



State aid: Commission approves €2 billion Greek guarantee measure to support companies affected by the coronavirus outbreak

Brussels, 3 April 2020

The European Commission has approved today a €2 billion Greek aid scheme to support the Greek economy in the context of the coronavirus outbreak. The scheme was 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: "*This Greek scheme of €2 billion we approved today enables the granting of guarantees on working capital loans to help Greek businesses cover immediate working capital needs and continue their activities in these difficult times. 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 Greek support measure

Greece notified to the Commission a support measure under the [Temporary Framework](#) in the form of guarantees on loans. The measure will be implemented through the issuance of guarantees by the Hellenic Development Bank (HDB) to financial intermediaries. The measure will partially guarantee eligible working capital loans originated by financial intermediaries.

The scheme is open to all Greek undertakings with the exception of financial intermediaries, such as banks, undertakings active in aquaculture, in agriculture and in sectors non-eligible by the European Regional Development Fund. It enables the granting of guarantees on loans to help businesses cover immediate working capital needs.

The Commission found that the Greek measure is in line with the conditions set out in the Temporary Framework. In particular, it covers guarantees on operating loans with a limited maturity and size. It also limits the risk taken by the State to a maximum of 80%. This risk is curbed further by a restriction limiting the State's exposure to 40% of the volume of loans issued by a financial intermediary. This ensures that support is swiftly available at favourable conditions. To achieve this goal, the measure also involves minimum remuneration and safeguards to ensure that the aid is channelled effectively by the banks to the beneficiaries in need.

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

On this basis, the Commission approved the measure 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 €800,000 to a company to address its urgent liquidity needs.
- (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. For loans up to the nominal value of €800,000, the guarantees can cover 100% of the risk.
- (iii) **Subsidised public loans to companies** with favourable interest rates to companies. These loans can help businesses cover immediate working capital and investment needs. Zero-interest rates are possible for loans with a nominal amount up to €800,000.
- (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 aid company up to €200,000 over three fiscal years. 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.56857 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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