

# COVID-19 pandemic: ESA approves Icelandic schemes to compensate companies

**The EFTA Surveillance Authority (ESA) has today approved two Icelandic schemes that will offer direct grants to companies suffering income losses as a result of the ongoing COVID-19 pandemic.**

Since the outbreak of the pandemic, measures put in place by the Icelandic authorities to contain the spread of the virus have had an adverse effect on businesses. In response, Iceland has established two separate aid schemes aimed at securing jobs and ensuring continued economic activity in Iceland.

A **closure grant** scheme will provide direct grants for companies and self-employed in all sectors that were forced to close or halt operations because of current and possible future containment restrictions imposed in the period March 2020 to 30 June 2021. Under this scheme, grants to companies may not exceed ISK 600 000 (EUR 3650) per employee they employed for each 30 day closure period. The maximum total aid amount a company may receive is ISK 120m (approx. EUR 740,000). The scheme's estimated budget is ISK 1 billion (EUR 6m), with a maximum budget set to ISK 2 billion (EUR 12m).

Meanwhile, an **income-loss grant** scheme will provide direct grants to companies and self-employed across all sectors that have incurred COVID-19 related losses during the period 1 April 2020 to 31 October 2020. The maximum aid amount per undertaking is ISK 2m per month (EUR 12 300) if it has a loss of income of 40% to 70%, and ISK 2.5m per month (EUR 15 400) if it has a higher loss of income. The scheme's estimated budget is

ISK 23.3 billion (EUR 143m).

Iceland notified the measures to ESA on 6 November 2020. You can read ESA's decisions on the two separate schemes here:

- [COVID-19 Closure Grants](#)
- [COVID-19 Income Loss Grants](#)



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