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SENSITIVE (*): *COMP Operations*

Subject: State Aid SA.105509 (2022/N) – Italy

TCF: Emilia-Romagna draft Regional framework scheme under

section 2.1 of the TCF

Excellency,

1. PROCEDURE

(1) By electronic notification of 23 December 2022, Italy notified the Draft regional framework scheme for the support of businesses affected by the crisis ("Regime quadro regionale per il sostegno alle imprese presenti sul territorio regionale colpite dalla crisi", the "measure") under the Temporary Crisis Framework for State aid measures to support the economy following the aggression against Ukraine by Russia (the "Temporary Crisis Framework") (¹). Italy submitted additional information on 7 and 9 February 2023.

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⁽¹) Communication from the Commission on the Temporary Crisis Framework for State aid measures to support the economy following the aggression against Ukraine by Russia (OJ C 426, 9.11.2022, p.1). This Temporary Crisis Framework ('current Temporary Crisis Framework') replaces the Temporary Crisis Framework adopted on 23 March 2022 (OJ 131 I, 24.3.2022, p. 1) as amended on 20 July 2022 (OJ C 280, 21.7.2022, p. 1) ('previous Temporary Crisis Framework'). The previous Temporary Crisis Framework was withdrawn with effect from 27 October 2022.

(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 1/1958 (²) and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE MEASURE

- (3) Italy considers that the Russian aggression against Ukraine, the sanctions imposed by the European Union (EU) and its international partners and the countermeasures taken by Russia ('the current crisis') so far affects the real economy. The current crisis created significant economic uncertainties, disrupted trade flows and supply chains and led to exceptionally large and unexpected price increases, especially in natural gas and electricity, but also in numerous other input and raw materials and primary goods, including in the agri-food sector. The beneficiaries in the Emilia-Romagna region are particularly affected by the negative effects on the regional economy resulting from the increase in the prices of raw materials, energy, electricity, gas and semi-finished products and the impact of the restrictions on imports and exports to the countries involved in the ongoing armed conflict in Ukraine and affected by the resulting sanctions. A study (3) by ART-ER Attractiveness Research Territory (4) shows that the Emilia-Romagna region has been particularly affected by current crisis, with a projected GDP growth of 0.2% in 2023 (compared to earlier predictions made in 2022 with an expected growth of 3.0%). A substantial part of the problem is the high rate of inflation, driven in large parts by the spike in energy prices, while the energy component of industrial producer prices is expected to have risen by 104% in 2022 compared to 2021. Furthermore, the trade between companies in the Emilia-Romagna region with companies in Russia and Ukraine decreased by 18% and 42% respectively. Thus, the measure aims to remedy the liquidity shortage faced by undertakings that are directly or indirectly affected by the serious disturbance of the economy.
- (4) Italy confirms that the aid under the measure is not conditioned on the relocation of a production activity or of another activity of the beneficiary from another country within the EEA to the territory of the Member State granting the aid. This is irrespective of the number of job losses actually occurred in the initial establishment of the beneficiary in the EEA.
- (5) The compatibility assessment of the measure is based on Article 107(3)(b) TFEU, in light of sections 1 and 2.1 of the Temporary Crisis Framework.

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

⁽³⁾ Impacts of Inflation and War in Ukraine on the Regional Economy, ART-ER Attractiveness Research Territory, November 2022.

⁽⁴⁾ Emilia-Romagna Joint Stock Consortium with the purpose of fostering the region's sustainable growth by developing innovation and knowledge, attractiveness and internationalisation of the territory.

2.1. The nature and form of aid

(6) The measure provides aid in the form of direct grants, grants for interest relief and loans.

2.2. Legal basis

(7) The legal basis for the measure is the Draft Decision of the Regional Council of the Emilia-Romagna Region (the "draft legal basis"), which will be adopted after the Commission's decision approving the measure.

2.3. Administration of the measure

(8) The Directorate General for Knowledge, Research, Employment and Business ("Direzione Generale Conoscenza, Ricerca, Lavoro, Impresa") of the Emilia-Romagna Region is responsible for granting the aid. The other Directorates-General and Agencies of the Emilia-Romagna Region and the local Chambers of Commerce are responsible for administering the measure.

2.4. Budget and duration of the measure

- (9) The estimated budget of the measure is EUR 120 million and is financed from the State, regional or other public entities' budgets.
- (10) The measure is co-financed by the European Regional Development Fund ('ERDF') and the European Social Fund ('ESF'). This Decision is without prejudice to compliance with the rules applicable under the ERDF and ESF. The Italian authorities confirm that the rules applicable under these funds will be respected.
- (11) Pursuant to Article 4 of Annex II to the Draft Decision of the Regional Council of the Emilia-Romagna Region, aid may be granted under the measure as from the notification of the Commission's decision approving the measure until no later than 31 December 2023.

2.5. Beneficiaries

(12) The final beneficiaries of the measure are undertakings of all sizes active in the Emilia-Romagna Region that are affected by the crisis. However, credit and financial institutions, as well as undertakings active in the primary production of agricultural products and in the fisheries sector, with the exception of the processing and marketing of fishery and aquaculture products (recital (17)), are excluded as eligible beneficiaries. Undertakings subject to insolvency proceedings under national law are also excluded as eligible final beneficiaries (5).

⁽⁵⁾ Undertakings are excluded as eligible final beneficiaries if they are in liquidation or arrangement with creditors (with the exception of an arrangement with creditors in a direct or indirect form in line with Legislative Decree No 14 of 12 January 2019). Furthermore, undertakings are excluded as eligible final beneficiaries if they are involved in any other insolvency proceedings provided for by Legislative Decree No 14/2019.

