



EUROPEAN COMMISSION

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C(2020) 4259 final

**SENSITIVE\*** : *COMP Operations*

**Subject: State Aid SA.57494(2020/N) – Portugal  
COVID-19: Direct grant and loan guarantee scheme – Autonomous  
Region of Madeira**

Excellency,

## 1. PROCEDURE

- (1) By electronic notification of 12 June 2020, Portugal notified aid in the form of direct grants and guarantees on loans for the Autonomous Region of Madeira (“the measure”) under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, as amended (“the Temporary Framework”).<sup>1</sup> The Portuguese authorities submitted further information on 15 and 17 to 19 June 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 MEASURE

- (3) Portugal considers that the COVID-19 outbreak has started to affect the real economy. The measure forms part of an overall package of measures and aims to

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\* Handling instructions for SENSITIVE information are given at <https://europa.eu/db43PX>

<sup>1</sup> Communication from the Commission - Temporary framework for State aid measures to support the economy in the current COVID-19 outbreak, 19 March 2020, OJ C 91I, 20.3.2020, p. 1-9, as amended by Communication from the Commission C(2020) 2215 final of 3 April 2020 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. 1-9 and by Communication from the Commission C(2020) 3156 final of 8 May 2020 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. 3-15.

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

S. Ex.<sup>a</sup> o Ministro dos Negócios Estrangeiros  
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ensure that sufficient liquidity remains available in the market, to counter the liquidity shortage faced by undertakings because of the outbreak, to ensure that the disruptions caused by the outbreak do not undermine the viability of the undertakings and thereby to preserve the continuity of economic activity during and after the outbreak.

- (4) According to the Portuguese authorities, the Autonomous Region of Madeira has been particularly affected by the COVID-19 outbreak and the confinement measures taken by the national and regional authorities due to its remoteness, insularity and economic dependence on a reduced number of products and services.
- (5) The compatibility assessment of the measure is based on Article 107(3)(b) TFEU, as interpreted by Section 2 and Sections 3.1, 3.2 and 3.4 of the Temporary Framework, respectively.

### **2.1. The nature and form of aid**

- (6) The measure provides aid in the form of direct grants and guarantees on loans.

### **2.2. Legal basis**

- (7) The legal basis for the measure comprises *inter alia* the following rules:
  - Articles 199(g), 225 and 227 of the Portuguese Constitution,
  - Decree 14-A/2020 of 18 March 2020 declaring a state of emergency for the whole territory of Portugal (subsequently extended) and Regional Resolution 272/2020 of 30 April 2020 declaring a state of emergency in the Autonomous Region of Madeira (subsequently extended),
  - Resolution 33-A/2020 of April 30 declaring a state of calamity for the whole national territory (subsequently extended) and Regional Resolution 272/2020 of 30 April declaring a state of calamity in the Autonomous Region of Madeira (subsequently extended),
  - Article 13 of Decree-Law 10-J/2020 of 26 March 2020 establishing exceptional measures to protect the credits of families, companies, private social solidarity institutions and other entities of the social economy and a special regime of State guarantees regarding the COVID-19 outbreak,
  - Decree-Law 211/98 of 16 July 1998 regulating the activity of mutual guarantee societies (sociedades de garantia mútua, “SGMs”), as amended,
  - Decree-Law 229/98 of 22 July 1998 establishing the Mutual Counter-guarantee Fund (Fundo de Contragarantia Mútuo, “FCGM”) and defining the functions of SPGM Sociedade do Investimento S.A. (“SPGM”),
  - Regional Legislative Decree 28-A/99/M of 30 November 1999 establishing the Institute for Enterprise Development of the Autonomous Region of Madeira (“Instituto de Desenvolvimento Empresarial”, “IDE, IP-RAM”), as amended.

### **2.3. Administration of the measure**

- (8) SPGM is responsible for administering loan guarantees under the measure. It heads the Portuguese Mutual Guarantee System, manages FCGM, and supports the creation of SGMs by participating in their share capital.
- (9) FCGM is a public legal entity responsible for ‘promoting and carrying out the actions required to ensure the solvency of the Mutual Guarantee Societies’. It counter-guarantees operations performed by the SGM, having several guarantee lines, resulting from public or international funding. In case FCGM is delayed in performing its obligations, creditors are entitled to take action against the Portuguese State. The counter-guarantee provided by FCGM reduces the risk incurred by the SGM, reducing its required provisions and having a multiplier effect on its ability to provide guarantees without undermining their solvency ratio.
- (10) At the operational level, the SGM provides guarantees to the final beneficiaries ensuring the repayment of the amount due to the lender up to the coverage specified in recital (24).
- (11) IDE, IP-RAM is responsible for administering direct grants under the measure in cooperation with SPGM. It is a public institute under the supervision of the Regional Secretary of Economy of the Government of the Autonomous Region of Madeira. IDE, IP-RAM is in charge of implementing all the incentives for the promotion of the economic development of the Autonomous Region of Madeira.

### **2.4. Budget and duration of the measure**

- (12) The Portuguese authorities estimate that no more than EUR 32 million in nominal amounts will be guaranteed under the measure. The estimated budget for direct grants under the measure is up to EUR 40 million.
- (13) The direct grants will be funded by the budget of the Autonomous Region of Madeira, while the loan guarantees will be funded by own funds of the public entity FCGM to which IDE, IP-RAM proportionately contributes. According to the Portuguese authorities, the Autonomous Region of Madeira represents 2.4% of Portugal’s GDP and 2.5% of its workforce.
- (14) Aid may be granted under the measure as from its approval until no later than 31 December 2020.

### **2.5. Beneficiaries**

- (15) The final beneficiaries of the measure are SMEs (excluding micro-enterprises) and large enterprises<sup>3</sup> that have an economic activity in the Autonomous Region of Madeira and employees registered in the Social Security System of the Autonomous Region of Madeira with both employer and employee discounting to the same public scheme. This is regardless of whether or not the beneficiaries belong to a group of companies (thus regardless of the head office of its ultimate

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<sup>3</sup> As defined in Annex I to Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, OJ L 187 of 26.6.2014, p. 1.

mother company).<sup>4</sup> Financial institutions are excluded as eligible final beneficiaries of the measure.

- (16) To be eligible for aid under the measure, final beneficiaries must meet the following conditions:
- (a) they must be legally constituted;
  - (b) they must not be in default before the entities granting the measure, including the financial institutions acting as intermediaries (i.e., excluding non-compliant undertakings which have debts with IDE, IP-RAM and the financial institutions acting as intermediaries);
  - (c) they must not have unregistered incidents/defaults with the financial institutions and the Mutual Guarantee System at the date of the execution of the loan agreement (i.e., they should not have incidents or breaches that are not remedied towards the financial institutions and the Mutual Guarantee System);
  - (d) they must have their tax and social security situation regularised with the competent authorities;
  - (e) they must have organised accounting under the terms of the Accounting Standardization System (SNC);
  - (f) they must commit to maintain (at least a part of) their permanent workforce for a period of 18 months from the date of the execution of the loan agreement; and
  - (g) they must present a positive net position in the last approved balance sheet, while undertakings with negative equity in the last approved balance sheet must present a regularised situation in the interim balance sheet until the date of the aid application.<sup>5</sup>
- (17) Aid may not be granted under the measure to undertakings that were already in difficulty within the meaning of the General Block Exemption Regulation (“GBER”)<sup>6</sup>, the Block Exemption Regulation for the Agricultural Sector

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<sup>4</sup> This includes branches and subsidiaries of companies and groups of mainland Portugal and other EU countries with economic activities and a workforce in Madeira.

<sup>5</sup> This condition does not apply to undertakings whose activity started less than 12 months from the date of the aid application.

<sup>6</sup> As defined in Article 2(18) of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, OJ L 187, 26.6.2014, p. 1.

(“ABER”)<sup>7</sup> and the Block Exemption Regulation for the Fishery and Aquaculture Sector (“FIBER”)<sup>8</sup> on 31 December 2019.

- (18) Aid is granted under the measure either directly or through credit institutions and other financial institutions as financial intermediaries.

## **2.6. Sectoral and regional scope of the measure**

- (19) The measure is open to the sectors listed in the Annex to this Decision. Those sectors apply exclusively to the territory of the Autonomous Region of Madeira.

## **2.7. Basic elements of the measure**

### *2.7.1. Loan guarantee scheme*

#### 2.7.1.1. Nature of eligible instruments

- (20) The guarantees granted under the measure relate to new working capital loans where the credit institution postpones the payment of the loan principal for a maximum period of 18 months (‘grace period’).

