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COVID-19 pandemic: ESA approves continuation of Norwegian compensation scheme for companies

The EFTA Surveillance Authority (ESA) has today authorised amendments and a prolongation of a temporary compensation scheme for companies in Norway.

The updated scheme reflects the continued impact of containment measures implemented in response to the COVID-19 outbreak on the turnover of companies operating in Norway. These measures include reduced operating hours, restrictions on alcohol sales, and social distancing measures, as well as travel restrictions and quarantine rules.

The original scheme was approved by ESA on 17 April 2020, and formed an important part of Norway's economic pandemic response. The scheme was set up in order to avoid a wave of bankruptcies and job losses arising from companies' inability to pay their unavoidable fixed costs because of the restrictions

pay their unavoidable fixed costs because of the restrictions imposed to contain the outbreak. The compensation scheme, which is applicable across most sectors of the Norwegian economy, was prolonged on 26 June and amended to include adjustments affecting the amount of aid provided to companies.

The revised scheme comprises three two-month application periods. For each application period, beneficiaries may apply for a maximum of NOK 160 million (EUR 15m) in compensation.

ESA has today approved that Norway can prolong the scheme to cover losses from 1 September 2020 to 28 February 2021. The estimated budget for the prolongation is NOK 5 billion (EUR 470m). This comes in addition to an estimated budget of NOK 30 billion (EUR 2.82 billion) for the period 1 March to 31 August.

You can read ESA's decision here.

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