-19 pandemic. They are designed to ensure that undertakings continue to have access to the necessary liquidity to overcome the current economic difficulties.
- (5) The notified amendment prolongs the existing aid schemes until 30 June 2022. In addition, in case SA.57005 for aids under Section 3.1 of the Temporary Framework (interest free loans and grants), maximum aid amounts per beneficiary are increased to EUR 345 000 per undertaking active in the fishery and aquaculture sector, to EUR 290 000 per undertaking active in the primary production of agricultural products and to EUR 2.3 million per undertaking active in other sectors.
- (6) Apart from the notified amendment, the Italian authorities confirm that no further amendments are proposed to the existing aid schemes and that all other conditions of that schemes remain unaltered.
- (7) The legal basis for the notified amendment are:
 - (a) for scheme SA.57005, the Regional Law No 3 of 22 February 2021;
 - (b) for scheme SA.57252, the draft decision of the Regional Government concerning the prolongation until 30 June 2022 of this scheme.
- (8) The Italian authorities committed to respect all the applicable conditions of the Temporary Framework.
- (9) Aid may be granted under the existing aid schemes, as amended, as from the notification of the Commission’s approval of the notified amendment.

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

3. ASSESSMENT

3.1. Lawfulness of the measure

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

3.2. Existence of State aid

- (11) 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.
- (12) The existing aid schemes constitute State aid within the meaning of Article 107(1) TFEU for the reasons set out in the initial decisions. The amendments referred to in recital (5) did not affect this conclusion. The notified amendment does equally not affect that conclusion. The Commission therefore refers to the assessment of the initial decisions and concludes that the existing aid schemes, as amended, constitute State aid within the meaning of Article 107(1) TFEU.

3.3. Compatibility

- (13) The existing aid schemes are compatible with the internal market pursuant to Article 107(3)(b) TFEU, since they meet the conditions of sections 2, 3.1, 3.2, 3.3 and 3.4 of the Temporary Framework for the reasons set out in the initial decisions. The amendments referred to in recital (5) above did not affect that assessment as confirmed in the respective Commission decisions thereon. The Commission therefore refers to the respective assessment of the initial decisions.
- (14) The Commission considers that a limited prolongation of the existing aid schemes is appropriate to ensure that national support measures effectively help affected undertakings during the COVID-19 pandemic. The notified amendment does not affect the compatibility assessment made under the initial decisions and confirmed under the amendments specified in recital (5). In particular, the Commission notes that aid under the schemes can only be granted until 30 June 2022, as described in recital (5). The schemes as amended thus comply with point 22(d), 25(c) and 27(c) of the Temporary Framework.
- (15) Furthermore, the Commission notes that, for case SA.57005, maximum aid amounts per beneficiary under section 3.1 are increased to EUR 345 000 per undertaking active in the fishery and aquaculture sector, to EUR 290 000 per undertaking active in the primary production of agricultural products and to EUR 2.3 million per undertaking active in other sectors, as shown in recital (5). The measure thus continues to comply with points 22(a) and 23(a) of the Temporary Framework.
- (16) Apart from the notified amendment, Italy confirms that no further amendments are proposed to the existing aid schemes and that all other conditions of that scheme remain unaltered.

- (17) The Commission therefore considers that the notified amendment is necessary, appropriate and proportionate 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. The Commission therefore considers that the notified amendment does not alter the Commission's conclusion on the compatibility of the existing aid schemes in the initial decision and in the amendments referred to in recital (5).

4. CONCLUSION

The Commission has accordingly decided not to raise objections to the schemes, as amended, on the grounds that they are compatible with the internal market pursuant to Article 107(3)(b) of the Treaty on the Functioning of the European Union.

The decision is based on non-confidential information and is therefore published in full on the Internet site: <http://ec.europa.eu/competition/elojade/isef/index.cfm>.

Yours faithfully,

For the Commission

Margrethe VESTAGER
Executive Vice-President