- (13) Aid under the measure may be granted only to undertakings affected directly and/or indirectly by the current crisis and that are facing one of the following effects of it and namely: (i) increased electricity/fuel/gas costs, (ii) an increase in costs for raw and semi-finished materials imported from sanctioned and war affected areas, including the interruption of existing contracts and projects, (iii) decrease in turnover due to reduced exports to areas sanctioned and affected by the war, including the interruption of existing contracts and projects, (iv) a decrease in turnover due to the blockage of payments as a result of European sanctions and countermeasures, (v) a reduction in trade with the countries involved in the conflict, (vi) a fall in turnover caused by the reduction of tourists to and from the countries directly or indirectly affected by the current crisis. (⁶)
- (14) The aid will be granted under the measure either directly or through credit and other financial institutions as financial intermediaries. In this case, aid will be fully passed on to the beneficiaries in terms of lower interest rates.
- (15) Italy confirms that the aid under the measure is not granted to undertakings under sanctions adopted by the EU, including but not limited to: (i) persons, entities or bodies specifically named in the legal acts imposing those sanctions; (ii) undertakings owned or controlled by persons, entities or bodies targeted by sanctions adopted by the EU; or (iii) undertakings active in industries targeted by sanctions adopted by the EU, insofar as the aid would undermine the objectives of the relevant sanctions.
- (16) Italy confirms that the measure may not in any way be used to undermine the intended effects of sanctions imposed by the EU or its international partners and will be in full compliance with the anti-circumvention rules of the applicable regulations (7). In particular, natural persons or entities subject to the sanctions will not benefit directly or indirectly from the measure.

2.6. Sectoral and regional scope of the measure

(17) The measure is open to all sectors except: the credit and financial sector, primary production of agricultural products and fisheries (with the exception of the processing and marketing of fishery and aquaculture products). It applies only to the territory of the Emilia-Romagna Region.

2.7. Basic elements of the measure

- (18) The measure aims to support eligible undertakings active in the Emilia-Romagna Region and which, as an effect of the current crisis, are suffering the negative effects listed in recital (13).
- (19) The aid will be granted in the form of direct grants, grants for interest relief and loans (recital (6)). The overall nominal aid under the measure (gross, i.e. before

⁽⁶⁾ Article 7.2 of Annex II to the Draft Decision.

⁽⁷⁾ For example, Article 12 of Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine (OJ L 229, 31.7.2014, p. 1).

any deduction of tax or other charges) will not exceed EUR 2 million per undertaking and EUR 300 000 per undertaking active in the processing and marketing of fishery and aquaculture products at any given point in time. The Italian authorities confirm that for aid granted in other forms than direct grants, the total nominal value of such forms remains below the overall maximum cap per undertaking.

- (20) Final beneficiaries receiving an aid amount of less than EUR 500 000 will need to prove, by means of a self-certification, that they are affected by at least one of the negative effects listed in recital (13). Final beneficiaries receiving an aid amount in excess of EUR 500 000 will need to prove, by means of a report prepared by a chartered accountant, that they incurred higher costs or reduced revenues as a direct consequence of the current crisis.
- (21) The Italian authorities confirm that 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 put on the market by the undertakings concerned or purchased from primary producers, unless, in the latter case, the products were either not put on the market or were used for non-food purposes such as distillation, methanization or composting by the undertakings concerned.
- (22) The Italian authorities confirm that if the aid is channelled through credit institutions or other financial institutions the advantage is passed on to the final beneficiaries by the financial intermediaries in the form of lower interest rates.
- (23) The Italian authorities also confirm that where an undertaking is active in several sectors to which different maximum aid amounts apply in accordance with points 55(a) and 56(a) of the Temporary Crisis Framework, Italy 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 2 million is not exceeded per undertaking. The Italian authorities furthermore confirm that where an undertaking is active in the sectors covered by point 56(a) of the TCF, the total maximum amount of EUR 300 000 is not exceeded per undertaking.
- (24) The Italian authorities confirm that aid granted to undertakings active in the fishery and aquaculture sector does not concern any of the categories of aid referred to in points (a) to (k) of Article 1(1) Commission Regulation (EU) No 717/2014.

2.8. Cumulation

(25) The aid ceilings and cumulation maxima fixed under the measure will apply regardless of whether the support for the aided project is financed entirely from State resources or partly financed by the European Structural and Investment Funds (ESIF).

- (26) The Italian authorities confirm that aid granted under the measure may be cumulated with aid under de minimis Regulations (8) or the General Block Exemption Regulation (9), the Agriculture Block Exemption Regulation (10), and the Fishery Block Exemption Regulation (11), provided the provisions and cumulation rules of those Regulations are respected.
- (27) The Italian 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.
- (28) The Italian authorities confirm that aid under the measure may be cumulated with aid under SA.100005 (¹²), SA.100142 (¹³), SA.100155 (¹⁴), SA.100091 (¹⁵), SA.100542 (¹⁶), SA.100597 (¹⁷), SA.100722 (¹⁸), SA.100724 (¹⁹), SA.101025 (²⁰),