#### 2.7.1.2. Maximum amount of eligible instruments

- (21) The overall amount of loans per beneficiary shall not exceed:
- (a) double the annual wage bill of the beneficiary (including social charges as well as the cost of personnel working on the undertaking’s site but formally in the payroll of subcontractors) for 2019, or for the last year available. In the case of undertakings created on or after 1 January 2019, the maximum loan shall not exceed the estimated annual wage bill for the first two years in operation; or
  - (b) 25% of the beneficiary’s total turnover in 2019.
- (22) Up to these maximum amounts, the amount of aid under this part of the measure shall be calculated on the following basis:
- (a) 40% of the monthly wage bill to which is accrued the 23.75% referring to the Single Social Tax (the integrated single social security contribution) multiplied by 8 for small companies and by 6 for medium and large undertakings, as confirmed in the last formal declaration concerning the month prior to the application for financing to the bank, of the remuneration submitted to the Social Security of the Autonomous Region of Madeira; or

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<sup>7</sup> As defined in Article 2(14) of Commission Regulation (EU) No 702/2014 of 25 June 2014 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 TFEU, OJ L 193, 1.7.2014, p. 1.

<sup>8</sup> As defined in Article 3(5) of Commission Regulation (EU) No 1388/2014 of 16 December 2014 declaring certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 TFEU, OJ L 369, 24.12.2014., p. 37.

(b) for undertakings having recourse to a ‘lay-off mechanism’ (temporary reduction of working hours or suspension of labour contracts), the amount of financing is limited to 20% of the monthly wage bill multiplied by 8 for small companies and by 6 for medium and large undertakings, as confirmed in the previous formal declaration concerning the month prior to the application for financing to the bank, of the remuneration submitted to the Social Security of the Autonomous Region of Madeira.

(23) The Portuguese authorities will not apply different maximum amounts for loans with a maturity until 31 December 2020, as per point 25(e) of the Temporary Framework.

#### 2.7.1.3. Maximum amount of the guarantee

(24) The guarantees shall not exceed 80% of the loan principal and losses shall be sustained proportionally and under the same conditions by the credit institution and the State. The Portuguese authorities further confirm that when the size of the loan decreases over time, the guaranteed amount decreases proportionally.

#### 2.7.1.4. Maximum duration of the guarantee

(25) The maximum duration of the guarantees is five years.

#### 2.7.1.5. Remuneration of the guarantee

(26) The guarantee premiums are set in accordance with point 25(a) of the Temporary Framework, calculated quarterly based on the outstanding amount of the loan principal:

Type of recipient	For 1 <sup>st</sup> year	For 2 <sup>nd</sup> -3 <sup>rd</sup> year	For 4 <sup>th</sup> -5 <sup>th</sup> year
SMEs	25bps	50bps	100bps
Large enterprises	50bps	100bps	200bps

#### 2.7.1.6. Mobilisation of the guarantee

(27) The mobilisation of the guarantees is contractually linked to specific conditions which are agreed between the parties when the guarantees are initially granted. In particular, the guarantees may be called upon by the credit institutions in case of breach by the final beneficiaries of any payment obligations under the respective loan agreements.

#### 2.7.1.7. Additional provisions

(28) The measure shall be implemented through the Portuguese mutual guarantee system and entails two different levels:

(a) The SGM grants guarantees to final beneficiaries on eligible instruments described in recital (20). Those guarantees have the characteristics described in recitals (21) to (27).

- (b) FCGM grants a counter-guarantee to the SGM that covers 100% of the guarantees issued by the SGM to the final beneficiaries. FCGM is entitled to part of the guarantee premium.
- (29) In principle, all commercial credit institutions have access to the measure.
- (30) The SGM shall conduct an operation-to-operation risk analysis (both credit risk and commercial risk) in relation to the issuance of guarantees under the measure. Guarantees may be granted under the measure only if the eligible undertakings commit to maintain (at least a part of) their permanent workforce for a period of 18 months from the date of the execution of the loan agreement and will not initiate or execute any dismissal of employees for economic reasons, either through collective dismissals or through the abolition of job positions.

### 2.7.2. *Direct grant scheme*

#### 2.7.2.1. Form of aid

- (31) The measure provides direct grants for the (total or partial) conversion of the loan principal guaranteed under the loan guarantee scheme described in Section 2.7.1 into direct grants. This means that the guaranteed loan is (totally or partially) repaid by IDE, IP-RAM to the credit institution.
- (32) The direct grant is earmarked for the (total or partial) repayment of the underlying loan principal and/or of the guarantee premium.
- (33) Aid may be granted under the measure as from its approval until no later than 31 December 2020.

#### 2.7.2.2. Maximum amount of aid

- (34) The overall nominal value of the direct grant shall not exceed EUR 120 000 per undertaking active in the fishery and aquaculture sector<sup>9</sup> or EUR 100 000 per undertaking active in the primary production of agricultural products<sup>10</sup> or EUR 800 000 per undertaking for all other undertakings; all figures used must be gross, that is, before any deduction of tax or other charges.
- (35) The Portuguese authorities confirm that:
- (a) aid granted to undertakings active in the processing and marketing of agricultural products<sup>11</sup> is conditional on not being partly or entirely passed on to primary producers and is not fixed on the basis of the price or

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<sup>9</sup> As defined in Article 2(1) of Commission Regulation (EU) No 717/2014 of 27 June 2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the fishery and aquaculture sector, OJ L 190, 28.6.2014, p. 45.

<sup>10</sup> All products listed in Annex I to the TFEU with the exception of the fishery and aquaculture sector.

<sup>11</sup> As defined in Article 2(6) and Article 2(7) of Commission Regulation (EC) No 702/2014 of 25 June 2014 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union, OJ L 193, 1.7.2014, p. 1.

quantity of products purchased from primary producers or put on the market by the undertakings concerned;

- (b) aid to undertakings active in the primary production of agricultural products will not be fixed on the basis of the price or quantity of products put on the market;
- (c) aid to undertakings active in the fishery and aquaculture sector will not concern any of the categories of aid referred to in Article 1, paragraph (1)(a) to (k) of Commission Regulation (EU) No 717/2014;<sup>12</sup>
- (d) where an undertaking is active in several sectors to which different maximum aid amounts apply in accordance with points 22(a) and 23(a) of the Temporary Framework, Portugal will ensure, by appropriate means such as separation of accounts, that the relevant ceiling is respected for each of those activities and that the overall maximum amount of EUR 800 000 is not exceeded per undertaking. Where an undertaking is active in the sectors covered by point 23(a) of the Temporary Framework, the overall maximum amount of EUR 120 000 is not exceeded per undertaking.

#### 2.7.2.3. Additional provisions

- (36) To benefit from the measure, eligible undertakings must: (i) commit to maintain (at least a part of) their permanent workforce for a period of 18 months from the date of the execution of the loan agreement; (ii) demonstrate a reduction in their volume of sales by 40% at a minimum between March and May 2020 compared to the previous 90 days;<sup>13</sup> and (iii) attest that they meet the conditions listed in recital (16).
- (37) IDE, IP-RAM decides on the conversion of the loan principal into a direct grant on a “first come, first served” basis and determines the exact amount of the direct grant per beneficiary depending on the ability of the beneficiary to maintain (at least a part of) its permanent workforce for a period of 18 months from the date of the execution of the loan agreement.

### 2.8. Cumulation

- (38) The Portuguese authorities confirm that aid granted under the measure may be cumulated with aid under *de minimis* Regulations<sup>14</sup> or the respective Block

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<sup>12</sup> Commission Regulation (EC) No (EU) No 717/2014 of 27 June 2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid in the fishery and aquaculture sector, OJ L 90, 28.6.2014, p. 45.

<sup>13</sup> For undertakings having their head office and business in the island of Porto Santo, the minimum sales reduction is 15%.

<sup>14</sup> Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (OJ L 352, 24.12.2013, p.1), Commission Regulation (EU) No 1408/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid in the agriculture sector (OJ L 352, 24.12.2013 p. 9), Commission Regulation (EU) No 717/2014 of 27 June 2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid in the fishery and aquaculture sector (OJ L 190, 28.6.2014, p. 45) and Commission Regulation (EU) No 360/2012 of 25 April 2012 on the application of Articles

Exemption Regulations<sup>15</sup> provided the provisions and cumulation rules of those Regulations are respected.

