



## State aid: Commission approves €900 million Slovenian scheme to support uncovered fixed costs of companies affected by coronavirus outbreak

Brussels, 21 December 2020

The European Commission has approved a Slovenian €900 million scheme to cover part of the uncovered fixed costs of companies affected by the coronavirus outbreak. The scheme was approved under the State aid [Temporary Framework](#).

Executive Vice-President Margrethe **Vestager**, in charge of competition policy, said: “*Many companies in Slovenia, as in the rest of Europe, have experienced a significant decline in their revenues because of the restrictive national measures necessary to limit the spread of the coronavirus. This €900 million scheme will enable Slovenia to further support companies affected by the coronavirus outbreak by partially covering their operating costs. We continue working in close cooperation with Member States to find workable solutions to mitigate the economic impact of the coronavirus outbreak, in line with EU rules.*”

### The Slovenian support measures

Slovenia notified to the Commission a support scheme, with an estimated budget of €900 million, to further support companies affected by the coronavirus outbreak under the [Temporary Framework](#).

Under the scheme, the public support, which will take the form of direct grants, will be open to all companies, irrespective of their size and of the sector where they operate (with the exception of financial institutions), which have suffered a decline of at least 30% in their revenue in the period between October and December 2020 compared to the same period in 2019.

The support will help the beneficiaries to cover part of their uncovered fixed costs for the period between October and December 2020. More specifically:

- Companies registered before 1 October 2019 will be eligible to receive aid for 70% (90% in case of micro and small companies) of their fixed costs that are not covered by revenues, up to a maximum of € 3 million per undertaking.
- Companies registered from 1 October 2019 until 1 September 2020 will be eligible to receive support for an amount of up to €100,000 per undertaking for companies active in the primary agricultural sector, €120,000 for company active in the fishery and aquaculture sector and €800,000 for companies active in all other sectors.

The scheme aims at helping the beneficiaries address the shortage or even unavailability of liquidity they are facing, due to the suspension or reduction of their business activity in the context of the coronavirus outbreak.

The Commission found that the Slovenian scheme is in line with the conditions set out in the Temporary Framework. In particular, for companies registered before October 2019, (i) the amount of the aid will not exceed 70% of the uncovered fixed costs, except for micro and small companies, where the aid intensity will not exceed 90% of the uncovered fixed costs and (ii) will not exceed €3 million per undertaking. For companies registered before October 2019 and September 2020, the aid will not exceed the ceilings set out in the Temporary Framework. For all beneficiaries, the support will be granted until no later than 30 June 2021 and the aid will be granted only to companies that were not considered to be in difficulty on 31 December 2019, with the exception of micro and small companies that are eligible even if already in difficulty. Finally, Slovenia will ensure that the rules for cumulation of aid provided under the Temporary Framework are respected across all measures.

The Commission concluded that the scheme is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State, in line with Article 107(3)(b) TFEU and the conditions set out in the Temporary Framework.

On this basis, the Commission approved the aid scheme under EU State aid rules.

## Background

The Commission has adopted a [Temporary Framework](#) to enable Member States to use the full flexibility foreseen under State aid rules to support the economy in the context of the coronavirus outbreak. The Temporary Framework, as amended on [3 April](#), [8 May](#), [29 June](#) and [13 October](#) 2020, provides for the following types of aid, which can be granted by Member States:

