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PUBLIC VERSION

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**Subject: State Aid SA.59970 (2020/N) – Romania
COVID-19: Amendment to SA.58166 support for SMEs and some
large enterprises to overcome the economic crisis caused by the
COVID-19 pandemic**

Excellency,

1. PROCEDURE

- (1) By electronic notification of 4 December 2020, Romania notified amendments to the scheme SA.58166 (2020/N) (the “initial scheme”), which the Commission approved by decision of 27 August 2020 (the “initial Decision”)¹, under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (the “Temporary Framework”)².

¹ Commission Decision C(2020) 5949 final, of 27.8.2020, SA.58166 (2020/N) – Romania – COVID-19: Support for SMEs and some large enterprises to overcome the economic crisis caused by the COVID-19 pandemic.

² Communication from the Commission - Temporary framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 91I, 20.3.2020, p. 1, as amended by Communication from the Commission C(2020) 2215 final of 3 April 2020 on the Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 112I, 4.4.2020, p. 1, by Communication from the Commission C(2020) 3156 final of 8 May 2020 on the Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 164, 13.5.2020, p. 3, by Communication from the Commission C(2020) 4509 final of 29 June 2020 on the Third Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 218, 2.7.2020, p. 3 and by Communication from the Commission C(2020) 7127 final of 13 October 2020 on the Fourth Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak and amendment to the Annex to the Communication from the Commission to the Member States on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to short-term export-credit insurance, OJ C 340 I, 13.10.2020, p. 1.

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- (2) On 10, 11, and 15 December 2020, the Commission requested further information from Romania. Romania replied to those requests on 10 and 15 December 2020.
- (3) Romania 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 1/1958³ and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE MEASURE

- (4) The initial scheme is intended to support SMEs and certain large enterprises related to SMEs in overcoming the economic crisis, by providing grants for working capital and investments.
- (5) Romania intends to make the following amendments to the initial scheme (the “proposed amendments”):
 - (a) extending the validity period of the scheme, so that aid may be granted no later than 30 June 2021, rather than 31 December 2020; and
 - (b) increasing the budget, from RON 4.521 billion to RON 7.188 billion (EUR 1 485 281 750).
- (6) For the purpose of this decision, no other amendments are being made to the scheme.

3. ASSESSMENT

3.1. Lawfulness of the measure

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

3.2. Existence of State aid

- (8) For a measure to be categorised as State 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.
- (9) The qualification of the initial scheme as State aid, within the meaning of Article 107(1) TFEU, was established in the initial Decision. The Commission refers, for this analysis, to recitals (36) to (41) of the initial Decision.
- (10) The proposed amendments to the initial scheme do not affect that qualification. Consequently, the Commission considers that the amended scheme continues to constitute State aid within in the meaning of Article 107(1) TFEU.

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

3.3. Compatibility

- (11) The Commission assessed the initial scheme on the basis of Article 107(3)(b) TFEU, as interpreted by Sections 2 and 3.1 of the Temporary Framework, and concluded that it was compatible with the conditions set out in that framework. The Commission refers to its compatibility assessment of the initial scheme, set out at recitals (42) to (51) of the initial Decision.
- (12) The Commission has examined the proposed amendments, and concludes that they do not affect the compliance of the entire measure with Article 107(3)(b) TFEU, as interpreted by the Temporary Framework. In particular:
 - (a) the aid under the amended scheme continues to be granted on the basis of a scheme with an estimated budget (see recital (5)). The amended scheme, therefore, continues to comply with point 22(b) of the Temporary Framework; and
 - (b) the aid under the amended scheme may be granted no later than 30 June 2021 (see recital (5)). The amended scheme, therefore, complies with point 22(d) of the Temporary Framework, as amended.
- (13) The Commission takes note that no other amendments are being made.

4. CONCLUSION

The Commission has accordingly decided not to raise objections to the proposed amendment on the grounds that the amended scheme is compatible with the internal market pursuant to Article 107(3)(b) of the Treaty on the Functioning of the European Union.

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

Yours faithfully,

For the Commission

Margrethe VESTAGER
Executive Vice-President