- (9) 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).
- (10) 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 of the Treaty, OJ L 193, 1.7.2014, p. 1
- (11) 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, OJ L 369, 24.12.2014, p. 37.
- (12) Commission Decision C(2021) 7863 final of 27 October 2021 in case SA.100005 (2021/N) "COVID-19: Exemption from social security contribution for the employment of women".
- (13) Commission Decision C(2021) 7536 final of 18 October 2021 in case SA.100142 (2021/N) "COVID-19: Aid to the pyrotechnics sector".
- (14) Commission Decision C(2021) 8185 final of 10 November 2021 in case SA.100155 (2021/N) "COVID-19: Non-repayable grant ("contributo perequativo")".
- (15) Commission Decision C(2021) 8185 final of 10 November 2021 in case SA.100091 (2021/N) "COVID-19: Non-repayable grant for start-ups".
- (16) Commission Decision C(2021) 9334 final of 8 December 2021 in case SA.100542 (2021/N) "COVID-19 "Esonero dal versamento dei contributi previdenziali per aziende che non richiedono trattamenti di integrazione salariali" (exemption from social security contributions for private employers not applying for wage support measures) and amendments to SA.59255, as amended by SA.59655, and to SA.61939".
- (17) Commission Decision C(2021) 8798 final of 29 November 2021 in case SA.100597 (2021/N) "COVID-19: Direct grants to SMEs engaging in international activities and operations for the digital and green transitions (RRF)".
- (18) Commission Decision C(2021) 9662 final of 15 December 2021 in case SA.100722 (2021/N) "COVID-19: Support to entertainment agencies and tourist villages".

⁽⁸⁾ 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).

SA.101055 (²¹), SA.101313 (²²), SA.101428 (²³), SA.101535 (²⁴), SA.101883 (²⁵), SA.101935 (²⁶), SA.101992 (²⁷), SA.102012 (²⁸), SA.102013 (²⁹), SA.102105 (³⁰), SA.102136 (³¹), SA.102137 (³²), SA.102270 (³³), SA.102579 (³⁴), SA.102702 (³⁵), SA.102925 (³⁶), SA.102926 (³⁷), SA.102966 (³⁸), SA.102967 (³⁹), SA.102968 (⁴⁰),

- (19) Commission Decision C(2021) 9685 final of 15 December 2021 in case SA.100724 (2021/N) "COVID-19: Measure of direct grant to support management bodies of speleological sites and caves".
- (20) Commission Decision C(2022) 381 final of 18 January 2022 in case SA.101025 (202/N) "COVID-19: reintroduction of the measures and increase of the aid ceilings related to the measures 3.1 and 3.12 of the Temporary Framework".
- (21) Commission Decision C(2022) 685 final of 1 February 2022 in case SA.101055 (2021/N) "COVID-19: Aid to companies holding port concessions".
- (22) Commission Decision C(2022) 663 final of 1 February 2022 in case SA.101313 (2021/N) "COVID-19: Aid to companies managing aluminium waste sorting and recycling plants".
- (23) Commission Decision C(2022) 3065 final of 4 May 2022 in case SA.101428 (2022/N) "COVID-19: support for cabotage and other maritime services".
- (24) Commission Decision C(2022) 753 final of 3 February 2022 in case SA.101535 (2022/N) "COVID-19: Grant to breweries".
- (25) Commission Decision C(2022) 1393 final of 2 March 2022 in case SA.101883 (2022/N) "COVID-19: Grants to catering services".
- (26) Commission Decision C(2022) 1754 final of 17 March 2022 in case SA.101935 (2022/N) "COVID-19: Re-introduction SA.100126 Support to road passenger transport".
- (27) Commission Decision C(2022) 2018 final of 28 March 2022 in case SA.101992 (2022/N) "COVID-19: Re-introduction of aid scheme SA.64342 Aid to undertakings engaged in road passenger transport by bus".
- (28) Commission Decision C(2022) 1938 final of 24 March 2022 in case SA.102012 (2022/N) "COVID-19: Grant scheme to support the retail trade activities".
- (29) Commission Decision C(2022) 2236 final of 4 April 2022 in case SA.102013 (2022/N) "COVID-19: Port fees reimbursement for cruise ships docking in Italian ports".
- (30) Commission Decision C(2022) 3099 final of 6 May 2022 in case SA.102105 (2022/N) "COVID-19: Tax credit in favour of tourism undertakings for rental payments".
- (31) Commission Decision C(2022) 3188 final of 11 May 2022 in case SA.102136 (2022/N) "COVID-19 and RRF: Direct grants and tax credits for tourism undertakings and tax credits for travel agencies and tour operators".
- (32) Commission Decision C(2022) 3178 final of 11 May 2022 in case SA.102137 (2022/N) "COVID-19: Additional tax concession for the tourism and spa sectors".
- (33) Commission Decision C(2022) 4267 final of 17 June 2022 in case SA.102270 (2022/N) "Reintroduction of the COVID-19 scheme for the reduction of track access charges for rail freight and commercial rail passenger services".
- (34) Commission Decision C(2022) 3582 final of 25 June 2022 in case SA.102579 (2022/N) "COVID-19: Aid scheme for the support of innovative and sustainable investments aimed at promoting the technological and digital transformation of companies".
- (35) Commission Decision C(2022) 4319 final of 6 June 2022 in case SA.102702 (2022/N) "COVID-19: Investments in favour of a sustainable recovery (RRF)".
- (36) Commission Decision C(2022) 3774 final of 3 June 2022 in case SA. 102925 (2022/N) "COVID-19: Support to the wedding, entertainment, HORECA and other sectors affected by the COVID-19 pandemic".
- (37) Commission Decision C(2022) 4583 final of 27 June 2022 in case SA.102926 (2022/N) "COVID-19: support for cabotage and other maritime services for exceeding social security and welfare contributions costs".