- (39) The Portuguese authorities confirm that aid under the measure may be cumulated with other forms of Union financing, provided that the maximum aid intensities indicated in the relevant Guidelines or Regulations are respected.
- (40) The Portuguese authorities confirm that aid granted under the measure may be cumulated with aid granted under other measures approved by the Commission under other sections of the Temporary Framework provided the provisions in those specific sections are respected.
- (41) The Portuguese authorities confirm that if the beneficiary receives aid on several occasions or in several forms under the direct grant mechanism under the measure<sup>16</sup> or aid under other measures approved by the Commission under Section 3.1 of the Temporary Framework, the overall maximum cap per undertaking, as set out in points 22(a) and 23(a) of that framework, shall be respected.
- (42) The Portuguese authorities confirm that aid granted under Section 3.2 of the Temporary Framework shall not be cumulated with aid granted for the same underlying loan principal under Section 3.3 of that framework and vice versa. Aid granted under Section 3.2 and Section 3.3 may be cumulated for different loans provided the overall amount of loans per beneficiary does not exceed the ceilings set out in point 25(d) or in point 27(d) of the Temporary Framework.
- (43) A beneficiary may benefit in parallel from multiple schemes under Section 3.2 provided the overall amount of loans per beneficiary does not exceed the ceilings set out in point 25(d) of the Temporary Framework.

## **2.9. Monitoring and reporting**

- (44) The Portuguese authorities confirm that they will respect the monitoring and reporting obligations laid down in Section 4 of the Temporary Framework (including the obligation to publish relevant information on each individual aid

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107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid granted to undertakings providing services of general economic interest (OJ L 114 of 26.4.2012, p. 8).

<sup>15</sup> Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, OJ L 187 of 26.6.2014, p. 1, Commission Regulation (EC) No 702/2014 of 25 June 2014 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union, OJ L 193, 1.7.2014, p. 1 and Commission Regulation (EU) No 1388/2014 of 16 December 2014 declaring certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union OJ L 369, 24.12.2014, p. 37.

<sup>16</sup> Notably when the beneficiary receives both aid in the form of a conversion of the guaranteed loan and in the form of a direct grant under this scheme.

granted under the measure on the comprehensive national State aid website or Commission's IT tool within 12 months from the moment of granting<sup>17</sup>).

### **3. ASSESSMENT**

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

- (45) By notifying the measure before putting it into effect, the Portuguese authorities have respected their obligations under Article 108(3) TFEU.

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

- (46) 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.
- (47) The measure is imputable to the State, since it is based on the legal acts listed in recital (7) and it is administered by SPGM, the entity heading the Portuguese Mutual Guarantee System, and IDE, IP-RAM, a public institute under the supervision of the Regional Secretary of Economy. It is financed through State resources, since it is financed by public funds. More specifically, the direct grants under the measure are funded by the budget of the Autonomous Region of Madeira, while the loan guarantees are funded by guarantees and own funds of the public entity FCGM to which IDE, IP-RAM proportionately contributes.
- (48) The measure confers an advantage on its beneficiaries in the form of direct grants and non-market conform guarantees on loans. The measure thus relieves those beneficiaries of costs which they would have had to bear under normal market conditions.
- (49) The advantage granted by the measure is selective, since it is awarded only to certain undertakings that meet the conditions in recitals (15) to (17) and (19) and excludes the financial sector.
- (50) The measure is liable to distort competition, since it strengthens the competitive position of its beneficiaries. It also affects trade between Member States, since those beneficiaries are active in sectors in which intra-Union trade exists.
- (51) In view of the above, the Commission concludes that the measure constitutes aid within the meaning of Article 107(1) TFEU. The Portuguese authorities do not contest that conclusion.

#### **3.3. Compatibility**

- (52) Since the measure involves aid within the meaning of Article 107(1) TFEU, it is necessary to consider whether the measure is compatible with the internal market.

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<sup>17</sup> Referring to information required in Annex III to Commission Regulation (EU) No. 651/2014 of 17 June 2014 and Annex III to Commission Regulation (EU) No 702/2014 and Annex III of the Commission Regulation (EU) No 1388/2014 of 16 December 2014. For guarantees, the nominal value of the underlying instrument shall be inserted per beneficiary.

- (53) Pursuant to Article 107(3)(b) TFEU the Commission may declare compatible with the internal market aid “*to remedy a serious disturbance in the economy of a Member State*”.
- (54) By adopting the Temporary Framework on 19 March 2020, the Commission acknowledged (in Section 2) that “*the COVID-19 outbreak affects all Member States and that the containment measures taken by Member States impact undertakings*”. The Commission concluded that “*State aid is justified and can be declared compatible with the internal market on the basis of Article 107(3)(b) TFEU, for a limited period, to remedy the liquidity shortage faced by undertakings and ensure that the disruptions caused by the COVID-19 outbreak do not undermine their viability, especially of SMEs*”.
- (55) The measure aims at facilitating the access of undertakings to external finance at a time when the normal functioning of credit markets is severely disturbed by the COVID-19 outbreak and that outbreak is affecting the wider economy and leading to severe disturbances of the real economy of Member States.
- (56) The measure is part of a series of measures conceived at national level by the Portuguese authorities to remedy a serious disturbance in their economy. The importance of the measure to stimulate lending by private banks to enterprises during the COVID-19 outbreak is widely accepted by economic commentators and the measure is of a scale which can be reasonably anticipated to produce effects across the economy of the Autonomous Region of Madeira, which is important for the entire Portuguese economy. The measure is also justified by the severe crisis that the sectors mentioned in recital (19) are undergoing in the Autonomous Region of Madeira due to the COVID-19 outbreak. This crisis is aggravated by the remoteness, insularity, small size, difficult topography and climate of the Autonomous Region of Madeira, as well as by its strong reliance on tourism and other services sectors. Finally, the measure has been designed to meet the requirements of specific categories of aid (“*Limited amounts of aid*” and “*Aid in the form of guarantees on loans*”) described in Sections 3.1 and 3.2 of the Temporary Framework and the requirements for aid in the form of guarantees and loans channelled through credit institutions or other financial institutions described in Section 3.4 of the Temporary Framework.
- (57) The Commission accordingly considers that the measure is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State and meets all the conditions of the Temporary Framework.
- (58) For the loan guarantees granted under the measure:
- The measure sets minimum levels for guarantee premiums in compliance with point 25(a) of the Temporary Framework (recital (26)).
  - Guarantees may be granted under the measure by 31 December 2020 at the latest (recital (14)). The measure therefore complies with point 25(c) of the Temporary Framework.
  - The maximum loan amount per beneficiary covered by guarantees granted under the measure is limited in line with point 25(d) of the Temporary Framework (recitals (21) to (22)).

- The measure limits the duration of the guarantees to a maximum of five years (recital (25)). Those guarantees cover 80% of the loan principal and losses stemming from the loans are sustained proportionally and under the same conditions by the credit institutions and the State (recital (24)). Furthermore, when the size of the loan decreases over time, the guaranteed amount decreases proportionally (recital (24)). The measure therefore complies with point 25(f) of the Temporary Framework.
- Guarantees granted under the measure relate to new working capital loans (recital (20)). The measure therefore complies with point 25(g) of the Temporary Framework.
- Undertakings already in difficulty on 31 December 2019 are excluded from benefitting from the measure (recital (17)). The measure therefore complies with point 25(h) of the Temporary Framework.
- The measure introduces safeguards in relation to the possible indirect aid in favour of the credit institutions or other financial institutions to limit undue distortions to competition.
  - First, the guarantees granted under the measure relate to new working capital loans, where the credit institution postpones the payment of loan principal for a maximum period of 18 months ('grace period').
  - Second, the SGM conducts an operation-to-operation risk analysis (both credit risk and commercial risk) in relation to the issuance of guarantees under the measure, which ensures the passing on of the advantage from the State guarantee in the form of higher volume of financing, riskier portfolios, lower collateral requirements and lower interest rates.
  - Third, all commercial credit institutions have, in principle, access to the measure, which means that beneficiaries can search the best conditions for the credit operation, thus fostering competition among credit institutions.
  - Fourth, the fee collected by the SGM from the final beneficiaries is shared with FCGM, thus contributing to reduce the possible indirect advantage for them.

The safeguards thus ensure that these institutions, to the largest extent possible, pass on the advantages of the measure to the final beneficiaries (recitals (20) and (29) to (30)). The measure therefore complies with points 28 to 31 of the Temporary Framework.

