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⁽¹⁾ Text with EEA relevance.

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⁽¹⁾ Text with EEA relevance.

II

(Non-legislative acts)

REGULATIONS

COMMISSION IMPLEMENTING REGULATION (EU) 2020/1340

of 22 September 2020

entering a name in the register of protected designations of origin and protected geographical indications ['Brački varenik' (PGI)]

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs ⁽¹⁾, and in particular Article 52(2) thereof,

Whereas:

- (1) In accordance with Article 50(2)(a) of Regulation (EU) No 1151/2012, Croatia's application to register the name 'Brački varenik' was published in the *Official Journal of the European Union* ⁽²⁾.
- (2) As no statement of opposition under Article 51 of Regulation (EU) No 1151/2012 has been received by the Commission, the name 'Brački varenik' should therefore be entered in the register,

HAS ADOPTED THIS REGULATION:

Article 1

The name 'Brački varenik' (PGI) is hereby entered in the register.

The name specified in the first paragraph denotes a product in Class 1.8. – other products listed in Annex I to the Treaty (spices etc.), as listed in Annex XI to Commission Implementing Regulation (EU) No 668/2014 ⁽³⁾.*Article 2*This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 22 September 2020.

For the Commission
On behalf of the President
Janusz WOJCIECHOWSKI
Member of the Commission

⁽¹⁾ OJ L 343, 14.12.2012, p. 1.

⁽²⁾ OJ C 183, 3.6.2020, p. 12.

⁽³⁾ Commission Implementing Regulation (EU) No 668/2014 of 13 June 2014 laying down rules for the application of Regulation (EU) No 1151/2012 of the European Parliament and of the Council on quality schemes for agricultural products and foodstuffs (OJ L 179, 19.6.2014, p. 36).

COMMISSION IMPLEMENTING REGULATION (EU) 2020/1341**of 28 September 2020****amending Implementing Regulation (EU) 2020/466 as regards the period of application of temporary measures****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2017/625 of the European Parliament and of the Council of 15 March 2017 on official controls and other official activities performed to ensure the application of food and feed law, rules on animal health and welfare, plant health and plant protection products, amending Regulations (EC) No 999/2001, (EC) No 396/2005, (EC) No 1069/2009, (EC) No 1107/2009, (EU) No 1151/2012, (EU) No 652/2014, (EU) 2016/429 and (EU) 2016/2031 of the European Parliament and of the Council, Council Regulations (EC) No 1/2005 and (EC) No 1099/2009 and Council Directives 98/58/EC, 1999/74/EC, 2007/43/EC, 2008/119/EC and 2008/120/EC, and repealing Regulations (EC) No 854/2004 and (EC) No 882/2004 of the European Parliament and of the Council, Council Directives 89/608/EEC, 89/662/EEC, 90/425/EEC, 91/496/EEC, 96/23/EC, 96/93/EC and 97/78/EC and Council Decision 92/438/EEC (Official Controls Regulation) ⁽¹⁾, and in particular Article 141(1) thereof,

Whereas:

- (1) Regulation (EU) 2017/625 lays down rules for, inter alia, the performance of official controls and of other official activities by the competent authorities of Member States. It also empowers the Commission to adopt, by means of an implementing act, appropriate temporary measures necessary to contain risks to human, animal and plant health and animal welfare, if it has evidence of a serious disruption in a Member State's control system.
- (2) In order to address the specific circumstances due to the ongoing crisis related to coronavirus disease (COVID-19), Commission Implementing Regulation (EU) 2020/466 ⁽²⁾ allows Member States to apply temporary measures in relation to official controls and other official activities.
- (3) Member States have informed the Commission that, in view of the crisis linked to COVID-19, certain serious disruptions in the functioning of their control systems, difficulties to perform official controls and other official activities on official certificates and official attestations with respect to movements of animals and goods into the Union and within the Union and difficulties to organise physical meetings with operators and their staff in the context of official controls will persist beyond 1 October 2020. In order to address these serious disruptions, which are likely to persist in the coming months, and to facilitate the planning and the performance of official controls and other official activities during the crisis linked to COVID-19, the period of application of Implementing Regulation (EU) 2020/466 should be prolonged until 1 February 2021.
- (4) Implementing Regulation (EU) 2020/466 should therefore be amended accordingly.
- (5) The measures provided for in this Regulation are in accordance with the opinion of the Standing Committee on Plants, Animals, Food and Feed,

HAS ADOPTED THIS REGULATION:

Article 1

In the second paragraph of Article 6 of Implementing Regulation (EU) 2020/466, the date '1 October 2020' is replaced by the date '1 February 2021'.