SA.102998 (41), SA.103064 (42), SA.103122 (43), SA.103161 (44), SA.103316 (45), SA.103540 (46), SA.56690 (47), SA.56786 (48), SA.56963 (49), SA.56966 (50), SA.57021 (51), SA.57068 (52), SA.57185 (53), SA.57256 (54), SA.57289 (55),

- (38) Commission Decision C(2022) 3711 FINAL of 1 June 2022 in case SA.102966 (2022/N) "COVID-19: Incentive to employers that hire workers in extraordinary redundancy fund system".
- (39) Commission Decision C(2022) 4054 final of 9 June 2022 in case SA.102967 (2022/N) "COVID-19: Esonero contributivo per costituzione cooperative lavoratori (exemption from social security contribution payments for workers' cooperatives)".
- (40) Commission Decision C(2022) 3835 final of 7 June 2022 in case SA.102968 (2022/N) "COVID-19: Esonero contributivo per assunzioni nel settore turismo e stabilimenti termali (exemption from social security contribution payments for private employers active in the tourism and thermal bath sectors engaging with fixed-term or seasonal contracts)".
- (41) Commission Decision C(2022) 4363 final of 21 June 2022 in case SA.102998 (2022/N) "COVID-19: Tax credit for IMU in the tourism sector".
- (42) Commission Decision C(2022) 4212 final of 16 June 2022 in case SA.103064 (2022/N) "COVID-19: Support to tourist transport by covered buses (non PSO)".
- (43) Commission Decision C(2022) 4611 final of 7 July 2022 in case SA.103122 (2022/N) "COVID-19: Exemption from the contribution paid by employers".
- (44) Commission Decision C(2022) 4384 final of 22 June 2022 in case SA.103161 (2022/N) "COVID-19: Exemption from social security contributions in the sector of travel agencies and tour operators".
- (45) Commission Decision C(2022) 5732 final of 3 August 2022 in case SA.103316 (2022/N) "COVID-19/TCF: Aid scheme to support investments in the areas affected by the seismic events of 2009 and 2016".
- (46) Commission Decision C(2022) 6498 Final of 13 September 2022 in case SA.103540 (2022/N) "COVID-19: Scheme to support investments for a sustainable recovery of undertakings active in Lombardy, hit by the COVID-19 pandemic".
- (47) Commission Decision C(2020) 1984 final of 25 March 2020 in case SA.56690 (2020/N) "State guarantee to support debt moratorium by banks to SME borrowers under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak".
- (48) Commission Decision C(2020) 1887 final of 22 March 2020 in case SA.56786 (2020/N) "Production of medical equipment and masks".
- (49) Commission Decision C(2020) 2371 final of 13 April 2020 in case SA.56690 (2020/N) "Guarantee scheme under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak".
- (50) Commission Decision C(2020) 2370 final of 13 April 2020 in case SA.56966 (2020/N) "COVID-19: Loan guarantee schemes under the Fondo di garanzia per le PMI".
- (51) Commission Decision C(2020) 3482 final of 21 May 2020 in case SA.57021 (2020/N) "COVID-19 Regime Quadro".
- (52) Commission Decision C(2020) 2621 final of 21 April 2020 in case SA.57068 (2020/N) "Loan guarantees and grants under the ISMEA Guarantee Fund according to the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak".
- (53) Commission Decision C(2020) 2999 final of 4 May 2020 in case SA.57185 (2020/N) "COVID-19: Loans provided by ISMEA in favour of undertakings of the agricultural and fishery sector affected by the COVID-19 outbreak".
- (54) Commission Decision C(2020) 3188 final of 11 May 2020 in case SA.57256 (2020/N) "Italy (Friuli Venezia Giulia) COVID19: Amendment of the scheme 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".

SA.57349 (56), SA.57429 (57), SA.57439 (58), SA.57612 (59), SA.57752 (60), SA.57891 (61), SA.57947 (62), SA.58033 (63), SA.58076 (64), SA.58159 (65), SA.58208 (66), SA.58300 (67), SA.58418 (68), SA.58727 (69), SA.58801 (71), SA.58802 (72), SA.59255 (73), SA.59295 (74), SA.59447 (75),

