



EUROPEAN COMMISSION

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PUBLIC VERSION

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**Subject: State Aid SA.59744 (2020/N) – Portugal
COVID-19 - Prolongation of the existing aid scheme SA.57494 in
accordance with the fourth amendment of the Temporary
Framework**

Excellency,

1. PROCEDURE

- (1) By electronic notification of 25 November 2020, Portugal notified an amendment (“the notified amendment”) to the aid scheme (“the existing aid scheme”) approved on 22 June 2020 by decision SA.57494: COVID-19: Direct grant and loan guarantee scheme – Autonomous Region of Madeira (“the initial decision”).
- (2) Portugal 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 1/1958¹ and to have this Decision adopted and notified in English.

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

S. Ex.^a o Ministro dos Negócios Estrangeiros
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2. DESCRIPTION OF THE NOTIFIED AMENDMENT

- (3) The existing aid scheme was approved under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, as amended (“the Temporary Framework”)².
- (4) Following the last amendment of the Temporary Framework, the Portuguese authorities wish to extend until 30 June 2021 the duration of the State aid measures approved under Sections 3.1 and 3.2 of the Temporary Framework covered by the existing aid scheme, with the effect that under the amended scheme, aid can be granted until 30 June 2021 at the latest.
- (5) The Portuguese authorities will develop a protocol between the Institute for Enterprise Development of the Autonomous Region of Madeira (“Instituto de Desenvolvimento Empresarial”, “IDE, IP-RAM”), established by Regional Legislative Decree 28-A/99/M of 30 November 1999, and the SPGM Sociedade do Investimento S.A. (“SPGM”), whose functions are described in Decree-Law 229/98 of 22 July 1998.
- (6) All other conditions of the existing aid scheme remain unchanged.

3. ASSESSMENT

3.1. Lawfulness of the measure

- (7) By notifying the amendment of the existing aid scheme before putting it into effect, the Portuguese authorities have respected their obligation under Article 108(3) TFEU.

3.2. Existence of State aid

- (8) For a measure to be categorised as 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 existing aid scheme as State aid was established in the initial decision. The notified amendment does not affect that qualification. The

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 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 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 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 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 340I, 13.10.2020, p. 1.

Commission therefore refers to the assessment contained in recitals 46 to 51 of the initial decision. The Portuguese authorities do not contest that conclusion.

3.3. Compatibility

- (10) The Commission assessed the existing aid scheme on the basis of Article 107(3)(b) TFEU in light of the Temporary Framework and concluded that the existing aid scheme was compliant with the compatibility conditions set out in the Temporary Framework.
- (11) In the initial decision, the Commission concluded that the existing aid scheme fulfilled the conditions set out in Sections 3.1 and 3.2 of the Temporary Framework and were therefore compatible with the internal market on the basis of Article 107(3)(b) TFEU. The Commission refers to its analysis of compatibility as set out in recitals 52 to 61 of that decision.
- (12) The Commission considers that the prolongation of the scheme until 30 June 2021 meets the relevant conditions of the Temporary Framework and does not alter the Commission's conclusions on the compatibility of the existing aid scheme as set out in the initial decision.
- (13) The Commission notes that apart from the prolongation there are no other alterations to the existing aid scheme.

4. CONCLUSION

The Commission has accordingly decided not to raise objections to the amendment on the grounds that it 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