- The cumulation rules set out in point 24bis of the Temporary Framework are respected (recitals (42) to (43)).
- The mobilisation of the guarantees is contractually linked to specific conditions, which have to be agreed between the parties when the guarantee is initially granted (recital (27)).

(59) For the direct grants granted under the measure:

- The aid takes the form of direct grants (recitals (31) to (32)).

The overall nominal value of the direct grant shall not exceed EUR 120 000 per undertaking active in the fishery and aquaculture sector or EUR 100 000 per undertaking active in the primary production of agricultural products or EUR 800 000 per undertaking for all other undertakings; all figures used must be gross, that is, before any deduction of tax or other charges (recital (34)). The measure therefore complies with points 22(a) and 23(a) of the Temporary Framework.

- Aid is granted under the measure on the basis of a scheme with an estimated budget as indicated in recital (12). The measure therefore complies with point 22(b) of the Temporary Framework.
- Aid will not be granted to undertakings under the measure that were already in difficulty on 31 December 2019 (recital (17)). The measure therefore complies with point 22(c) of the Temporary Framework.
- Aid will be granted under the measure no later than 31 December 2020 (recitals (14) and (31)). The measure therefore complies with point 22(d) of the Temporary Framework.
- Aid granted to undertakings active in the processing and marketing of agricultural products is conditional on not being partly or entirely passed on to primary producers and is not fixed on the basis of the price or quantity of products purchased from primary producers or put on the market by the undertakings concerned (recital (35)). The measure therefore complies with point 22(e) of the Temporary Framework.
- Aid to undertakings active in the primary production of agricultural products will not be fixed on the basis of the price or quantity of products put on the market. The measure therefore complies with point 23(b) of the Temporary Framework (recital (35)).
- Aid to undertakings active in the fishery and aquaculture does not concern any of the categories of aid referred to in Article 1, paragraph (1) (a) to (k), of Commission Regulation (EU) No 717/2014 (recital (35)). The measure therefore complies with point 23(c) of the Temporary Framework.
- Where an undertaking is active in several sectors to which different maximum aid amounts apply in accordance with points 22(a) and 23(a) of the Temporary Framework, Portugal will ensure, by appropriate means such as separation of accounts, that the relevant ceiling is respected for each of those activities and that the overall maximum amount of EUR 800 000 is not exceeded per undertaking. Where an undertaking is active in the sectors covered by point 23(a) of the Temporary Framework, the overall maximum amount of EUR 120 000 is not exceeded per undertaking (recital (35)). The measure therefore complies with point 23bis of the Temporary Framework.

- (60) The Portuguese authorities confirm that the monitoring and reporting rules laid down in Section 4 of the Temporary Framework will be respected (recital (44)). The Portuguese authorities further confirm that aid granted under the measure may only be cumulated with other aid provided the specific provisions in the sections of the Temporary Framework are respected and the cumulation rules of the relevant Regulations are respected (recitals (38) to (41)).
- (61) The Portuguese authorities commit to suspend the award and/or payment of any aid under the measure to any undertaking that has benefited from earlier unlawful aid declared incompatible by a Commission Decision (either as an individual aid or an aid under an aid scheme being declared incompatible), until that undertaking has reimbursed or paid into a blocked account the total amount of unlawful and incompatible aid and the corresponding recovery interest.

#### **4. COMPLIANCE WITH INTRINSICALLY LINKED PROVISIONS OF DIRECTIVE 2014/59/EU AND REGULATION (EU) 806/2014**

- (62) Without prejudice to the possible application of Directive 2014/59/EU on bank recovery and resolution (“BRRD”)<sup>18</sup> and of Regulation (EU) 806/2014 on the Single Resolution Mechanism (“SRMR”),<sup>19</sup> in the event that an institution benefiting from the measure meets the conditions for the application of that Directive or of that Regulation, the Commission notes that the measure does not appear to violate intrinsically linked provisions of the BRRD and the SRMR.
- (63) In particular, aid granted by Member States to non-financial undertakings as final beneficiaries under Article 107(3)(b) TFEU in line with the Temporary Framework, which is channeled through credit institutions or other financial institutions as financial intermediaries, may also constitute an indirect advantage to those institutions.<sup>20</sup> Nevertheless, any such indirect aid granted under the measure does not have the objective of preserving or restoring the viability, liquidity or solvency of those institutions. The objective of the measure is to remedy the liquidity shortage faced by undertakings that are not financial institutions and to ensure that the disruptions caused by the COVID-19 outbreak do not undermine the viability of such undertakings, especially of SMEs. As a result, aid granted under the measure does not qualify as extraordinary public financial support under Article 2(1) No 28 BRRD and Article 3(1) No 29 SRMR.
- (64) Moreover, as indicated in recital (58) above, the loan guarantee scheme introduces safeguards in relation to any possible indirect aid in favour of the credit institutions or other financial institutions to limit undue distortions to competition. Such safeguards ensure that those institutions, to the largest extent possible, pass on the advantages provided by the measure to the final beneficiaries.
- (65) The Commission therefore concludes that the measure does not violate any intrinsically linked provisions of the BRRD and the SRMR.

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<sup>18</sup> OJ L 173, 12.6.2014, p. 190-348.

<sup>19</sup> OJ L 225, 30.7.2014, p. 1-90.

<sup>20</sup> Points 6 and 29 of the Temporary Framework.

## 5. CONCLUSION

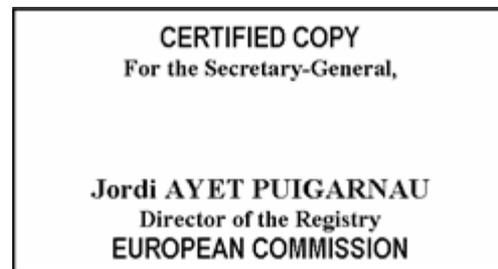
The Commission has accordingly decided not to raise objections to the aid on the grounds that it is compatible with the internal market pursuant to Article 107(3)(b) of the Treaty on the Functioning of the European Union.

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



## Annex

### List of sectors covered by the measure, applicable NACE codes

#### Extractive Industries

08111 Extraction of marble and other carbonate rocks  
08112 Extraction of ornamental granite and similar stones  
08113 Extraction of limestone and chalk  
08114 Extraction of plaster  
08115 Extraction of slate  
08121 Extraction of gravel, sand and crushed stone  
08122 Extraction of clay and kaolin  
08910 Extraction of minerals for the chemical industry and for the manufacture of fertilizers  
08920 Extraction of peat  
08931 Extraction of sea salt  
08932 Extraction of rock salt  
08991 Extraction of feldspar  
08992 Extraction of other non-metallic minerals, n.e.c.  
09900 Other service activities related to the extractive industries

#### Transforming Industries

10320 Manufacture of fruit and vegetable juices  
10393 Manufacture of sweets, jams, jellies and marmalade  
10411 Production of crude animal oils and fats (\*) - The company must issue a declaration attesting whether or not the financing is intended for the production of fish oils  
10413 Production of crude vegetable oils (except olive oil)  
10414 Refining of olive oil, oils and fats  
10420 Manufacture of margarine and similar edible fats  
10510 Dairy and dairy products  
10520 Manufacture of ice cream and sorbets  
10611 Cereal grinding  
10613 Processing of cereals and legumes, n.e.c.  
10620 Manufacture of amides, starches and related products  
10711 Bread making  
10712 Pastry  
10720 Manufacture of cookies, biscuits, toasts and preservation pastries  
10730 Manufacture of pasta, couscous and similar  
10810 Sugar industry  
10821 Manufacture of cocoa and chocolate  
10822 Manufacture of confectionery  
10830 Coffee and tea industry  
10840 Manufacture of condiments and seasonings  
10850 Manufacture of pre-cooked meals and dishes (\*) - The company must issue a declaration attesting whether or not the financing is intended for the manufacture of pre-cooked meals and dishes based on fishery products  
10860 Manufacture of homogenized and dietetic foods.  
10891 Manufacture of yeasts, leavens and adjuvants for baking and pastry  
10892 Manufacture of broths, soups and desserts  
10893 Manufacture of other miscellaneous food products, n.e.c.  
10911 Manufacture of pre-mixes - The company must issue a declaration attesting whether the financing is intended for the manufacture of fish meal or not  
10912 Manufacture of feed for farm animals (except for aquaculture)  
10913 Aquaculture food manufacturing  
10920 Manufacture of pet food  
11011 Manufacture of prepared spirit beverages  
11012 Manufacture of unprepared spirit beverages  
11013 Production of liqueurs and other distilled beverages  
11021 Production of common and liqueur wines  
11022 Production of sparkling and sparkling wines  
11030 Manufacture of cider and other fermented fruit drinks  
11040 Manufacture of vermouth and other non-distilled fermented drinks  
11050 Brewing  
11060 Malt manufacture  
11071 Bottling of natural and spring mineral waters  
11072 Manufacture of soft drinks and other non-alcoholic drinks, n.e.c.  
12000 Tobacco industry  
13101 Preparation and spinning of cotton fibres  
13102 Preparation and spinning of wool-like fibres.

