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**Subject: State Aid SA.62409 (2021/N) – Italy (Friuli Venezia Giulia)
COVID-19: Modifications to SA.57005 and SA.57252 (2020/N)**

Excellency,

1. PROCEDURE

- (1) By electronic notification of 19 March 2021, Italy notified amendments concerning the following existing aid schemes (“the existing aid schemes”):
 - (a) SA.57005 (2020/N) “Granting of State aid under the COVID-19 anti-crisis program provided for by article 12 of the regional law n. 5/2020 in compliance with the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak”, as modified by SA.57256 (2020/N) and SA.59447 (2020/N);
 - (b) SA.57252 (2020/N) “Modifications to COVID-19 Regime Quadro”, supplementing SA.57021 (2020/N) as modified by SA.59447 (2020/N).
- (2) The existing aid schemes were approved by the following Commission decisions (all together referred to as "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”)¹:

¹ 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).

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- (a) as regards SA.57005 (2020/N), Decision C(2020) 2624 final of 21.4.2020, as amended by Decision C(2020) 3188 final of 11.5.2020 and Decision C(2020) 8243 final of 19.11.2020;
 - (b) as regards SA.57252 (2020/N), Decision C(2020) 4334 final of 24.6.2020, supplementing Decision (2020) 3482 final of 21.5.2020 and as amended by Decision C(2020) 8243 final of 19.11.2020.
- (3) Italy 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 1/1958² and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE NOTIFIED AMENDMENTS

2.1. Objective of the amendments

- (4) On 28 January 2021, the Commission adopted a Communication amending the Temporary Framework. This modification notably prolongs until 31 December 2021 the validity of the Temporary Framework.
- (5) Accordingly, Italy wishes to modify the duration of the existing aid schemes in line with this amendment and to extend its duration until 31 December 2021, which would otherwise expire on 30 June 2021. Italy intends also to increase the budget of the existing aid scheme approved in case SA.57005 by EUR 50 million, for a new total budget of EUR 150 million.
- (6) The Italian authorities confirmed that all other conditions of the existing aid schemes remain unchanged.
- (7) The Italian authorities committed not to grant any aid under the notified amendments before the Commission’s approval.

2.2. Legal basis

- (8) The legal basis for the existing aid schemes and the notified amendments are:
 - (a) Article 12 of Regional Law of Friuli Venezia Giulia No 5/2020, as modified by Article 93 of Regional Law No 3/2021.
 - (b) Draft Decision of the Regional Government for the amendment of the scheme approved in case SA.57252; the Italian authorities submitted that draft Decision to the Commission.

3. ASSESSMENT

3.1. Lawfulness of the notified amendments

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

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

3.2. Existence of State aid

- (10) 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.
- (11) The existing aid schemes constitute State aid within the meaning of Article 107 (1) TFEU for the reasons set out in the initial decisions³. The proposed amendments do not affect that conclusion. The Commission therefore refers to the respective assessment of the aforementioned decisions and concludes that the schemes as modified constitute State aid within the meaning of Article 107 (1) of the TFEU.

3.3. Compatibility

- (12) The Commission assessed the existing aid schemes on the basis of Article 107 (3)(b) of the TFEU in light of the Temporary Framework and concluded that they were compliant with the compatibility conditions set out in that Framework.
- (13) The Commission refers to its analysis of compatibility as set out in the initial decisions⁴.
- (14) The notified amendments concern the prolongation of the existing aid schemes until 31 December 2021 and the increase of the budget for the scheme approved in case SA.57005. As this extended duration and the increase of the budget are in conformity with the Temporary Framework, the Commission considers that the notified prolongations and the new budget do not affect the compatibility assessment of the existing aid schemes with the internal market, as carried out in the initial decisions.
- (15) Apart from the modification of the duration of the existing aid schemes and the increase of the budget for the scheme approved in case SA.57005, the Commission notes that there are no other alterations to the existing aid schemes, as indicated in recital (6). The Commission therefore considers that the notified amendments meet the conditions of the Temporary Framework, as set out in the initial decisions.
- (16) The Commission therefore considers that the schemes, as modified, are necessary, appropriate, and proportionate to remedy a serious disturbance in the economy of Italy pursuant to Article 107 (3)(b) TFEU.

³ See recitals (37) to (42) of Commission Decision C(2020)2624 final of 21.4.2020 (for SA.57005); see recitals (31) to (36) of Commission Decision C(2020)3482 final of 21.5.2020 (for SA.57252).

⁴ See recitals (43) to (52) of Commission Decision C(2020)2624 final of 21.4.2020 (for SA.57005); see recitals (37) to (57) of Commission Decision C(2020)3482 final of 21.5.2020 and recitals (23) to (31) of Commission Decision C(2020)4334 final of 24.6.2020 (for SA.57252).

4. CONCLUSION

The Commission has accordingly decided not to raise objections to the notified amendments to the aid schemes approved in cases SA.57005 (2020/N) and SA.57252 (2020/N), as subsequently amended, on the ground 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