- (55) Commission Decision C(2020) 5443 final of 31 July 2020 in case SA.57289 (2020/N) "COVID-19: Capital-strengthening measures for medium-sized companies".
- (56) Commission Decision C(2020)3388 final of 19 May 2020 in case SA.57349 (2020/N) "COVID-19: Plan for the socio-economic emergency in the Campania region Aid measures in favour of undertakings in the agricultural sector, in the fishery and aquaculture sector, in the buffalo livestock sector and in the floriculture sector."
- (57) Commission Decision C(2020) 4447 final of 26 June 2020 in case SA.57429 (2020/N) "COVID-19: Tax exemptions and tax credits adopted as a consequence of the economic crisis caused by the COVID-19 outbreak".
- (58) Commission Decision C(2020) 3612 final of 28 May 2020 in case SA.57439 (2020/N) "Covid19-Interests on the anticipation of the amounts payable to farmers in the framework of the CAP support schemes."
- (59) Commission Decision C(2020) 6459 final of 17 September 2020 in case SA.57612 (2020/N) "COVID-19: Patrimonio Rilancio".
- (60) Commission Decision C(2020) 4758 final of 8 July 2020 in case SA.57752 (2020/N) "COVID-19: Grants to small businesses and self-employed".
- (61) Commission Decision C(2020) 5406 final of 31 July 2020 in case SA.57891 (2020/N) "COVID-19: Direct grants to Italian companies engaging in international activities and operations".
- (62) Commission Decision C(2020) 4977 final of 15 July 2020 in case SA.57947 (2020/N) "COVID-19: Support measures for undertakings carrying out activities in the agricultural, forestry, fishery and aquaculture sectors and the activities related thereto, in relation with the COVID-19 outbreak crisis".
- (63) Commission Decision C(2020) 5100 final of 20 July 2020 in case SA.58033 (2020/N) "Loan guarantees and grants under the ISMEA Guarantee Fund according to the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak Amendment to SA.57068 (2020/N)".
- (64) Commission Decision C(2020) 5139 final of 22 July 2020 in case SA.58076 (2020/N) "Loans provided by ISMEA in favour of undertakings of the agricultural and fishery sector affected by the COVID-19 outbreak Amendment to SA.57185 (2020/N)".
- (65) Commission Decision C(2020) 7595 final of 28 October 2020 in case SA.58159 (2020/N) "COVID-19: Amendments to SA.57429 (2020/N) Tax exemptions and tax credits adopted as a consequence of the economic crisis caused by the COVID-19 outbreak".
- (66) Commission Decision C(2020) 5785 final of 19 August 2020 in case SA.58208 (2020/N) "COVID-19: Aid in the form of guarantees on loans and subsidised interest rates managed by the "Istituto per il Credito Sportivo" as provided by Article 14, Para 1 and 2 of Law Decree of 8 April 2020, no. 23.".
- (67) Commission Decision C(2020) 5839 final of 21 August 2020 in case SA.58300 (2020/N) "COVID-19: Aid in the form of guarantees on loans and subsidised interest rates managed by the "COVID-19: Fiscal measures for the municipality of Campione d'Italia".
- (68) Commission Decision C(2020) 7184 final of 14 October 2020 in case SA.58418 (2020/N) "COVID-19: Article 136-bis tax regime for revaluation of assets by agricultural cooperatives".
- (69) Commission Decision C(2020) 6823 final of 30 September 2020 in case SA.58727 (2020/N) "COVID-19: supporting measures for companies for reducing the contagion risk in the workplace".
- (70) Commission Decision C(2020) 8121 final of 17 November 2020 in case SA.58847 (2020/N) "COVID-19: Aid to music publishers".
- (71) Commission Decision C(2020) 8121 final of 17 November 2020 in case SA.58801 (2020/N) "COVID-19: Aid to small book publishers".

SA.59509 (⁷⁶), SA.59590 (⁷⁷), SA.59681 (⁷⁸), SA.59755 (⁷⁹), SA.59827 (⁸⁰), SA.59978 (⁸¹), SA.59992 (⁸²), SA.60402 (⁸³), SA.61294 (⁸⁴), SA.61438 (⁸⁵), SA.61599 (⁸⁶), SA.61676 (⁸⁷), SA.61774 (⁸⁸), SA.61841 (⁸⁹), SA.61939 (⁹⁰),

- (72) Commission Decision C(2020) 6959 final of 6 October 2020 in case SA.58802 (2020/N) "COVID-19: "Decontribuzione SUD Agevolazione contributiva per l'occupazione in aree svantaggiate" (partial exemption from the payment of social security contribution in disadvantaged areas)".
- (73) Commission Decision C(2020) 7926 final of 10 November 2020 in case SA.59255 (2020/N) "COVID-19: "Esonero dal versamento dei contributi previdenziali per aziende che non richiedono trattamenti di cassa integrazione" (exemption from social security contribution payments for private employers not applying for wage support measures)".
- (74) Commission Decision C(2020) 8036 final of 16 November 2020 in case SA.58801 (2020/N) "COVID-19: "Esonero dal versamento dei contributi previdenziali per assunzioni a tempo determinato nel settore turistico e degli stabilimenti termali" (exemption from social security contribution payments for private employers in the tourism and thermal bath sectors engaging with fixed-term contracts)".
- (75) Commission Decision C (2020) 8243 final of 19 November 2020 in case SA.59447 (2020/N) "COVID-19: Modifications to SA.57005, SA.57252, SA.57349, SA.57068 and SA.57185".
- (76) Commission Decision C(2020) 8830 final of 7 December 2020 in case SA.59509 (2020/N) "COVID-19: Support measures for undertakings carrying out activities in the agricultural, forestry, fishery and aquaculture sectors and the activities related thereto, in relation with the COVID-19 outbreak crisis".
- (77) Commission Decision C(2020) 8702 final of 3 December 2020 in case SA.59590 (2020/N) "COVID-19: Contribution for economic and commercial activities in historic centres".
- (78) Commission Decision C(2020) 9634 final of 23 December 2020 in case SA.59681 (2020/N) "COVID-19: Prolongation and amendment of SA.56963, SA.57289 and SA.57937".
- (79) Commission Decision C(2020) 8760 final of 4 December 2020 in case SA.59755 (2020/N) "COVID-19: Aid for tour operators and travel agencies".
- (80) Commission Decision C(2020) 9300 final of 15 December 2020 in case SA.59827 (2020/N) "COVID-19: Amendment to SA.57021 Regime Quadro addition of aid measure 3.12 of the Temporary Framework".
- (81) Commission Decision C(2020) 9178 final of 11 December 2020 in case SA.59978 (2020/N) "COVID-19: Loan guarantees and grants under the ISMEA Guarantee Fund according to the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak Amendment to SA.57068 (2020/N)".
- (82) Commission Decision C(2020) 9434 final of 17 December 2020 in case SA.59992 (2020/N) "COVID-19: support measure for the congress and fair industry".
- (83) Commission Decision C(2021) 235 final of 12 January 2021 in case SA.60402 (2020/N) "COVID-19: Amendment to SA.57891 (2020/N), as already amended by SA.59655 (2020/N): Direct grants to Italian companies engaging in international activities and operations".
- (84) Commission Decision C(2021) 1879 final of 16 March 2021 in case SA.61294 (2021/N) "COVID-19 Support to undertakings in the trade fair sector under section 3.12 TF".
- (85) Commission Decision C(2021) 995 final of 11 February 2021 in case SA.61438 (2021/N) "COVID-19: Fourth Amendment of the scheme SA.57068 (2020/N)".
- (86) Commission Decision C(2021)1043 final of 11 February 2021 in case SA.61599 (2021/N) "COVID-19: Measures to support micro, small and medium-sized enterprises owning the service of distributing fuel on motorways for the COVID-19 emergency period)".
- (87) Commission Decision C(2021) 2346 final of 26 March 2021 in case SA.61676 (2021/NN) "COVID-19 aid to Alitalia".
- (88) Commission Decision C(2021) 1458 final of 26 February 2021 in case SA.61774 (2021/N) "COVID-19: Vaccine development project by ReiThera S.r.l.".

