

**Communication from the Commission amending the Temporary Community Framework for State aid measures to support access to finance in the current financial and economic crisis**

(2009/C 303/04)

**1. INTRODUCTION**

On 17 December 2008, the Commission adopted the Temporary Community Framework for State aid measures to support access to finance in the current financial and economic crisis <sup>(1)</sup>.

The aim of the Temporary Framework is in particular to unblock bank lending to companies and thereby encouraging companies to continue investing in the future. Signs of improvement in the economic situation have become increasingly apparent in both confidence indicators and hard data since the last summer. Nevertheless, to support the sustainability of the recovery, it is essential to look to medium and long-term objectives and notably to encourage investment.

The provisions of the Temporary Framework concerning notably aid in the form of guarantees have contributed to unblock bank lending to companies. The Commission considers that in the context of the current economic situation and for a limited period of time, subsidised loan guarantees can be an appropriate and well targeted instrument to give firms easier access to finance and thus encourage investment necessary for long-term recovery.

Under the existing Temporary Framework, the maximum loan which benefits from the guarantee cannot exceed the total annual wage bill of the beneficiary for 2008. The purpose of this cap is to limit the aid to the amount which is strictly necessary and avoid undue distortion of competition. Nevertheless, in the current economic situation, this provision may be too restrictive and prevent investments, in particular in Member States with low labour costs.

Consequently, the Commission considers that, in order to facilitate access to finance and encourage long-term investment, Member States should have the possibility to determine the maximum amount of investment loan concerned by a guarantee on the basis of the total annual wage bill of the beneficiary for 2008, or on the basis of the Community average labour costs established by Eurostat and specified in the present communication.

**2. AMENDMENTS TO THE TEMPORARY COMMUNITY FRAMEWORK**

1. Point 4.3.2(d) of the Temporary Community Framework for State aid measures to support access to finance in the current financial and economic crisis is replaced by the following:

‘The maximum loan does not exceed the total annual wage bill of the beneficiary (including social charges as well as the cost of personnel working on the company site but formally in the payroll of subcontractors) for 2008. In the case of companies created on or after 1 January 2008, the maximum loan must not exceed the estimated annual wage bill for the first two years in operation.

For investments loans, Member States may choose to calculate the maximum loan on the basis of the annual EU 27 average labour costs <sup>(2)</sup>.

2. The amendment of the Temporary Community Framework is applicable from the date of adoption by the Commission.

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<sup>(1)</sup> OJ C 83, 7.4.2009, p. 1.

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<sup>(2)</sup> Source: Eurostat. Last information available EU 27 2007. Monthly labour costs: EUR 3 028.