



EUROPEAN COMMISSION

Brussels, 12.10.2020  
C(2020) 7106 final

PUBLIC VERSION

This document is made available for  
information purposes only.

**Subject: State Aid SA.58822 (2020/N) –Sweden  
Limited amounts of aid for undertakings faced with turnover losses  
due to COVID-19 in June and July 2020**

Excellency,

**1. PROCEDURE**

- (1) By electronic notification of 1 October 2020, Sweden notified an aid scheme in the form of limited amounts of aid for undertakings faced with turnover losses due to COVID-19 in June - July 2020 (“the measure”) under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, as amended (“the Temporary Framework”).<sup>1</sup>
- (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

---

<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 Communication from the Commission C(2020) 2215 final of 3 April 2020 on the Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 112I, 4.4.2020, p. 1, by Communication from the Commission C(2020) 3156 final of 8 May 2020 on the Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 164, 13.5.2020, p. 3, and by Communication from the Commission C(2020) 4509 final of 29 June 2020 on the Third Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 218, 2.7.2020, p. 3.

Utrikesminister Ann Linde  
Utrikesdepartementet  
Arvfurstens palats  
Gustav Adolfs torg 1  
SE - 103 23 Stockholm

Article 3 of Regulation 1/1958<sup>2</sup> and to have this Decision adopted and notified in English.

## **2. DESCRIPTION OF THE MEASURE**

- (3) Sweden considers that the COVID-19 outbreak has started to affect the real economy. The measure forms part of an overall package of measures and aims to ensure that the disruptions caused by the outbreak and the following COVID-19 related restrictive measures do not undermine the viability of the undertakings and thereby to preserve the continuity of economic activity during and after the outbreak.
- (4) Sweden confirmed 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 2 and 3.1 of the Temporary Framework.

### **2.1. The nature and form of aid**

- (6) The measure provides aid in the form of direct grants.

### **2.2. Legal basis**

- (7) The legal basis for the measure is a Government bill amending the national budget for 2020<sup>3</sup>, the law 2020:548 on adjustment support<sup>4</sup>, entailing the basic criteria for the measure and a draft governmental ordinance for its implementation<sup>5</sup>, planned to enter into force on 15 October 2020.

### **2.3. Administration of the measure**

- (8) The Swedish Tax Agency is responsible for administering the measure.

### **2.4. Budget and duration of the measure**

- (9) The estimated budget of the measure is SEK 2,5 billion (around EUR 239 million<sup>6</sup>).
- (10) Aid may be granted under the measure as from its approval by the Commission until no later than 31 December 2020. Companies can submit application for aid until no later than 30 November 2020.

---

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

<sup>3</sup> <https://data.riksdagen.se/fil/5DF96403-EF42-4D4E-893A-220DF78C750B>

<sup>4</sup> <https://svenskfattningssamling.se/sites/default/files/sfs/2020-06/SFS2020-548.pdf>

<sup>5</sup> The Swedish authorities submitted a draft ordinance in the notification file.

<sup>6</sup> SEK 1= EUR 0.095, exchange rate 05/10/2020

## **2.5. Beneficiaries**

- (11) The final beneficiaries of the measure are undertakings active in Sweden and registered with the Swedish Tax Agency. The Swedish authorities estimate that approximately 20 000 companies will benefit from the scheme.
- (12) The following entities are excluded from the scope of the scheme: public authorities (State, regions, municipalities) and associations of local public authorities, even when they exercise economic activities; corporate entities directly or indirectly controlled by those public authorities, when they carry out activities which are not economic in nature; corporations which are resident for tax purposes in a State which appears on the EU lists of non-cooperative jurisdictions for tax purposes<sup>7</sup>; corporations that are not resident in Sweden for tax purposes, unless they have a permanent establishment in Sweden; corporations that, during the period of April 2020 until June 2021 have distributed or decided to distribute a dividend or to purchase the corporation 's own shares. The legal basis also excludes from the scheme any undertaking that is considered as insolvent according to national rules, is prohibited from conducting business, has tax or public fee debts under a national recovery requirement, or has benefited from earlier unlawful aid declared incompatible by a Commission Decision, until that undertaking has reimbursed or paid into a blocked account the total amount of unlawful and incompatible aid.
- (13) Aid may not be granted under the measure to enterprises that were already in difficulty within the meaning of the General Block Exemption Regulation ("GBER") on 31 December 2019.

## **2.6. Sectoral and regional scope of the measure**

- (14) The measure is open to all sectors except primary agricultural production, fishery and aquaculture sectors. Moreover, the Swedish authorities will ensure that financial institutions will be excluded as eligible final beneficiaries under the measure. The measure applies to the whole territory of Sweden.

## **2.7. Basic elements of the measure**

- (15) Undertakings are eligible for aid if their total aggregated net turnover in Sweden during the period June - July 2020 fell below 50 per cent compared to their total aggregated net turnover for the months of June and July 2019.
- (16) The aid amount is calculated as a percentage of the fixed costs borne by these undertakings during June and July 2020, the percentage being determined depending on the level of the turnover decline <sup>8</sup>, all figures being checked by the Swedish Tax Authority.
- (17) The overall aid does not exceed the equivalent in SEK of EUR 800 000 under the scheme for the period of June and July 2020.