SA.61940 (91), SA.62108 (92), SA.62191 (93), SA.62409 (94), SA.62495 (95), SA.62503 (96), SA.62504 (97), SA.62544 (98), SA.62576 (99), SA.62668 (100), SA.62718 (101), SA.62793 (102), SA.63138 (103), SA.63597 (104), SA.63653 (105),

- (89) Commission Decision C(2021) 1867 final of 15 March 2021 in case SA.61841 (2021/N) "COVID-19: Aid to organisers of international sport events".
- (90) Commission Decision C(2021) 1376 final of 23 February 2021 in case SA.61939 (2021/N) "COVID-19 "Esonero dal versamento dei contributi previdenziali per aziende che non richiedono trattamenti di integrazione salariali" (exemption from social security contribution payments for private employers not applying for wage support measures)".
- (91) Commission Decision C(2021) 1220 final of 18 February 2021 in case SA.61940 (2021/N) "COVID-19 "COVID-19: Amendment to SA.58802 (2020/N) as prolonged by SA.59655 (2020/N) "Decontribuzione SUD Agevolazione contributiva per l'occupazione in aree svantaggiate" (partial exemption from the payment of social security contribution in disadvantaged areas)".
- (92) Commission Decision C(2021) 2447 final of 6 April 2021 in case SA.62108 (2021/N) "COVID-19: Compensation scheme for mooring companies".
- (93) Commission Decision C(2021) 2559 final of 8 April 2021 in case SA.62191 (2021/N) "COVID-19: Aid to publishers in the fields of tourism and art".
- (94) Commission Decision C(2021) 2707 final of 16 April 2021 in case SA.62409 (2021/N) "COVID-19: Modifications to SA.57005 and SA.57252 (2020/N)".
- (95) Commission Decision C(2021) 2570 final of 9 April 2021 in case SA.62495 (2021/N) "COVID-19: amendment to SA.57021 Regime Quadro prolongation of the measures and increase of the aid ceilings related to the measures 3.1 and 3.12 of the Temporary Framework".
- (96) Commission Decision C(2021) 3590 final of 18 May 2021 in case SA.62503 (2021/N) "COVID-19: Aid to companies managing passenger port terminals".
- (97) Commission Decision C(2021) 3292 final of 4 May 2021 in case SA.62504 (2021/N) "COVID-19: Amendment of scheme SA.61294 (2021/N) Italy COVID-19 Support to undertakings in the trade fair sector under section 3.12 TF".
- (98) Commission Decision C(2021) 2580 final of 12 April 2021 in case SA.62544 (2021/N) "COVID-19: Modification to SA.57349 (2020/N)".
- (99) Commission Decision C(2021) 4246 final of 8 June 2021 in case SA.62544 (2021/N) "COVID-19: Development Contracts under the COVID-19 Temporary Framework".
- (100) Commission Decision C(2021)7521 final of 15 October 2021 in case SA.62668 (2021/N) "COVID-19: Automatic tax measures and non-repayable grants to support businesses and the economy".
- (101) Commission Decision C(2021) 3944 final of 27 May 2021 in case SA.62718 (2021/N) "COVID-19: Support to road passenger transport".
- (102) Commission Decision C(2021) 3364 final of 6 May 2021 in case SA.62793 (2021/N) "Amendment of the measures SA.57947 (2020/N) and SA.59509 (2020/N) "COVID-19: Support measures for undertakings carrying out activities in the agricultural, forestry, fishery and aquaculture sectors and the activities related thereto, in relation with the COVID-19 outbreak crisis"".
- (103) Commission Decision C(2021) 3944 final of 10 June 2021 in case SA.63138 (2021/N) "COVID-19 Tax credit for audiovisual production companies".
- (104) Commission Decision C(2021) 4930 final of 29 June 2021 in case SA.63597 (2021/N) "COVID-19: Loan guarantee schemes under the Fondo di garanzia per le PMI Amendment to the scheme SA.56966 as already amended by SA.57625 and SA.59655".
- (105) Commission Decision C(2021) 4929 final of 10 June 2021 in case SA.63653 (2021/N) "COVID-19: Loan guarantee scheme to support the economy Amendment to the scheme SA.56963 as already amended by SA.59681".