⁽¹⁾ OJ L 95, 7.4.2017, p. 1.

⁽²⁾ Commission Implementing Regulation (EU) 2020/466 of 30 March 2020 on temporary measures to contain risks to human, animal and plant health and animal welfare during certain serious disruptions of Member States' control systems due to coronavirus disease (COVID-19) (OJ L 98, 31.3.2020, p. 30).

Article 2

This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 2 October 2020.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 28 September 2020.

For the Commission
The President
Ursula VON DER LEYEN

DECISIONS

COUNCIL IMPLEMENTING DECISION (EU) 2020/1342

of 25 September 2020

granting temporary support under Regulation (EU) 2020/672 to the Kingdom of Belgium to mitigate unemployment risks in the emergency following the COVID-19 outbreak

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) 2020/672 of 19 May 2020 on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak ⁽¹⁾, and in particular Article 6(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) On 7 August 2020, Belgium requested financial assistance from the Union with a view to complementing its national efforts to address the impact of the COVID-19 outbreak and respond to the socioeconomic consequences of the outbreak for workers and the self-employed.
- (2) The COVID-19 outbreak and the extraordinary measures implemented by Belgium to contain the outbreak and its socioeconomic and health-related impact are expected to have a dramatic impact on public finances. According to the Commission's 2020 Spring forecast, Belgium was expected to have a general government deficit and debt of 8,9 % and 113,8 % of gross domestic product (GDP) respectively by the end of 2020. According to the Commission's 2020 Summer interim forecast, Belgium's GDP is projected to decrease by 8,8 % in 2020.
- (3) The COVID-19 outbreak has immobilised a substantial part of the labour force in Belgium. This has led to a sudden and severe increase in public expenditure by Belgium in respect of the temporary unemployment scheme ('chômage temporaire/tijdelijke werkloosheid'), the COVID-19 replacement income for the self-employed (the 'COVID-19 bridging right'), the COVID-19 parental leave, and a number of regional and community income support schemes, and in support of public health measures, as set out in recitals (4) to (8).
- (4) The 'Arrêté royal du 30 mars 2020/Koninklijk besluit van 30 maart 2020' ⁽²⁾, which is referred to in Belgium's request of 7 August 2020, adapted the temporary unemployment scheme ('chômage temporaire/tijdelijke werkloosheid') to COVID-19, which provides compensation for employees whose work is reduced or suspended because of a decreased workload or the social distancing measures imposed by the Government. That temporary unemployment scheme existed before the COVID-19 pandemic, but the requirements to access the scheme were adapted to COVID-19 and the application procedure was further eased. Furthermore, the allowance for temporary unemployment was increased from 65 % to 70 % of the daily average wage (capped at EUR 2 754,76 gross per month). In addition, a daily premium of EUR 5,36 was introduced.

⁽¹⁾ OJ L 159, 20.5.2020, p. 1.

⁽²⁾ Koninklijk besluit van 30 maart 2020 tot aanpassing van de procedures in het kader van tijdelijke werkloosheid omwille van het Covid-19-virus en tot wijziging van artikel 10 van het koninklijk besluit van 6 mei 2019 tot wijziging van de artikelen 27, 51, 52bis, 58, 58/3 en 63 van het koninklijk besluit van 25 november 1991 houdende de werkloosheidsreglementering en tot invoeging van de artikelen 36sexies, 63bis en 124bis in hetzelfde besluit/Arrêté royal du 30 mars 2020 visant à adapter les procédures dans le cadre du chômage temporaire dû au virus Covid-19 et à modifier l'article 10 de l'arrêté royal du 6 mai 2019 modifiant les articles 27, 51, 52bis, 58, 58/3 et 63 de l'arrêté royal du 25 novembre 1991 portant réglementation du chômage et insérant les articles 36sexies, 63bis et 124bis dans le même arrêté.