---

<sup>7</sup> EU list of non-cooperative jurisdictions for tax purposes, OJ 7 October 2020, C331, p.3.

<sup>8</sup> The proportion of fixed costs for the aid period is calculated as the percentage decrease in net turnover for the aid period compared to the reference period, multiplied by 0,75.

- (18) The Swedish authorities confirm that for beneficiaries active in the processing and marketing of agricultural products, the aid is not being partly or entirely passed on to primary producers and is not fixed on the basis of the price or quantity of products purchased from primary producers or put on the market by the undertakings concerned.

## **2.8. Cumulation**

- (19) The Swedish authorities confirm that aid granted under the measure may be cumulated with aid under de minimis Regulations<sup>9</sup> or the General Block Exemption Regulation<sup>10</sup> provided the provisions and cumulation rules of those Regulations are respected.
- (20) The Swedish 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 Framework provided the provisions in those specific sections are respected.
- (21) The Swedish 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 3.1 of the Temporary Framework, the overall maximum cap per undertaking, as set out in points 22(a) of that framework, will be respected.

## **2.9. Monitoring and reporting**

- (22) The Swedish authorities confirm that they will respect the monitoring and reporting obligations laid down in section 4 of the Temporary Framework (including the obligation to publish relevant information on each individual aid above EUR 100 000 granted under the measure on the comprehensive national State aid website or Commission's IT tool within 12 months from the moment of granting<sup>11</sup>).

# **3. ASSESSMENT**

## **3.1. Lawfulness of the measure**

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

---

<sup>9</sup> 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), and Commission Regulation (EU) No 360/2012 of 25 April 2012 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid granted to undertakings providing services of general economic interest (OJ L 114, 26.4.2012, p. 8).

<sup>10</sup> 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.

<sup>11</sup> 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 of the Commission Regulation (EU) No 1388/2014.

### **3.2. Existence of State aid**

- (24) 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.
- (25) The measure is imputable to the State, since it is administered by the Swedish Tax Authority (recital (8)) and it is based on the acts mentioned in recital (7). It is financed through State resources, since it is financed by the national budget (recital (9)).
- (26) The measure confers an advantage on its beneficiaries in the form of direct grants (recital (6)). The measure thus relieves those beneficiaries of costs that they would have had to bear under normal market conditions.
- (27) The advantage granted by the measure is selective, since it is awarded only to certain undertakings, excluding in particular those active in the primary production of agricultural products, in the aquaculture and fishery sectors and excluding the financial sector (recital (14)).
- (28) 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.
- (29) In view of the above, the Commission concludes that the measure constitutes aid within the meaning of Article 107(1) TFEU.

### **3.3. Compatibility**

- (30) 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.
- (31) 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*”.
- (32) By adopting the Temporary Framework on 19 March 2020, the Commission acknowledged (in section 2) that “*the COVID-19 outbreak affects all Member States and that the containment measures taken by Member States impact undertakings*”. 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, to remedy the liquidity shortage faced by undertakings and ensure that the disruptions caused by the COVID-19 outbreak do not undermine their viability, especially of SMEs*”.
- (33) The measure aims at preserving the viability of the undertakings at a time when the normal functioning of the markets, including the credit market is severely disturbed by the consequences of the COVID-19 outbreak and when that outbreak

and consequences are affecting the wider economy and leading to severe disturbances of the real economy of Member States.

(34) The measure is one of a series of measures conceived at national level by the Swedish authorities to remedy a serious disturbance in their economy. It has been designed to meet the requirements of a specific category of aid (“Limited amounts of aid”) described in section 3.1 of the Temporary Framework.

(35) 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 conditions of the Temporary Framework. In particular:

- The aid takes the form of direct grants (recital (6)).

The overall nominal value of the direct grants and of the other measures granted under section 3.1 of the Temporary Framework shall not exceed the equivalent in SEK of EUR 800 000 per undertaking; all figures used must be gross, that is, before any deduction of tax or other charges (recitals (17) and (21)). The measure therefore complies with point 22(a) of the Temporary 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 22(b) of the Temporary Framework;
- Aid may not be granted under the measure to enterprises that were already in difficulty on 31 December 2019 (recital (13)). The measure therefore complies with point 22(c) of the Temporary Framework.
- Aid will be granted under the measure no later than 31 December 2020 (recital (10)). The measure therefore complies with point 22(d) of the Temporary Framework;
- Aid granted to undertakings active in the processing and marketing of agricultural products are excluded when the aid is conditional on being partly or totally passed on to primary producers, fixed on the basis of the price or quantity of products purchased from primary producers, or put on the market by such producers (recital (18)). The measure therefore complies with point 22(e) of the Temporary Framework.

(36) The Swedish authorities confirm that the monitoring and reporting rules laid down in section 4 of the Temporary Framework will be respected (recital (23)). The Swedish 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 Framework are respected and the cumulation rules of the relevant Regulations are respected (recitals (19) and (20)).

(37) 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 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.

Yours faithfully,

For the Commission

Margrethe VESTAGER  
Executive Vice-President