SA.63720 (¹⁰⁶), SA.63721 (¹⁰⁷), SA.64169 (¹⁰⁸), SA.64217 (¹⁰⁹), SA.64218 (¹¹⁰), SA.64342 (¹¹¹), SA.64357 (¹¹²), SA.64385 (¹¹³), SA.64420 (¹¹⁴), SA.64446 (¹¹⁵), and SA.64469 (¹¹⁶). Those measures were approved by the Commission under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (¹¹⁷) (COVID-19 Temporary Framework) and the aid under the notified measure may be cumulated with those measures provided the respective cumulation rules are respected. (¹¹⁸)

- (29) The Italian 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 Crisis Framework provided the provisions in those specific sections are respected.
- (30) The Italian authorities confirm that aid granted under section 2.1 of the previous Temporary Crisis Framework and aid granted under the same respective section of the current Temporary Crisis Framework will not exceed the aid ceilings provided in the respective section of the current Temporary Crisis Framework at any point in time.

(106) Commission Decision C(2021) 5860 final of 2 August 2021 in case SA.63720 (2021/N) – "COVID-19: Contribution waiver in the tourism, spas, commerce and cultural or recreational sectors".

(108) Commission Decision C(2022) 6071 final of 26 August 2022 in case SA.64169 (2022/N) – "COVID-19 Italian platform of Guaranteed Loans Active Management – Project GLAM".

(109) Commission Decision C(2021)6125 final of 16 August 2021 in case SA.64217 (2021/N) – "COVID-19: Subsidised loans for large enterprises in temporary difficulty".

(110) Commission Decision C(2021) 6167 final of 17 August 2021 in case SA.64218 (2021/N) – "COVID-19: Aid in the form of guarantees on loans, subsidised interest rates and grants managed by the "Istituto per il Credito Sportivo"".

(111) Commission Decision C(2021) 8125 final of 15 November 2021 in case SA.64342 (2021/N) – "COVID-19: Aid to undertakings engaged in road passenger transport by bus".

(112) Commission Decision C(2021)6250 final of 20 August 2021 in case SA.64357 (2021/N) – "COVID-19: Non-repayable contribution to economic and commercial activities in the historic centres of municipalities where religious sanctuaries are present".

 $^{(113)}$ Commission Decision C(2021) 6234 final of 19 August 2021 in case SA.64385 (2021/N) – "COVID-19: Tax credit for culture".

(114) Commission Decision C(2021) 6827 final of 16 September 2021 in case SA.64420 (2021/N) – "COVID-19: Exemption from contribution for hiring young people".

(115) Commission Decision C(2021)6771 final of 15 September 2021 in case SA.64446 (2021/N) – "COVID-19: Aid to tourist-accommodation businesses".

(116) Commission Decision C(2021) 7425 final of 12 October 2021 in case SA.64469 (2021/N) – "COVID-19: Aid for undertakings operating open top tourist buses".

(117) 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), C(2021) 564 (OJ C 34, 1.2.2021, p. 6), and C(2021) 8442 (OJ C 473, 24.11.2021, p. 1).

(118) Article 7.1 of Annex II of the Draft Decision.

⁽¹⁰⁷⁾ Commission Decision C(2021) 5352 final of 14 July 2021 in case SA.63721 (2021/N) – "COVID-19: Exemption from social contributions for re-employment contracts".

(31) The Italian authorities confirm that if the beneficiary receives aid on several occasions or in several forms under the measure or aid under other measures approved by the Commission under section 2.1 of the Temporary Crisis Framework, the overall maximum cap per undertaking, as set out in point(s) 55(a) and 56(a) of that framework, will be respected.

2.9. Monitoring and reporting

(32) The Italian authorities confirm that they will respect the monitoring and reporting obligations laid down in section 3 of the Temporary Crisis Framework (including the obligation to publish relevant information on each individual aid above EUR 100 000 granted under the measure and EUR 10 000 in the primary agriculture and in the fisheries sectors on the comprehensive national State aid website or Commission's IT tool within 12 months from the moment of granting (119)).

3. ASSESSMENT

3.1. Lawfulness of the measure

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

3.2. Existence of State aid

- (34) 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.
- (35) The measure is imputable to the State, since it is administered by the Emilia-Romagna Region and it is based on the legal basis under (recital (7)). It is financed through State resources, since it is financed by public funds (recital (9)).
- (36) The measure confers an advantage on its beneficiaries in the form of direct grants, grants for interest relief and loans (recital (6)). The measure thus confers an advantage on those beneficiaries which they would not have had and relieves those beneficiaries of costs which they would have had to bear under normal market conditions.
- (37) The advantage granted by the measure is selective, since it is awarded only to certain undertakings, in particular those active in the Emilia-Romagna region that

(119) Referring to information required in Annex III to Commission Regulation (EU) No 651/2014 and Annex III to Commission Regulation (EU) No 702/2014 and Annex III to Commission Regulation (EU) No 1388/2014. For repayable advances, guarantees, loans, subordinated debt and other forms of

aid, the nominal value of the underlying instrument shall be inserted per beneficiary.

- are affected by the crisis (recital 12). Furthermore, credit and financial institutions, and undertakings active in the sectors listed in recital (17), are excluded as eligible beneficiaries.
- (38) 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.
- (39) In view of the above, the Commission concludes that the measure constitutes aid within the meaning of Article 107(1) TFEU. The Italian authorities do not contest that conclusion.

