



EUROPEAN COMMISSION

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PUBLIC VERSION

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**Subject: State Aid SA. 64358 (2021/N) – Italy
COVID-19: Prolongation of capital-strengthening measures for
medium-sized companies (amendment to SA.57289 amended by
SA.59681)**

Excellency,

1. PROCEDURE

- (1) By electronic notification of 2 August 2021, Italy notified an amendment (the “notified amendment”) to State aid measure SA.57289 (the “initial decision”), as amended by SA.59681 (the “first amendment decision” collectively, the “existing aid scheme”)¹ under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (the “Temporary Framework”).²

¹ Commission Decision C(2020) 5443 final of 31 July 2020 “State aid 57289 (2020/N) – Italy – COVID-19: Capital-strengthening measures for medium-sized companies”, the initial decision. Commission Decision C(2020) 9634 final of 23 December 2020 “State aid 59681 (2020/N) – Italy – COVID-19: Prolongation and amendment of SA.56963, SA.57289 and SA.57937”, the first amendment decision.

² Communication from the Commission - Temporary framework for State aid measures to support the economy in the current COVID-19 outbreak (OJ C 91I, 20.3.2020, p. 1), as amended by 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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- (2) 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 1/1958³ and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE NOTIFIED AMENDMENT

- (3) Italy wishes to amend measure C of the initial decision as amended by the first amendment decision. This measure provides aid in the form of a subordinated loan scheme for medium-sized undertakings which, according to the first amendment decision, can be granted up to 30 June 2021.
- (4) Italy notified the prolongation of the granting period up to 31 December 2021 for applications received by 30 June 2021 at the latest. This prolongation will allow the granting authority to assess the applications received up to 30 June 2021.
- (5) Aid may be granted under the existing aid scheme, as amended, only as from the notification of the Commission’s approval of the notified amendment.
- (6) The legal basis for the notified amendment is Article 11 - quinquies of Decree-Law n. 73 as of 25 May 2021 as converted into law by Law n. 106 as of 23 July 2021, concerning “Urgent measures related to the COVID-19 emergency, for enterprises, employment, young people, health and local services” (“DL Sostegni Bis”).
- (7) Apart from the notified amendment, Italy confirms that no further amendments are proposed to the existing aid scheme and that all other conditions of that scheme remain unaltered.

3. ASSESSMENT

3.1. Lawfulness of the measure

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

3.2. Existence of State aid

- (9) 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 be liable to affect trade between Member States.

³ Regulation No 1 determining the languages to be used by the European Economic Community, OJ 17, 6.10.1958, p. 385.

- (10) The existing aid scheme constitutes State aid within the meaning of Article 107(1) TFEU for the reasons set out in recitals (43) to (49) of the initial decision and recitals (18) and (19) of the first amendment decision. The notified amendment does not affect that conclusion. The Commission therefore refers to the respective assessment of the existing aid scheme in those decisions and concludes that the existing aid scheme, as amended, constitutes State aid within the meaning of Article 107(1) TFEU.

3.3. Compatibility

- (11) The existing aid scheme is compatible with the internal market pursuant to Article 107(3)(b) TFEU, since it meets the conditions of section 2 and section 3.3 of the Temporary Framework for the reasons set out in recitals (50) to (61) of the initial decision and recitals (20) to (22), (24), (26) and (27) of the first amendment decision. The Commission therefore refers to the respective assessment of the existing aid scheme in those decisions.
- (12) The notified amendment does not affect that conclusion. In particular: the notified amendment only prolongs the granting period up to end 2021 (recital (4)) in line with point 27(c) of the Temporary Framework.
- (13) Apart from the notified amendment, Italy confirms that no further amendments are proposed to the existing aid scheme and that all other conditions of that scheme remain unaltered.
- (14) The Commission therefore considers that the notified amendment is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State pursuant to Article 107(3)(b) TFEU, since it meets all the relevant conditions of the Temporary Framework. The Commission therefore considers that the notified amendment does not alter the Commission's conclusion on the compatibility of the existing aid scheme in the initial decision.

4. CONCLUSION

The Commission has accordingly decided not to raise objections to the scheme, as amended, 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

