

EUROPEAN COMMISSION

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PUBLIC VERSION

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Subject: State Aid SA.100911 (2021/N) – Sweden COVID -19: Prolongation of scheme SA.63116 (2021/N) - Aid for restricted or cancelled events in June - December 2021

Excellency,

- 1. **PROCEDURE**
- (1) By electronic notification of 3 December 2021, Sweden notified a prolongation ("the notified amendment") to the aid scheme SA.63116 (2021/N) - COVID-19: Aid for restricted or cancelled events in June-December 2021 ("the existing aid scheme"), which the Commission had already approved¹ ("the initial decision") under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak² (the "Temporary Framework").

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¹ Decision C(2021)5042 final of 2.7.2021 (OJ C 295,23.7.2021, p. 8)

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

(2) Sweden 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 1/1958,³ and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE NOTIFIED AMENDMENT

- (3) The objective of the existing aid scheme is to preserve the continuity of economic activity during and after the COVID-19 pandemic. It is designed to compensate organisers of events in case these are restricted or cancelled because of COVID-19 and to ensure that they overcome the current economic difficulties.
- (4) The notified amendment prolongs the existing aid scheme until 30 June 2022. This means that applications for aid may be submitted until 14 February 2022 and aid could be granted until 30 June 2022. However, the period during which events are eligible under the scheme remains from 1 June until 31 December 2021.
- (5) Apart from the notified amendment, the Swedish authorities confirm that no further amendments are proposed to the existing aid scheme and that all other conditions of that scheme remain unaltered.
- (6) The legal basis for the notified amendment is a draft ordinance amending Ordinance (2021: 816) on State aid for certain planned events which could not be carried out due to restrictions decided to prevent the spread of COVID-19 disease.
- (7) Aid may be granted under the existing aid scheme as amended, as from the notification of the Commission's decision approving the notified amendment.

3. Assessment

3.1. Lawfulness of the measure

(8) By notifying the amendment before putting it into effect (recital (6)), the Swedish 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 affect trade between Member States.
- (10) The existing aid scheme constitutes State aid within the meaning of Article 107(1) TFEU for the reasons set out in the initial decision. The notified amendment does not affect that conclusion. The Commission therefore refers to the assessment of the initial decision and concludes that the existing aid scheme, as amended, constitutes State aid within the meaning of Article 107(1) TFEU.

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

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 sections 2 and 3.1 of the Temporary Framework for the reasons set out in the initial decision. The amendment referred to in recital (4) above did not affect that assessment as confirmed in the respective Commission decision thereon. The Commission therefore refers to the respective assessment of the initial decision.
- (12) The Commission considers that a limited prolongation of the existing aid scheme is appropriate to ensure that national support measures effectively help affected undertakings during the COVID-19 pandemic. The notified amendment does not affect the compatibility assessment made under the initial decision. In particular, the Commission notes that aid under the schemes can only be granted until 30 June 2022, as described in recital (4). The scheme as amended thus complies with point 22(d) of the Temporary Framework.
- (13) Apart from the notified amendment, Sweden 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 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: <u>http://ec.europa.eu/competition/elojade/isef/index.cfm</u>.

Yours faithfully,

For the Commission

Margrethe VESTAGER Executive Vice-President