3.3. Compatibility

- (40) Since the measure involves aid within the meaning of Article 107(1) TFEU, it is necessary to consider whether that measure is compatible with the internal market.
- (41) 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".
- (42) By adopting the Temporary Crisis Framework, the Commission acknowledged (in section 1) that the military aggression against Ukraine by Russia, the sanctions imposed by the EU or its international partners and the counter measures taken, for example by Russia have created significant economic uncertainties, disrupted trade flows and supply chains and led to exceptionally large and unexpected price increases, especially in natural gas and electricity, but also in numerous other input and raw materials and primary goods, including in the agri-food sector. Those effects taken together have caused a serious disturbance of the economy in all Member States, including in the economy of Italy. 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 if it serves to remedy the liquidity shortage faced by undertakings that are directly or indirectly affected by the serious disturbance of the economy.
- (43) The measure aims at providing financial support to entities operating in different sectors of the economy affected by the unexpected increase in energy prices and facilitating the access of undertakings to external finance at a time when a wide range of economic sectors are affected, the normal functioning of markets is severely disturbed leading to severe disturbances of the real economy of Member States, including in the economy of Italy.
- (44) The measure is one of a series of measures conceived by the Italian authorities to remedy a serious disturbance in their economy. The importance of the measure to provide liquidity is widely accepted by economic commentators and the measure is of a scale which can be reasonably anticipated to produce effects across the entire economy of the Emilia-Romagna region, which is severely impacted by the current crisis (recital (3)). Furthermore, the measure has been designed to meet the requirements of the specific categories of aid ("Limited amounts of aid"), described in section 2.1 of the Temporary Crisis Framework.

- (45) 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 relevant conditions of the Temporary Crisis Framework. In particular:
 - the aid takes the form of direct grants, grants for interest relief and loans (recital (6));
 - the overall nominal value of direct grants, grants for interest relief and loans will not exceed EUR 2 million per undertaking; all figures used must be gross, that is, before any deduction of tax or other charges (recital (19)). The measure therefore complies with point 55(a) of the Temporary Crisis Framework;
 - aid is granted under the measure on the basis of a scheme with an estimated budget as indicated in recital (9). The measure therefore complies with point 55(b) of the Temporary Crisis Framework;
 - aid will be granted under the measure no later than 31 December 2023. (recital (11)). The measure therefore complies with point 55(c) of the Temporary Crisis Framework;
 - aid will be granted only to undertakings affected by the crisis (recitals (12) and (13)). The measure therefore complies with point 55(d) of the Temporary Crisis Framework;
 - aid granted to undertakings active in the processing and marketing of agricultural products is excluded when the aid is conditional on being partly or entirely passed on to primary producers, fixed on the basis of the price or quantity of products put on the market by the undertakings concerned or purchased from primary producers, unless, in the latter case, the products were either not put on the market or were used for non-food purposes such as distillation, methanization or composting by the undertakings concerned (recital (21)). The measure therefore complies with point 55(e) of the Temporary Crisis Framework;
 - the overall nominal value of direct grants, grants for interest relief and loans does not exceed EUR 300 000 per undertaking active in in the processing and marketing of fishery and aquaculture products (recital (19)). The measure therefore complies with point 56(a) of the Temporary Crisis Framework;
 - aid granted to undertakings active in the fishery and aquaculture sector does not concern any of the categories of aid referred to in points (a) to (k) of Article 1(1) Commission Regulation (EU) No 717/2014 (recital (24)). The measure therefore complies with point 56(c) of the Temporary Crisis Framework;
 - where an undertaking is active in several sectors to which different maximum aid amounts apply in accordance with points 55(a) and 56(a) of the Temporary Crisis Framework, Italy 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 2 million is not exceeded per undertaking (recital (23)). Where an undertaking is active in the sectors covered by point 56(a) of the Temporary Crisis Framework, the overall maximum amount of EUR 300 000 is not exceeded per undertaking (recital (23)). The measure therefore complies with point 57 of the Temporary Crisis Framework.

- (46) The Italian authorities confirm that, pursuant to point 46 of the Temporary Crisis Framework, the aid under the measure is not conditioned on the relocation of a production activity or of another activity of the beneficiary from another country within the EEA to the territory of the Member State granting the aid. This is irrespective of the number of job losses actually occurred in the initial establishment of the beneficiary in the EEA (recital (4)).
- (47) The Italian authorities confirm that, pursuant to point 47 of the Temporary Crisis Framework, the aid under the measure will not be granted to undertakings under sanctions adopted by the EU, including but not limited to: a) persons, entities or bodies specifically named in the legal acts imposing those sanctions; b) undertakings owned or controlled by persons, entities or bodies targeted by sanctions adopted by the EU; or c) undertakings active in industries targeted by sanctions adopted by the EU, insofar as the aid would undermine the objectives of the relevant sanctions (recital (15)).
- (48) The Italian authorities confirm that the monitoring and reporting rules laid down in section 3 of the Temporary Crisis Framework will be respected (recital (32)). The Italian authorities further confirm that the aid under the measure may only be cumulated with other aid, provided the specific provisions in the sections of the Temporary Crisis Framework, the COVID-19 Temporary Framework and the cumulation rules of the relevant Regulations are respected (recitals (25) to (31)).
- (49) The Italian authorities also confirm that the rules under the ERDF and ESF will be respected (recital (10)).
- (50) The Italian authorities confirm that aid granted under section 2.1 of the previous Temporary Crisis Framework and aid granted under the same respective section of the current Temporary Crisis Framework will not exceed the aid ceilings provided in the respective section of the current Temporary Crisis Framework at any point in time (recital (30)).
- (51) The Commission therefore considers that the measure 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 Crisis Framework.

4. 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

> CERTIFIED COPY For the Secretary-General

Martine DEPREZ
Director
Decision-making & Collegiality
EUROPEAN COMMISSION