## **EUROPEAN COMMISSION**



Brussels, 26.10.2021 C(2021)7836 final

#### PUBLIC VERSION

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**Subject:** State Aid SA.100299 (2021/N) – France

**COVID-19: Modification to SA.63564 (2021/N)** 

Excellency,

### 1. PROCEDURE

- (1) By electronic notification of 14 October 2021, registered on the same day, France notified a modification concerning the existing aid scheme SA.63564 (2021/N) (hereafter "the existing aid scheme").
- (2) The existing aid scheme was approved by Commission decision C(2021) 4896 final on 28 June 2021 (hereafter "the initial decision") in light of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (hereafter "the Temporary Framework") <sup>1</sup>.
- (3) France 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.

Son Excellence Monsieur Jean-Yves LE DRIAN Ministre de l'Europe et des Affaires étrangères 37, Quai d'Orsay F - 75351 PARIS

 $<sup>^1</sup>$  Communication from the Commission - Temporary framework for State aid measures to support the economy in the current COVID-19 outbreak (OJ C 91I, 20.3.2020, p. 1), as amended by Commission Communications C(2020) 2215 (OJ C 112I, 4.4.2020, p. 1), C(2020) 3156 (OJ C 164, 13.5.2020, p. 3), C(2020) 4509 (OJ C 218, 2.7.2020, p. 3), C(2020) 7127 (OJ C 340I, 13.10.2020, p. 1) and C(2021) 564 (OJ C 34, 1.2.2021, p. 6).

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

## 2. DESCRIPTION OF THE MEASURE

- (4) France notified the existing aid scheme on 16 June 2021. In line with the Communication of the Commission amending the Temporary Framework, prolonging until 31 December 2021 the validity of the Temporary Framework, the existing aid scheme was approved to be in place until 31 December 2021.
- (5) Recital 10 of the initial decision records that aid applications could be submitted between 15 July 2021 and 15 September 2021.
- (6) The French authorities wish now to extend the period for submitting the aid applications.
- (7) The French authorities confirmed that all other conditions of the existing aid scheme remain unchanged.
- (8) The modification will only be put into effect after notification of the Commission's approval.

#### 3. ASSESSMENT

#### 3.1. Lawfulness of the measure

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

## 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 presence of State aid within the meaning of Article 107 (1) TFEU was already established in the initial decision. The proposed modification does not alter that conclusion. The Commission therefore refers to the relevant assessment of that decision<sup>3</sup> and concludes that the scheme as modified constitutes State aid in the meaning of Article 107 (1) TFEU.

# 3.3. Compatibility

(12) The Commission assessed the compatibility with the internal market of the existing aid scheme on the basis of Article 107 (3)(b) TFEU in light of the Temporary Framework and concluded that it complied with the compatibility conditions set out in that Framework.

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 $<sup>^{3}</sup>$  Recitals 32 - 36 of the initial decision.

- (13) The Commission refers to its analysis of compatibility as set out in the initial decision<sup>4</sup>.
- (14) The notification concerns the prolongation of the period for submitting the aid applications beyond the originally envisaged period. As the scheme remains in place until 31 December 2021, the extended period for the submitting aid applications is in conformity with the Temporary Framework.
- (15) Apart from the modification of the period for submitting the aid applications, the Commission notes that there are no other alterations to the existing aid scheme (recital (7)). The Commission therefore considers that the notified modification does not affect the compatibility assessment of the existing aid scheme with the internal market, as carried out in the initial decision.
- (16) In light of this reasoning, the Commission considers that the measure, as modified, is necessary, appropriate, and proportionate to remedy a serious disturbance in the economy of France pursuant to Article 107 (3)(b) TFEU.

## 4. CONCLUSION

The Commission has accordingly decided not to raise objections to the notified modification to aid scheme SA.63564 (2021/N) on the ground 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

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<sup>&</sup>lt;sup>4</sup> Recitals 37 - 45 of the initial decision.