



EUROPEAN COMMISSION

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PUBLIC VERSION

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**Subject: State Aid SA.62505 (2021/N) – Portugal  
COVID-19: Amendment of SA.56873 (2020/N) – direct grant and  
loan guarantee scheme  
and  
State Aid SA.62507 (2021/N) – Portugal  
COVID-19: Amendment of SA.57494 (2020/N) – direct grant and  
loan guarantee scheme – Autonomous Region of Madeira**

Excellency,

## 1. PROCEDURE

- (1) By electronic notifications SA.62505 and SA.62507 of 26 March 2021, which were both amended on 14 April 2021, notification SA.62505 being further amended on 21 April 2021, Portugal notified amendments concerning the following existing aid schemes and their amendments (“the existing aid schemes”) which the Commission had already approved (“the initial decisions”) in light of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (“the Temporary Framework”)<sup>1</sup>:
- (a) SA.56873: *COVID-19 – Direct grant and loan guarantee scheme*, which the Commission approved by Decision C(2020) 2229 final of 4 April 2020 and amended by Decision C(2020) 9615 final, SA.59795, of 22 December 2020;

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<sup>1</sup> 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 Commission Communications C(2020) 2215 (OJ C 112I, 4.4.2020, p. 1), C(2020) 3156 (OJ C 164, 13.5.2020, p. 3), C(2020) 4509 (OJ C 218, 2.7.2020, p. 3), C(2020) 7127 (OJ C 340I, 13.10.2020, p. 1) and C(2021) 564 (OJ C 34, 1.2.2021, p. 6).

C S. Ex.<sup>a</sup> o Ministro dos Negócios Estrangeiros  
Augusto Santos Silva  
Largo do Rilvas  
P – 1399-030 - Lisboa

- (b) SA.57494: *COVID-19 – Direct grant and loan guarantee scheme – Autonomous region of Madeira*, which the Commission approved by Decision C(2020) 4259 final of 22 June 2020 and amended by Decision C(2020) 8734 final, SA.59744, of 3 December 2020.
- (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 1/1958<sup>2</sup> and to have this Decision adopted and notified in English.

## **2. DESCRIPTION OF THE NOTIFIED AMENDMENTS**

- (3) On 28 January 2021, the Commission adopted a Communication prolonging until 31 December 2021 the validity of the Temporary Framework, which would otherwise expire at the end of June 2021. The Communication also increased the overall aid ceiling per undertaking, as referred to in section 3.1 of the Temporary Framework, from EUR 800000 to EUR 1.8 million per undertaking, with the exception of (i) undertakings active in the fishery and aquaculture sector, for these undertakings the ceiling has been increased from EUR 120000 to EUR 270000; and (ii) undertakings active in the primary production of agricultural products, for them the ceiling has been increased from EUR 100000 to EUR 225000.
- (4) Following the prolongation of the Temporary Framework, the Portuguese authorities wish to extend the duration of both existing aid schemes until 31 December 2021, with the effect that, under all of the schemes listed in recital (1), aid can be granted until 31 December 2021 at the latest.
- (5) The Portuguese authorities also notified for scheme SA.56873 listed in recital (1) an increase in the aid ceiling per undertaking which can be granted up to the maximum ceilings, depending on the sector as referred to in point 22(a) or 23(a) of section 3.1 of the Temporary Framework.
- (6) Portugal confirms that the aid granted under the measures shall not be conditioned on the relocation of a production activity or of another activity of the beneficiary from another country within the EEA to the territory of the Member State granting the aid. This is irrespective of the number of job losses actually occurred in the initial establishment of the beneficiary in the EEA.
- (7) All the other conditions of the existing aid schemes remain unchanged.
- (8) The legal basis for the existing aid scheme, SA.56873, is specified in recital (7) of the Decision C(2020) 2229 of 4 April 2020. The proposed amendment is equally based on article 199 (g) of the Portuguese Constitution and article 13 of Decree-Law 10.J/2020 of 26 March 2020.
- (9) The legal basis for the existing aid scheme, SA.57494, is specified in recital (7) of the Decision C(2020) 4259 of 22 June 2020. The Portuguese authorities developed a protocol between the Institute for Enterprise Development of the Autonomous Region of Madeira (“Instituto de Desenvolvimento Empresarial”,

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<sup>2</sup> Regulation No 1 determining the languages to be used by the European Economic Community, OJ 17, 6.10.1958, p. 385.

“IDE, IP-RAM”), established by Regional Legislative Decree 28-A/99/M of 30 November 1999, and the SPGM Sociedade do Investimento S.A., whose functions are described in Decree-Law 229/98 of 22 July 1998. Portugal will amend this protocol after approval of the notified amendments.

### **3. ASSESSMENT**

#### **3.1. Lawfulness of the measure**

- (10) By notifying the amendments to the existing aid schemes before putting them into effect, the Portuguese authorities have respected their obligation under Article 108(3) TFEU.

#### **3.2. Existence of State aid**

- (11) 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.
- (12) The existing aid measures concerned constitute State aid in the meaning of Article 107(1) TFEU for the reasons set out in the initial decisions<sup>3</sup> referred in recital (1). The proposed amendments do not alter that conclusion. The Commission therefore refers to the respective assessment of the aforementioned decisions and concludes that the existing aid schemes as modified constitute State aid in the meaning of Article 107(1) TFEU. The Portuguese authorities do not contest that conclusion.

#### **3.3. Compatibility**

- (13) The Commission assessed the existing aid schemes on the basis of Article 107(3)(b) TFEU in light of the Temporary Framework and concluded that they were meeting the relevant conditions set out in that Framework.
- (14) The Commission refers to its analysis of compatibility as set out in the initial decisions<sup>4</sup> described under recital (1).
- (15) The Commission has examined the notified amendments and considers that the prolongation of the duration of the existing aid schemes until 31 December 2021 is in line with sections 3.1 and 3.2 of the Temporary Framework. The increased notified aid ceiling for the existing aid scheme SA.56873 is in line with point 22(a) and 23(a), Section 3.1 of the Temporary Framework. Portugal confirmed that the aid granted under the existing measures, as amended, will not be

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<sup>3</sup> Recitals 34-39 of Commission Decision C(2020) 2229 final, SA.56873, of 4 April 2020 ; recitals 13 and 14 of Commission Decision C(2020) 9615 final, SA.59795, of 22 December 2020; recitals 46-51 of Commission Decision C(2020) 4259 final, SA.57494, of 22 June 2020 and recitals 8 and 9 of Commission Decision C(2020) 8734 final, SA.59744, of 3 December 2020.

<sup>4</sup> Recitals 40-53 of Commission Decision C(2020) 2229 final, SA.56873, of 4 April 2020 ; recitals 15-33 of Commission Decision C(2020) 9615 final, SA.59795, of 22 December 2020; recitals 52-65 of Commission Decision C(2020) 4259 final, SA.57494, of 22 June 2020 and recitals 10-13 of Commission Decision C(2020) 8734 final, SA.59744, of 3 December 2020.

conditioned on the relocation of a production activity or of another activity of the beneficiary in line with point 16ter of the Temporary Framework.

- (16) Apart from the amendments referred to in recitals (4), (5) and (6), the Commission notes that there are no other alterations to the existing aid schemes.
- (17) In view of the above, the Commission concludes that the notified amendments meet the conditions of the Temporary Framework and do not alter its conclusions on the compatibility of the existing aid schemes.

#### **4. CONCLUSION**

The Commission has accordingly decided not to raise objections to the notified amendments on the grounds that they are compatible with the internal market pursuant to Article 107(3)(b) TFEU.

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