13103 Preparation and spinning of silk and preparation and texturing of synthetic and artificial filaments  
 13104 Sewing thread manufacturing  
 13105 Preparation and spinning of flax and other textile fibres  
 13201 Cotton-type weaving  
 13202 Woollen-type weaving  
 13203 Weaving of silk yarn and other textiles  
 13301 Bleaching and dyeing  
 13302 Stamping  
 13303 Finishing of yarns, fabrics and textile articles, n.e.c.  
 13910 Manufacture of knitted and crocheted fabrics  
 13920 Manufacture of made-up textile articles, except apparel  
 13930 Manufacture of carpets and rugs  
 13941 Manufacture of rope  
 13942 Net manufacturing  
 13950 Manufacture of non-woven and respective articles, except apparel  
 13961 Manufacture of trimmings and services  
 13962 Manufacture of textiles for technical and industrial use, n.e.c.  
 13991 Embroidery manufacture  
 13992 Lace manufacturing  
 13993 Manufacture of other miscellaneous textiles, n.e.c.  
 14110 Manufacture of leather garments  
 14120 Manufacture of working clothes  
 14131 Manufacture of other outdoor wear in series  
 14132 Manufacture of other tailored outdoor wear  
 14133 Garment finishing activities  
 14140 Manufacture of underwear  
 14190 Manufacture of other clothing items and accessories  
 14200 Manufacture of fur articles  
 14310 Manufacture of knitted socks and similar products  
 14390 Manufacture of other knitted apparel  
 15111 Tanning and finishing of hairless leather  
 15112 Manufacture of reconstituted leather  
 15113 Tanning and finishing of fur.  
 15120 Manufacture of travel and personal items, leather goods, and saddlery  
 15201 Footwear manufacturing  
 15202 Manufacture of footwear components  
 16101 Wood sawmill  
 16102 Wood impregnation  
 16211 Manufacture of wood fibre boards  
 16212 Manufacture of wood fibre panels  
 16213 Manufacture of veneer sheets, plywood, laminates and other panels  
 16220 Parquetry  
 16230 Manufacture of other construction carpentry  
 16240 Manufacture of wooden packaging  
 16291 Manufacture of other wooden products  
 16292 Manufacture of basketry and wickerwork  
 17110 Paste manufacturing.  
 17120 Manufacture of paper and cardboard (except corrugated)  
 17211 Manufacture of corrugated paper and cardboard (includes packaging)  
 17212 Manufacture of other paper and cardboard packaging  
 17220 Manufacture of paper articles for domestic and sanitary use  
 17230 Manufacture of paper stationery  
 17240 Wallpaper manufacturing  
 17290 Manufacture of other articles of paper pulp, paper and paperboard  
 18110 Newspaper printing  
 18120 Other printings  
 18130 Printing and media preparation activities  
 18140 Binding and related activities  
 18200 Reproduction of recorded media  
 20110 Manufacture of industrial gases  
 20120 Manufacture of dyes and pigments  
 20130 Manufacture of other basic inorganic chemicals  
 20144 Manufacture of other basic organic chemicals, n.e.c.  
 20151 Manufacture of chemical or mineral fertilizers and nitrogen compounds  
 20152 Manufacture of organic and organo-mineral fertilizers  
 20160 Manufacture of plastics in primary forms  
 20170 Manufacture of synthetic rubber in primary forms  
 20200 Manufacture of pesticides and other agrochemical products  
 20301 Manufacture of paints (except printing), varnishes, mastics and similar products  
 20302 Manufacture of printing inks

20303 Manufacture of prepared pigments, vitrifiable compositions and similar products  
20411 Manufacture of soaps, detergents and glycerin  
20412 Manufacture of cleaning, polishing and protection products  
20420 Manufacture of perfumes, cosmetics and hygiene products  
20510 Manufacture of explosives and pyrotechnic articles  
20520 Glue manufacturing  
20530 Manufacture of essential oils  
20591 Biodiesel manufacturing  
20592 Manufacture of auxiliary chemicals for industrial use  
20593 Manufacture of oils and greases, excluding that carried out at refineries  
20594 Manufacture of diverse other chemical products n.e.c.  
20600 Manufacture of synthetic or artificial fibres  
21100 Manufacture of basic pharmaceutical products  
21201 Manufacture of medicines  
21202 Manufacture of other pharmaceutical preparations and items  
22111 Manufacture of tires and air tubes  
22112 Tire reconstruction  
22191 Manufacture of rubber footwear components  
22210 Manufacture of plastic plates, sheets, tubes and profiles  
22220 Manufacture of plastic packaging  
22230 Manufacture of plastic products for construction  
22291 Manufacture of plastic footwear components  
22292 Manufacture of other plastic products, n.e.c.  
23110 Flat glass manufacturing  
23120 Moulding and transformation of flat glass  
23131 Glass packaging manufacturing  
23132 Glassware work  
23140 Glass fibre manufacturing  
23190 Manufacture and processing of other glass (includes technical glass)  
23200 Manufacture of refractory ceramic products  
23311 Manufacture of “azulejo” tiles.  
23312 Manufacture of tiles, mosaics and ceramic plates  
23321 Manufacture of bricks  
23322 Manufacture of roof tiles  
23323 Manufacture of domes  
23324 Manufacture of other ceramic products for construction  
23411 Clay pottery  
23412 Manufacture of household items of earthenware, porcelain and fine stoneware  
23413 Manufacture of ornamental faience, porcelain and fine stoneware items  
23414 Decoration activities of ceramic household and ornamental items  
23420 Manufacture of ceramic items for sanitary uses  
23430 Manufacture of insulators and insulating ceramic parts  
23440 Manufacture of other ceramic products for technical uses  
23490 Manufacture of other non-refractory ceramic products  
23510 Cement manufacturing  
23521 Lime manufacturing  
23522 Plaster manufacture  
23610 Manufacture of concrete products for construction  
23620 Manufacture of plaster products for construction  
23630 Manufacture of ready-mixed concrete  
23640 Mortar manufacture  
23650 Manufacture of fibre cement products  
23690 Manufacture of other concrete, plaster and cement products  
23701 Manufacture of items in marble and similar rocks  
23702 Manufacture of slate articles (chalkboard)  
23703 Manufacture of granite and rock items, n.e.c.  
23910 Abrasive products manufacturing  
23991 Manufacture of bituminous mixtures  
23992 Manufacture of other non-metallic mineral products, n.e.c.  
24410 Obtaining and first processing of precious metals  
24420 Obtaining and first processing of aluminium  
24430 Obtaining and first processing of lead, zinc and tin  
24440 Obtaining and first processing of copper  
24450 Obtaining and first processing of other non-ferrous metals  
24460 Nuclear fuel treatment  
24510 Cast iron casting  
24530 Light metal casting  
24540 Casting of other non-ferrous metals  
25110 Manufacture of metal construction structures  
25120 Manufacture of doors, windows and similar elements in metal