- (i) **Direct grants, equity injections, selective tax advantages and advance payments** of up to €100,000 to a company active in the primary agricultural sector, €120,000 to a company active in the fishery and aquaculture sector and €800,000 to a company active in all other sectors to address its urgent liquidity needs. Member States can also give, up to the nominal value of €800,000 per company zero-interest loans or guarantees on loans covering 100% of the risk, except in the primary agriculture sector and in the fishery and aquaculture sector, where the limits of €100,000 and €120,000 per company respectively, apply.
- (ii) **State guarantees for loans taken by companies** to ensure banks keep providing loans to the customers who need them. These state guarantees can cover up to 90% of risk on loans to help businesses cover immediate working capital and investment needs.
- (iii) **Subsidised public loans to companies (senior and subordinated debt)** with favourable interest rates to companies. These loans can help businesses cover immediate working capital and investment needs.
- (iv) **Safeguards for banks that channel State aid to the real economy** that such aid is considered as direct aid to the banks' customers, not to the banks themselves, and gives guidance on how to ensure minimal distortion of competition between banks.
- (v) **Public short-term export credit insurance** for all countries, without the need for the Member State in question to demonstrate that the respective country is temporarily "non-marketable".
- (vi) **Support for coronavirus related research and development (R&D)** to address the current health crisis in the form of direct grants, repayable advances or tax advantages. A bonus may be granted for cross-border cooperation projects between Member States.
- (vii) **Support for the construction and upscaling of testing facilities** to develop and test products (including vaccines, ventilators and protective clothing) useful to tackle the coronavirus outbreak, up to first industrial deployment. This can take the form of direct grants, tax advantages, repayable advances and no-loss guarantees. Companies may benefit from a bonus when their investment is supported by more than one Member State and when the investment is concluded within two months after the granting of the aid.
- (viii) **Support for the production of products relevant to tackle the coronavirus outbreak** in the form of direct grants, tax advantages, repayable advances and no-loss guarantees. Companies may benefit from a bonus when their investment is supported by more than one Member State and when the investment is concluded within two months after the granting of the aid.
- (ix) **Targeted support in the form of deferral of tax payments and/or suspensions of social security contributions** for those sectors, regions or for types of companies that are hit the hardest by the outbreak.
- (x) **Targeted support in the form of wage subsidies for employees** for those companies in sectors or regions that have suffered most from the coronavirus outbreak, and would otherwise have had to lay off personnel.
- (xi) **Targeted recapitalisation aid** to non-financial companies, if no other appropriate solution is available. Safeguards are in place to avoid undue distortions of competition in the Single Market: conditions on the necessity, appropriateness and size of intervention; conditions on the State's entry in the capital of companies and remuneration; conditions regarding the exit of the State from the capital of the companies concerned; conditions regarding governance including dividend ban and remuneration caps for senior management; prohibition of cross-subsidisation and acquisition ban and additional measures to limit competition distortions; transparency and reporting requirements.
- (xii) **Support for uncovered fixed costs** for companies facing a decline in turnover during the eligible period of at least 30% compared to the same period of 2019 in the context of the coronavirus outbreak. The support will contribute to a part of the beneficiaries' fixed costs that are not covered by their revenues, up to a maximum amount of €3 million per undertaking.

The Temporary Framework enables Member States to combine all support measures with each other, except for loans and guarantees for the same loan and exceeding the thresholds foreseen by the Temporary Framework. It also enables Member States to combine all support measures granted under the Temporary Framework with existing possibilities to grant de minimis to a company of up to

€25,000 over three fiscal years for companies active in the primary agricultural sector, €30,000 over three fiscal years for companies active in the fishery and aquaculture sector and €200,000 over three fiscal years for companies active in all other sectors. At the same time, Member States have to commit to avoid undue cumulation of support measures for the same companies to limit support to meet their actual needs.

Furthermore, the Temporary Framework complements the many other possibilities already available to Member States to mitigate the socio-economic impact of the coronavirus outbreak, in line with EU State aid rules. On 13 March 2020, the Commission adopted a [Communication on a Coordinated economic response to the COVID-19 outbreak](#) setting out these possibilities. For example, Member States can make generally applicable changes in favour of businesses (e.g. deferring taxes, or subsidising short-time work across all sectors), which fall outside State Aid rules. They can also grant compensation to companies for damage suffered due to and directly caused by the coronavirus outbreak.

The Temporary Framework will be in place until the end of June 2021. As solvency issues may materialise only at a later stage as this crisis evolves, for recapitalisation measures only the Commission has extended this period until the end of September 2021. With a view to ensuring legal certainty, the Commission will assess before those dates if it needs to be extended.

The non-confidential version of the decision will be made available under the case number SA.59717 in the [State aid register](#) on the Commission's [competition](#) website once any confidentiality issues have been resolved. New publications of State aid decisions on the internet and in the Official Journal are listed in the [Weekly Competition Newsletter](#).

More information on the Temporary Framework and other action the Commission has taken to address the economic impact of the coronavirus pandemic can be found [here](#).

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