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Subject: State Aid SA.101687 (2022/N) – Sweden
COVID-19: Amendments of the aid for restricted events scheme to
cover January-June 2022 (amendments to SA.63116)

Excellency,

1. PROCEDURE

- (1) By electronic notification of 14 February 2022, Sweden notified amendments (the “notified amendments”) to State aid measure SA.63116 (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
- (2) The existing aid scheme has already been amended in case SA.100911 (2021/N), approved by Commission decision C(2021) 9468 final of 13.12.2021 (not yet published).

¹ Decision C(2021) 5042 final of 2.7.2021- State Aid SA.63116 (2021/N) - Sweden - COVID-19: aid for restricted or cancelled events in June-December 2021, OJ C 295 of 23.7.2021, p. 8 (“the initial 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), C(2021) 564 (OJ C 34, 1.2.2021, p. 6) and C(2021) 8442 (OJ C 473, 24.11.2021, p. 1).

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- (3) 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 1/1958³ and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE NOTIFIED AMENDMENTS

- (4) 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 and their subcontractors, in case these events are restricted or cancelled because of restrictions to prevent the spread of the COVID-19 pandemic in place at the time of the event (recital (19) of the initial decision).
- (5) In a context where COVID-19 restrictions have been reintroduced at the end of 2021 and could still be maintained in view of the great uncertainty regarding the evolution of the sanitary situation, Sweden wishes to amend the existing aid scheme as follows:
- a. The compensation period covered by the existing aid scheme is prolonged to cover events taking place in the period from January to June 2022. The latest date for granting the aid remains 30 June 2022;
 - b. The aid application should be submitted by 16 May 2022 at the latest. Where an applicant applies for aid ex ante⁴, the final ex-post documentation should be submitted by 31 August 2022. Subcontractors will also be able to apply for aid ex ante, while this possibility is currently limited to organisers of events;
 - c. The aid may be granted up to a maximum of 90 % (instead of 70%) of the costs incurred, to an increased maximum ceiling of SEK 22.5 million (EUR 2.12 million)⁵;
 - d. The budget is increased by an additional amount of SEK 2 billion (EUR 189 million);
 - e. The definition of the events covered is amended: events that are part of a series are excluded from the existing aid scheme. With the amendment, every performance in the series will be regarded as a separate event, eligible to aid if planned in the compensation period⁶.

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

⁴ See recital (21) of the initial decision: “The aid may be granted: (a) either ex ante, subject to ex post control of actual costs. An organiser who plans to carry out an event during the period from 1 September 2021 to 31 December 2021 may apply for a preliminary decision from the Swedish Tax Agency. In such a case, the aid application should include an estimate of the costs that may be covered. The applicant must however submit an additional application with the actual costs and revenues after the cancellation or restriction, in line with the following recitals; (b) or after the event is cancelled or restricted.”

⁵ SEK 1 = EUR 0.0942 (Exchange rate on 14.2.2022).

⁶ This means that for events which are part of a series, only costs for cancelled or restricted events in the aid period will be eligible. Correspondingly, income from performances in the series outside of the aid period are not to be deducted from the aid.

- (6) Apart from the notified amendments, Sweden confirms that no further amendments are proposed to the existing aid scheme and that all other conditions of that scheme remain unaltered.
- (7) The legal basis for the notified amendments is a draft regulation amending the Ordinance (2021: 816) on State aid for certain planned events that could not take place due to restrictions decided to prevent the spread of COVID-19 disease.
- (8) Aid may be granted under the existing aid scheme, as amended, as from the notification of the Commission's approval of the notified amendments.

3. ASSESSMENT

3.1. Lawfulness of the measure

- (9) By notifying the amendments before putting them into effect, the Swedish 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 be liable to affect trade between Member States.
- (11) The existing aid scheme constitutes State aid within the meaning of Article 107(1) TFEU for the reasons set out in recitals (33) to (37) of the initial decision. The amendments mentioned in recital (2) did not affect that conclusion. The notified amendments do not affect that conclusion either. The Commission therefore refers to the respective 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.

3.3. Compatibility

- (12) 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 3.1 of the Temporary Framework for the reasons set out in recitals (39) to (46) of the initial decision. The amendments mentioned in recital (2) 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.
- (13) The notified amendments do not affect that conclusion. In particular:
- (14) The Commission considers that a limited prolongation of the compensation period under the existing aid scheme is appropriate to ensure that national support measures effectively help affected undertakings during the COVID-19 pandemic. This 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 (5)(a). This amendment thus complies with point 22(d) of the Temporary Framework.

- (15) The changes in the application deadlines, and the possibility for subcontractors to benefit from the two modalities of applications provided for in the scheme as approved by the initial decision, are mere technical adjustments and do not lead to a different outcome regarding the compatibility assessment of the measure.
- (16) The Commission notes that the maximum aid amount per beneficiary is increased but remains below EUR 2.3 million in Swedish currency (recital (5)(c)). This amendment thus complies with point 22 (a) of the Temporary Framework.
- (17) The aid remains granted on the basis of a scheme with an estimated budget, which is increased for the additional period of compensation. It therefore complies with point 22(b) of the Temporary Framework.
- (18) Finally, the circumstance that each performance of events that are part of a series will be considered as separate, eligible, events does not lead to a different outcome regarding the compatibility assessment of the measure.
- (19) Apart from the notified amendments, Sweden confirms that no further amendments are proposed to the existing aid scheme and that all other conditions of that scheme remain unaltered.
- (20) The Commission therefore considers that the notified amendments are necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State pursuant to Article 107(3)(b) TFEU, since they meet all the relevant conditions of the Temporary Framework. The notified amendments do 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