25210 Manufacture of central heating boilers and radiators  
 25290 Manufacture of other metallic tanks and containers  
 25300 Manufacture of steam generators (except central heating boilers)  
 25401 Manufacture of hunting, sport and defence weapons  
 25402 Armament manufacturing  
 25501 Manufacture of forged, stamped and laminated products  
 25502 Manufacture of products by spray metallurgy  
 25610 Treatment and coating of metals  
 25620 General mechanical activities  
 25710 Manufacture of cutlery  
 25720 Manufacture of locks, hinges and other hardware  
 25731 Manufacture of hand tools  
 25732 Manufacture of mechanical tools.  
 25733 Manufacture of sintered parts  
 25734 Manufacture of metal moulds.  
 25910 Manufacture of heavy metal packaging  
 25920 Manufacture of light metal packaging  
 25931 Manufacture of wire products  
 25932 Spring manufacturing  
 25933 Manufacture of metal chains  
 25940 Manufacture of rivets, screws and nuts  
 25991 Manufacture of metal tableware and household articles  
 25992 Manufacture of other miscellaneous metallic products, n.e.c.  
 26110 Manufacture of electronic components  
 26120 Manufacture of electronic circuit plates  
 26200 Manufacture of computers and peripheral equipment  
 26300 Manufacture of apparatus and equipment for communications  
 26400 Manufacture of radio and television receivers and similar consumer goods  
 26511 Manufacture of electricity, gas, water and other liquid meters  
 26512 Manufacture of instruments and devices for measuring, checking, navigating and other purposes, n.e.c.  
 26520 Manufacture of watches and clocks  
 26600 Manufacture of radiation, electro medicine and electrotherapeutic equipment  
 26701 Manufacture of non-ophthalmic optical instruments and equipment  
 26702 Manufacture of photographic and cinematographic material.  
 26800 Manufacture of magnetic and optical information media.  
 27110 Manufacture of electric motors, generators and transformers  
 27121 Manufacture of distribution and control equipment for high voltage electrical installations  
 27122 Manufacture of distribution and control equipment for low voltage electrical installations  
 27200 Manufacture of accumulators and batteries  
 27310 Manufacture of fibre optic cables  
 27320 Manufacture of other electrical and electronic wires and cables  
 27330 Manufacture of devices and accessories for low voltage electrical installations  
 27400 Manufacture of electric lamps and other lighting equipment  
 27510 Manufacture of electrical appliances  
 27520 Manufacture of non-electrical household appliances  
 27900 Manufacture of other electrical equipment  
 28110 Manufacture of engines and turbines, except engines for aircraft, automobiles and motorcycles  
 28120 Manufacture of hydraulic and pneumatic equipment  
 28130 Manufacture of other pumps and compressors  
 28140 Manufacture of other taps and valves  
 28150 Manufacture of bearings, gears and other drives  
 28210 Manufacture of ovens and burners  
 28221 Manufacture of lifts and assemblies loads, stairs and moving walkways  
 28222 Manufacture of lifting and handling equipment, n.e.c.  
 28230 Manufacture of office machinery and equipment, except computers and equipment  
 28240 Manufacture of portable machine-tools with motor  
 28250 Manufacture of non-domestic refrigeration and ventilation equipment  
 28291 Manufacture of wrapping and packaging machines  
 28292 Manufacture of scales and other weighing equipment  
 28293 Manufacture of other miscellaneous general purpose machines, n.e.c.  
 28300 Manufacture of machinery and tractors for agriculture, livestock and forestry  
 28410 Manufacture of machine tools for metals  
 28490 Manufacture of other machine tools  
 28910 Manufacture of machinery for metallurgy  
 28920 Manufacture of machinery for the extractive and construction industries  
 28930 Manufacture of machinery for the food, beverage and tobacco industries  
 28940 Manufacture of machinery for the textile, clothing and leather industries  
 28950 Manufacture of machinery for the paper and cardboard industries  
 28960 Manufacture of machinery for the plastic and rubber industries

28991 Manufacture of machinery for the building materials, ceramics and glass industries  
 28992 Manufacture of other miscellaneous machines for specific use, n.e.c.  
 29100 Manufacture of motor vehicles  
 29200 Manufacture of bodywork, trailers and semi-trailers  
 29310 Manufacture of electrical and electronic equipment for motor vehicles  
 29320 Manufacture of other components and accessories for motor vehicles  
 30111 Construction of metallic vessels and floating structures, except for recreation and sport  
 30112 Construction of non-metallic boats, except for recreation and sport.  
 30120 Construction of leisure and sporting boats  
 30200 Manufacture of rolling stock for railways  
 30300 Manufacture of aircraft, space vehicles and related equipment  
 30400 Manufacture of military combat vehicles  
 30910 Manufacture of motorcycles  
 30920 Manufacture of bicycles and vehicles for the disabled  
 30990 Manufacture of other transport equipment, n.e.c.  
 31010 Manufacture of office and commercial furniture  
 31020 Manufacture of kitchen furniture  
 31030 Bedding manufacture  
 31091 Manufacture of wooden furniture for other purposes  
 31092 Manufacture of metal furniture for other purposes  
 31093 Manufacture of furniture from other materials for other purposes  
 31094 Furniture finishing activities  
 32110 Coinage  
 32121 Filigree manufacturing  
 32122 Manufacture of jewellery and other goldsmithery items  
 32123 Work of diamonds and other precious or semi-precious stones for jewellery and use  
 32130 Manufacture of costume jewellery  
 32200 Manufacture of musical instruments  
 32300 Manufacture of sports goods  
 32400 Manufacture of games and toys  
 32501 Manufacture of ophthalmic optical material  
 32502 Manufacture of orthopaedic material and prostheses and medical and surgical instruments  
 32910 Manufacture of brooms, brushes and brushes  
 32991 Manufacture of pens, pencils and similar  
 32992 Manufacture of zips, buttons and the like  
 32993 Manufacture of umbrellas and umbrellas  
 32994 Manufacture of protective and safety equipment  
 32995 Manufacture of wooden mortuary coffins  
 32996 Other diverse manufacturing industries, n.e.c.  
 33110 Repair and maintenance of metal products (except machinery and equipment)  
 33120 Repair and maintenance of machinery and equipment  
 33130 Repair and maintenance of electronic and optical equipment  
 33140 Repair and maintenance of electrical equipment  
 33150 Repair and maintenance of boats  
 33160 Repair and maintenance of aircraft and spacecraft  
 33170 Repair and maintenance of other transport equipment  
 33190 Repair and maintenance of other equipment  
 33200 Installation of industrial machinery and equipment  
 10110 Cattle slaughter (meat production)  
 10120 Poultry slaughter (meat production)  
 10130 Manufacture of meat products  
 10201 Preparation of fishery and aquaculture products  
 10202 Freezing of fishery and aquaculture products  
 10203 Preservation of fishery and aquaculture products in olive oil and other vegetable oils and other sauces  
 10204 Salting, drying and other processing activities of fishery and aquaculture products  
 10310 Preparation and preservation of potatoes  
 10394 Peeling and processing of edible nuts  
 10395 Preparation and preservation of fruit and vegetables by other processes  
 10412 Production of olive oil  
 10612 Hulling, whitening and other rice treatments  
 16293 Cork preparation industry  
 16294 Manufacture of cork stoppers  
 16295 Manufacture of other cork products  
 19100 Manufacture of coking plant products  
 19201 Manufacture of refined petroleum products  
 19202 Manufacture of petroleum products from waste  
 19203 Manufacture of briquettes and agglomerates of coal and lignite  
 20141 Manufacture of resinous products and their derivatives  
 20142 Manufacture of charcoal (vegetable and animal) and associated products

22192 Manufacture of other rubber products, n.e.c.  
24100 Manufacture of iron, steel and ferro-alloys  
24200 Manufacture of steel tubes, pipes, hollow profiles and related accessories  
24310 Cold drawing  
24320 Cold rolling of narrow strip  
24330 Cold forming  
24340 Cold drawing  
24520 Casting of steel

**Electricity, Gas, Steam, Hot and Cold Water and Cold Air**

35111 Hydro electricity production  
35112 Production of electricity from thermal sources  
35113 Production of electricity from wind, geothermal, solar and source, n.e.c.  
35120 Electricity transport  
35130 Electricity distribution  
35140 Electricity trade  
35210 Gas production  
35220 Distribution of gaseous fuels through mains  
35230 Pipeline gas trade  
35302 Ice production  
35111 Hydro electricity production  
35112 Production of electricity from thermal sources  
35113 Production of electricity from wind, geothermal, solar and source, n.e.c.  
35301 Production and distribution of steam, hot and cold water and cold air by pipeline

**Water Capture, Treatment and Distribution; Sanitation, Waste Management and Disposal**

38111 Collection of inert waste  
38112 Collection of other non-hazardous waste  
38120 Collection of hazardous waste  
38211 Treatment and disposal of inert waste  
38212 Treatment and disposal of other non-hazardous waste  
38220 Treatment and disposal of hazardous waste  
38311 Dismantling of end-of-life motor vehicles  
38312 Dismantling electrical and electronic equipment, at the end of its life  
38313 Dismantling of other equipment and goods, at the end of life  
38321 Recovery of metallic waste  
38322 Recovery of non-metallic waste  
39000 Decontamination and similar activities  
36001 Water collection and treatment  
36002 Water distribution  
37001 Wastewater collection and drainage  
37002 Wastewater treatment

**Construction**

41100 Real estate promotion (development of building projects)  
41200 Construction of buildings (residential and non-residential)  
42110 Road and airport runway construction  
42120 Railway construction  
42130 Construction of bridges and tunnels  
42210 Construction of networks for the transport of water, sewage and other fluids  
42220 Construction of electricity transmission and distribution networks and telecommunications networks  
42910 Hydraulic engineering  
42990 Construction of other civil engineering works, n.e.c.  
43110 Demolition  
43120 Preparation of construction sites  
43130 Boring and drilling  
43210 Electric installation  
43221 Plumbing installation  
43222 HVAC installation  
43290 Other building installations  
43310 Plastering  
43320 Assembly of carpentry and joinery work  
43330 Floor and wall covering  
43340 Painting and glass placement  
43390 Other finishing activities in buildings  
43910 Covering activities  
43991 Rental of construction and demolition equipment with operator  
43992 Other specialized construction activities, n.e.c.

**Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles**

45110 Sale of passenger motor vehicles  
45190 Sale of other motor vehicles  
45200 Maintenance and repair of motor vehicles  
45310 Wholesale of motor vehicle parts and accessories  
45320 Retail trade of motor vehicle parts and accessories  
45401 Wholesale and retail trade of motorcycles, parts and accessories  
45402 Maintenance and repair of motorcycles, their parts and accessories  
46110 Agents involved in the wholesale trade of agricultural raw materials and textiles, live animals and semi-finished products  
46120 Agents involved in the wholesale trade of fuels, minerals, metals and chemicals for the industry  
46130 Agents involved in the wholesale trade of wood and building materials  
46140 Agents involved in the wholesale trade of machinery, industrial equipment, vessels and aircraft  
46150 Agents involved in the sale of furniture, household goods and hardware  
46160 Agents involved in the sale of textiles, clothing, footwear and leather goods  
46170 Agents involved in the sale of food, beverages and tobacco  
46180 Specialized agents in the wholesale trade of other products  
46190 Agents of mixed wholesale trade without predominance  
46211 Wholesale of animal food  
46212 Wholesale of raw tobacco  
46240 Wholesale of fur and leather  
46350 Wholesale of tobacco  
46382 Wholesale of other food products, n.e.c.  
46390 Non-specialized wholesale of food, beverages and tobacco  
46410 Wholesale of textiles  
46421 Wholesale of clothing and accessories  
46422 Wholesale of footwear  
46430 Wholesale of electrical household appliances, radio and television sets  
46441 Wholesale of ceramic and glass tableware  
46442 Wholesale of cleaning products  
46450 Wholesale of perfumes and hygiene products  
46460 Wholesale of pharmaceutical products  
46470 Wholesale of furniture, carpets, rugs and lighting articles  
46480 Wholesale of watches and jewellery  
46491 Wholesale of stationery  
46492 Wholesale of books, magazines and newspapers  
46493 Wholesale of toys, games and sports goods  
46494 Other wholesale trade in consumer goods, n.e.c.  
46510 Wholesale of computers, peripheral equipment and software  
46520 Wholesale of electronic and telecommunications equipment and parts  
46610 Wholesale of agricultural machinery and equipment  
46620 Wholesale of machine tools  
46630 Wholesale of machinery for the extractive industry, construction and civil engineering  
46640 Wholesale of machinery for the textile industry, sewing and knitting machines  
46650 Wholesale of office furniture  
46660 Wholesale of other office machinery and equipment  
46690 Wholesale of other machinery and equipment  
46711 Wholesale of petroleum products  
46712 Wholesale of solid, liquid and gaseous fuels, not derived from petroleum  
46720 Wholesale of minerals and metals  
46731 Wholesale of raw wood and by-products  
46732 Wholesale of building materials (except wood) and sanitary equipment  
46740 Wholesale of hardware, hand tools and articles for plumbing and heating  
46750 Wholesale of chemicals  
46762 Wholesale of other intermediate goods, n.e.c.  
46771 Wholesale of scrap metal and scrap  
46772 Wholesale of textile waste, cardboard and old paper  
46773 Wholesale of waste materials, n.e.c.  
46900 Non-specialized wholesale trade  
47111 Retail sale in supermarkets and hypermarkets  
47112 Retail sale in other non-specialized stores with food, beverages or tobacco predominating  
47191 Non-specialized retail trade, without predominance of food products, beverages or tobacco, in department stores and similar  
47192 Retail sale in other non-specialized stores, without predominance of food products, beverages or tobacco  
47210 Retail sale of fruit and vegetables in specialized stores  
47220 Retail sale of meat and meat products in specialized stores  
47230 Retail sale of fish, crustaceans and molluscs in specialized stores  
47240 Retail sale of bread, pastries and confectionery in specialized stores  
47250 Retail sale of beverages in specialized stores

47260 Retail sale of tobacco products in specialized stores  
 47291 Retail sale of milk and dairy products in specialized stores  
 47292 Retail sale of food, natural and dietetic in stores specialized  
 47293 Other retail sale of food products in specialized stores, n.e.c.  
 47300 Retail sale of fuel for motor vehicles in specialized stores  
 47410 Retail sale of computers, peripheral units and software in specialized stores  
 47420 Retail sale of telecommunications equipment in specialized stores  
 47430 Retail sale of audio-visual equipment in specialized stores  
 47510 Retail sale of textiles in specialized stores  
 47521 Retail sale of hardware and flat glass in specialized stores  
 47522 Retail sale of paints, varnishes and similar products in specialized stores  
 47523 Retail sale of DIY equipment, sanitary equipment, tiles and materials in similar establishments  
 47530 Retail sale of carpets, rugs, curtains and wall and floor coverings in specialized stores  
 47540 Retail sale of electrical household appliances in specialized stores  
 47591 Retail sale of furniture and lighting articles in specialized stores  
 47592 Retail sale of tableware, cutlery and other similar articles for household use, in specialized stores  
 47593 Retail sale of other household articles, n.e.c., in specialized establishments  
 47610 Retail sale of books in specialized stores  
 47620 Retail sale of newspapers, magazines and stationery in stores specialized  
 47630 Retail sale of discs, CDs, DVDs, tapes and similar in specialized stores  
 47640 Retail sale of sporting goods, camping and leisure goods in stores specialized  
 47650 Retail sale of games and toys in specialized stores  
 47711 Retail sale of adult clothing in specialized stores  
 47712 Retail sale of clothing for babies and children in specialized stores  
 47721 Retail sale of footwear in specialized stores  
 47722 Retail sale of leather goods and travel goods in specialized stores  
 47730 Retail sale of pharmaceutical products in specialized stores  
 47740 Retail sale of medical and orthopaedic goods in specialized stores  
 47750 Retail sale of cosmetic and toilet articles in specialized stores  
 47761 Retail sale of flowers, plants, seeds and fertilizers in specialized stores  
 47762 Retail sale of pet animals and respective food in specialized stores  
 47770 Retail sale of watches and jewellery in specialized stores  
 47781 Retail sale of office machinery and other office supplies in specialized stores  
 47782 Retail sale of optical, photographic, cinematographic and precision instruments in specialized stores  
 47783 Retail sale of household fuels in specialized stores  
 47784 Retail sale of other new products in specialized stores  
 47790 Retail sale of second-hand goods in specialized stores  
 47810 Retail sale at stalls, fairs and mobile sales units of food, beverages and tobacco  
 47820 Retail sale via stalls, markets and mobile sales units of textiles, clothing, footwear, luggage and similar  
 47890 Other retail sale via stalls, markets and mobile sales units of other products  
 47910 Retail sale via mail order or via the Internet  
 47990 Other retail trade, not carried out in stores, stalls, fairs or mobile sales units  
 46213 Wholesale of raw cork  
 46214 Wholesale of cereals, seeds, legumes, oilseeds and other agricultural raw materials  
 46220 Wholesale of flowers and plants  
 46230 Wholesale of livestock  
 46311 Wholesale of fruit and vegetables, except potatoes  
 46312 Wholesale of potatoes  
 46320 Wholesale of meat and meat based products  
 46331 Wholesale of milk, dairy products and eggs  
 46332 Wholesale of olive oil, edible oils and fats  
 46341 Wholesale of alcoholic beverages  
 46342 Wholesale of non-alcoholic beverages  
 46361 Wholesale of sugar  
 46362 Wholesale of chocolate and confectionery  
 46370 Wholesale of coffee, tea, cocoa and spices  
 46381 Wholesale of fish, crustaceans and molluscs  
 46761 Wholesale of natural, artificial and synthetic textile fibres

