



State aid: Commission approves amendments to previously approved German schemes to further support economy in coronavirus outbreak

Brussels, 11 April 2020

The European Commission has found the amendments to two German schemes to support companies affected by the coronavirus outbreak ("Bundesregelung Kleinbeihilfen 2020" and "Bundesregelung Darlehen 2020") to be in line with EU State aid rules. The amendment schemes were approved under the State aid [Temporary Framework](#) adopted by the Commission on 19 March 2020, as [amended on 3 April 2020](#).

Executive Vice-President Margrethe **Vestager**, in charge of competition policy, said: *"The amendments to two previously approved German schemes in light of the amended State aid Temporary Framework will further enable Germany to support companies affected by the coronavirus outbreak. The amendments will ease even further liquidity constraints faced by companies, for example through loans of up to €800,000 per company. We continue working closely with Member States to ensure that national support measures can be put in place in a coordinated and effective way, in line with EU rules."*

The modifications to the earlier approved support measures

Germany notified to the Commission amendments regarding the scheme to support companies affected by the coronavirus outbreak "Bundesregelung Kleinbeihilfen 2020", approved by the Commission on 24 March 2020, and the scheme for subsidies loans "Bundesregelung Darlehen 2020", approved by the Commission on 2 April 2020. The amendments concern modifications of the schemes in light of the [amendments to the Temporary Framework](#) approved by the Commission on 3 April 2020:

- The "[Bundesregelung Kleinbeihilfen 2020](#)" scheme to support companies affected by the coronavirus outbreak provided for aid to be granted via direct grants, repayable advances and tax or payment advantages. The amendment approved allows also for aid in the form of loans, guarantees and equity. In particular, under the amended Temporary Framework, guarantees can cover 100% of the risk of loans with a nominal amount of up to €800,000. Loans can be granted directly to the companies or via credit institutions and other financial institutions acting as financial intermediaries.
- The scheme enabling granting of loans at favourable terms "[Bundesregelung Darlehen 2020](#)" is now amended in order to allow for subsidised interest rates for loans provided to beneficiaries either directly by a granting authority together with private banks in a consortium, or indirectly in the form of risk-sub-participations for investment and working capital needs of the beneficiaries.

The Commission found that the amendments notified by Germany are in line with the conditions set out in the Temporary Framework, as amended on 3 April 2020. In particular:

- The amended scheme to support companies affected by the coronavirus outbreak respects the limit of €100,000 per company active in the primary agricultural sector, €120,000 per company active in the fishery and aquaculture sector and €800,000 per company active in all other sectors.
- The amended subsidies loans scheme includes the necessary safeguards on the amount of aid, on the duration and on the transfer of the advantage to companies in need.

The Commission concluded that the measures are necessary, appropriate and proportionate to remedy a serious disturbance in the economy of Germany, in line with Article 107(3)(b) TFEU and the conditions set out in the Temporary Framework.

On this basis, the Commission approved the measures under EU State aid rules.

Background

The Commission has adopted a Temporary Framework to enable Member States to use the full flexibility foreseen under State aid rules to support the economy in the context of the coronavirus outbreak. The Temporary Framework, as [amended on 3 April 2020](#), provides for the following types of aid, which can be granted by Member States:

- (i) **Direct grants, equity injections, selective tax advantages and advance payments** of up to €100,000 to a company active in the primary agricultural sector, €120,000 to a company active in the

fishery and aquaculture sector and €800,000 to a company active in all other sectors to address its urgent liquidity needs. Member States can also give, up to the nominal value of €800,000 per company zero-interest loans or guarantees on loans covering 100% of the risk, except in the primary agriculture sector and in the fishery and aquaculture sector, where the limits of €100,000 and €120,000 per company respectively, apply.

(ii) **State guarantees for loans taken by companies** to ensure banks keep providing loans to the customers who need them. These state guarantees can cover up to 90% of risk on loans to help businesses cover immediate working capital and investment needs.

(iii) **Subsidised public loans to companies** with favourable interest rates to companies. These loans can help businesses cover immediate working capital and investment needs.

(iv) **Safeguards for banks that channel State aid to the real economy** that such aid is considered as direct aid to the banks' customers, not to the banks themselves, and gives guidance on how to ensure minimal distortion of competition between banks.

(v) **Public short-term export credit insurance** for all countries, without the need for the Member State in question to demonstrate that the respective country is temporarily "non-marketable".

(vi) **Support for coronavirus related research and development (R&D)** to address the current health crisis in the form of direct grants, repayable advances or tax advantages. A bonus may be granted for cross-border cooperation projects between Member States.

(vii) **Support for the construction and upscaling of testing facilities** to develop and test products (including vaccines, ventilators and protective clothing) useful to tackle the coronavirus outbreak, up to first industrial deployment. This can take the form of direct grants, tax advantages, repayable advances and no-loss guarantees. Companies may benefit from a bonus when their investment is supported by more than one Member State and when the investment is concluded within two months after the granting of the aid.

(viii) **Support for the production of products relevant to tackle the coronavirus outbreak** in the form of direct grants, tax advantages, repayable advances and no-loss guarantees. Companies may benefit from a bonus when their investment is supported by more than one Member State and when the investment is concluded within two months after the granting of the aid.

(ix) **Targeted support in the form of deferral of tax payments and/or suspensions of social security contributions** for those sectors, regions or for types of companies that are hit the hardest by the outbreak.

(x) **Targeted support in the form of wage subsidies for employees** for those companies in sectors or regions that have suffered most from the coronavirus outbreak, and would otherwise have had to lay off personnel.

The Temporary Framework enables Member States to combine all support measures with each other, except for loans and guarantees for the same loan and exceeding the thresholds foreseen by the Temporary Framework. It also enables Member States to combine all support measures granted under the Temporary Framework with existing possibilities to grant de minimis to a company of up to € 25,000 over three fiscal years for companies active in the primary agricultural sector, €30,000 over three fiscal years for companies active in the fishery and aquaculture sector and €200,000 over three fiscal years for companies active in all other sectors. At the same time, Member States have to commit to avoid undue cumulation of support measures for the same companies to limit support to meet their actual needs.

Furthermore, the Temporary Framework complements the many other possibilities already available to Member States to mitigate the socio-economic impact of the coronavirus outbreak, in line with EU State aid rules. On 13 March 2020, the Commission adopted a [Communication on a Coordinated economic response to the COVID-19 outbreak](#) setting out these possibilities. For example, Member States can make generally applicable changes in favour of businesses (e.g. deferring taxes, or subsidising short-time work across all sectors), which fall outside State Aid rules. They can also grant compensation to companies for damage suffered due to and directly caused by the coronavirus outbreak.

The Temporary Framework will be in place until the end of December 2020. With a view to ensuring legal certainty, the Commission will assess before that date if it needs to be extended.

The non-confidential version of the decision will be made available under the case number SA.56974 in the [State aid register](#) on the Commission's [competition](#) website once any confidentiality issues have been resolved. New publications of State aid decisions on the internet and in the Official Journal are listed in the [State Aid Weekly e-News](#).

More information on the temporary framework and other action the Commission has taken to address

the economic impact of the coronavirus pandemic can be found [here](#).

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