### **Transport and Storage**

49310 Land, urban and suburban passenger transport  
 49320 Occasional passenger transport in passenger vehicles  
 49391 Intercity bus transport  
 49392 Other land transport of different passengers n.e.c.  
 49410 Road freight transport  
 49420 Moving activities by road  
 50101 Non-coastal passenger sea transport  
 50102 Coastal and local passenger transport

50200 Maritime transport of goods  
51210 Air transport of goods  
52101 Cold storage  
52102 Non-cold storage  
52211 Land Transport Infrastructure Management  
52212 Roadside Vehicle Assistance  
52213 Other auxiliary activities for land transport  
52240 Load Handling  
52291 Organization of transport  
52292 Customs agents and similar transport support  
53100 Postal Activities Subject to Universal Service Obligations  
53200 Other Postal and Courier Activities

**Accommodation, Restoration and Similar**

55111 Hotels with Restaurants  
55112 Pensions with restaurant  
55113 Inns with restaurant  
55114 B & Bs with restaurant  
55115 Motels with restaurant  
55116 Apart-hotels with restaurant  
55117 Holiday villages with restaurant  
55118 Vacation apartments with restaurant  
55119 Other hotel establishments with restaurant  
55121 Hotels without restaurant  
55122 Pensions without restaurant  
55123 Tourist apartments without restaurant  
55124 Other hotel establishments without restaurant  
55201 Furnished accommodation for tourists  
55202 Rural Tourism  
55203 Summer Camps  
55204 Other Short Term Accommodation  
55300 Camping and Caravanning Parks  
55900 Other accommodation places  
56101 Traditional type restaurants  
56102 Restaurants with counter seating  
56103 Restaurants without table service  
56104 Typical restaurants  
56105 Restaurants with dance space  
56106 Preparation of ready-to-take meals  
56107 Restaurants, n.e.c. (includes mobile restoration activities)  
56210 Provision of meals for events  
56290 Other meal service activities  
56301 Cafes  
56302 Bars  
56303 Pastry shops and Tea Rooms  
56304 Other drinks establishments without shows  
56305 Beverage establishments with dancing space

**Information and Communication Activities**

58110 Book publishing  
58120 Editing lists for consultation  
58130 Publishing of newspapers  
58140 Publishing of magazines and other periodicals  
58190 Other editing activities  
58210 Editing computer games  
58290 Editing other computer programs  
59110 Production of films, videos and television programs  
59120 Post-production technical activities for films, videos and television programs  
59130 Distribution of movies, videos and television programs  
59140 Film and video projection  
59200 Sound recording and music editing activities  
60100 Radio Activities  
60200 Television Activities  
61100 Wired telecommunications activities  
61200 Wireless telecommunications activities  
61300 Satellite telecommunications activities  
61900 Other telecommunications activities  
62010 Computer programming activities  
62020 Computer consulting activities  
62030 Management and operation of computer equipment

62090 Other activities related to information and computer technologies  
63110 Data processing activities, domiciliation of information and related activities  
63120 Web portals  
63910 Activities of News Agencies  
63990 Other Information Service Activities

**Financial and Insurance Activities**

66220 Activities of insurance intermediaries

**Real Estate Activities**

68100 Buying and selling of real estate  
68200 Real estate rental  
68311 Real Estate Mediation Activities  
68312 Real Estate Raising Activities  
68313 Real estate appraisal activities  
68321 Property management on behalf of others  
68322 Condominium management

**Consulting, Scientific, Technical and Similar**

69101 Legal practice  
69102 Notary office activities  
69200 Accounting and auditing activities; tax consultancy  
70210 Public relations and communication activities  
70220 Other business and management consultancy activities  
71110 Architecture activities  
71120 Engineering and related technical activities  
71200 Testing and technical analysis activities  
72110 Research and development in biotechnology  
72190 Other physical and natural science research and development  
72200 Research and experimental development on social sciences and humanities  
73110 Publicity agencies  
73120 Representative activities in the media  
73200 Market research and opinion polls  
74100 Design activities  
74200 Photographic activities  
74300 Translation and interpretation activities  
74900 Other consultancy, scientific, technical and similar activities, n.e.c.  
75000 Veterinary activities

**Administrative and Support Services Activities**

77110 Car Rental  
77120 Heavy Vehicle Rental  
77210 Rental of recreational and sporting goods  
77310 Rental of agricultural machinery and equipment  
77320 Rental of construction and civil engineering machinery and equipment  
77330 Rental of office machinery and equipment (includes computers)  
77340 Rental of means of sea and river transport  
77390 Rental of other machinery and equipment, n.e.c.  
78100 Activities of personnel selection and placement companies  
78200 Activities of temporary employment agencies  
78300 Other human resource provision  
79110 Travel Agency Activities  
79120 Tour Operator Activities  
79900 Other Reservation Services and Related Activities  
80100 Private security activities  
80200 Activities related to security systems  
80300 Research activities  
81100 Combined building support activities  
81210 General cleaning activities in buildings  
81220 Other cleaning activities in buildings and industrial equipment  
81291 Disinfection, rat removal and similar activities  
81292 Other cleaning activities  
81300 Planting and Garden Maintenance Activities  
82110 Combined administrative service activities  
82190 Photocopying, document preparation and other specialized administrative support activities  
82200 Call centre activities  
82300 Organization of fairs, congresses and other similar events  
82910 Collection activities and credit assessment  
82921 Gas bottling  
82922 Other packaging activities

82990 Other support service activities provided to companies, n.e.c.

### **Education**

85510 Sports and recreational teaching  
85520 Teaching of cultural activities  
85530 Driving and piloting schools  
85591 Professional qualification  
85592 Language schools  
85593 Other educational activities, n.e.c.  
85600 Education support service activities

### **Human Health Activities**

86100 Activities of in-patient health facilities  
86210 General medical practice activities, outpatient  
86220 Specialized outpatient medical practice activities  
86230 Odontology and dentistry activities  
86901 Clinical analysis laboratories  
86902 Ambulance activities  
86903 Nursing activities  
86904 Collection centres and organ banks  
86906 Other human health activities, n.e.c.  
87301 Support activities for the elderly, with accommodation  
87302 Support activities for people with disabilities, with accommodation  
87901 Social support activities for children and youth, with accommodation  
87902 Social support activities with accommodation, n.e.c.  
88101 Social support activities for the elderly, without accommodation  
88102 Social support activities for people with disabilities, without accommodation  
88910 Care activities for children, without accommodation  
88990 Other social support activities without accommodation, n.e.c.

### **Artistic, Spectacle, Sports and Recreational Activities**

90010 Performing arts activities  
90020 Support activities for performing arts  
90030 Artistic and literary creation  
90040 Exploration of concert halls and related activities  
91011 Library activities  
91012 Filing activities  
91020 Museum activities  
91030 Activities of historical sites and monuments  
91041 Activities of zoos, botanic and aquariums  
91042 Activities of parks and nature reserves  
93110 Sports Facilities Management  
93120 Sports club activities  
93130 Gym activities (fitness)  
93192 Other sports activities  
93210 Amusement and theme park activities  
93291 Bullfighting activities  
93292 Activities of recreational ports (marinas)  
93293 Organization of tourist entertainment activities  
93294 Other fun and recreational activities, n.e.c.

### **Other Service Activities**

95110 Repair of computers and peripheral equipment  
95120 Repair of communication equipment  
95210 Repair of televisions and other similar consumer goods  
95220 Repair of household appliances and other household and garden equipment  
95230 Repair of footwear and leather goods  
95240 Repair of furniture and similar, for domestic use  
95250 Repair of watches and jewellery  
95290 Repair of other personal and household goods  
96010 Washing and dry cleaning of textiles and fur  
96021 Hairdressing salons  
96022 Beauty Institutes  
96030 Funeral and related activities  
96040 Physical wellness activities  
96091 Tattoo and similar activities  
96092 Pet services activities  
96093 Other miscellaneous personal service activities, n.e.c.

### **Food industries**

10120 Slaughtering of poultry (meat production)

10391 Freezing of fruit and vegetables

10392 Drying and dehydration of fruit and vegetables