- (5) The 'Loi du 23 mars 2020/Wet van 23 maart 2020' ⁽³⁾, which was referred to in Belgium's request of 7 August 2020, extended the existing replacement income for the self-employed, that is, the 'bridging right' (*droit passerelle/overbruggingsrecht*), by the introduction of a 'COVID-19 bridging right'. That is a benefit which is provided where social distancing measures imposed by the Government have led to a total or partial interruption of self-employment activities or to a voluntary interruption of at least seven consecutive calendar days in a month. Starting from June 2020, the allowance targets the self-employed who have restarted their activity but still face a reduction in turnover compared to 2019. The self-employed who cannot yet restart their activity can still benefit from the allowance but have to prove that this is due to COVID-19 restrictions.
- (6) The 'Arrêté royal n° 23 du 13 mai 2020/Koninklijk besluit nr. 23 van 13 mei 2020' ⁽⁴⁾, which was referred to in Belgium's request of 7 August 2020, introduced COVID-19 parental leave, which is a special parental leave that does not affect the right to the regular parental leave and allows parents to take leave to provide additional care for their children between May and September 2020 with a higher allowance than under regular parental leave.

The COVID-19 parental leave can be considered to be a similar measure to short-time work schemes, as referred to in Regulation (EU) 2020/672, as it provides income support to employees and helps preserve employment by preventing parents who have to look after their children while schools are closed, from needing to terminate the employment relationship.

- (7) On the basis of the following legal acts, which are referred to in Belgium's request of 7 August 2020: 'Arrêté du Gouvernement de la Région de Bruxelles-Capitale de pouvoirs spéciaux n° 2020/019 du 23 avril 2020/Bijzondere machtenbesluit van de Brusselse Hoofdstedelijke Regering nr. 2020/019 van 23 april 2020' ⁽⁵⁾; 'Arrêté du Gouvernement de la Région de Bruxelles-Capitale de pouvoirs spéciaux n° 2020/030 du 28 mai 2020/Bijzondere machtenbesluit nr. 2020/030 van de Brusselse Hoofdstedelijke Regering van 28 mei 2020' ⁽⁶⁾;

'Notification de la réunion du conseil des ministres du gouvernement de la région de Bruxelles-Capitale du jeudi 14 mai 2020/Betekening van de vergadering van de Ministerraad van de Brusselse Hoofdstedelijke Regering van donderdag 14 mei 2020' ⁽⁷⁾; 'Besluit van de Vlaamse Regering van 20 maart 2020' ⁽⁸⁾; 'Besluit van de Vlaamse Regering van 10 april 2020' ⁽⁹⁾; 'Besluit van de Vlaamse Regering van 12 juni 2020' ⁽¹⁰⁾;

- ⁽³⁾ Wet van 23 maart 2020 tot wijziging van de wet van 22 december 2016 houdende invoering van een overbruggingsrecht ten gunste van zelfstandigen en tot invoering van tijdelijke maatregelen in het kader van COVID-19 ten gunste van zelfstandigen/Loi du 23 mars 2020 modifiant la loi du 22 décembre 2016 instituant un droit passerelle en faveur des travailleurs indépendants et introduisant les mesures temporaires dans le cadre du COVID-19 en faveur des travailleurs indépendants.
- ⁽⁴⁾ Koninklijk besluit nr. 23 van 13 mei 2020, tot uitvoering van artikel 5, § 1, 5°, van de wet van 27 maart 2020 die machtiging verleent aan de Koning om maatregelen te nemen in de strijd tegen de verspreiding van het coronavirus COVID-19 (II) houdende het corona ouderschapsverlof/Arrêté royal n° 23 du 13 mai 2020 pris en exécution de l'article 5, § 1, 5°, de la loi du 27 mars 2020 accordant des pouvoirs au Roi afin de prendre des mesures dans la lutte contre la propagation du coronavirus COVID-19 (II) visant le congé parental corona.
- ⁽⁵⁾ Arrêté du Gouvernement de la Région de Bruxelles-Capitale de pouvoirs spéciaux n° 2020/019 du 23 avril 2020 modifiant l'arrêté de pouvoirs spéciaux n° 2020/013 du 7 avril 2020 relatif à une aide en vue de l'indemnisation des entreprises affectées par les mesures d'urgence pour limiter la propagation du coronavirus COVID-19/Bijzondere machtenbesluit van de Brusselse Hoofdstedelijke Regering nr. 2020/019 van 23 april 2020 tot wijziging van het bijzondere machtenbesluit nr. 2020/013 van 7 april 2020 betreffende de steun tot vergoeding van de ondernemingen getroffen door de dringende maatregelen om de verspreiding van het coronavirus COVID-19 te beperken.
- ⁽⁶⁾ Arrêté du Gouvernement de la Région de Bruxelles-Capitale de pouvoirs spéciaux n° 2020/030 du 28 mai 2020 relatif à l'aide aux entreprises qui subissent une baisse d'activité en raison de la crise sanitaire du COVID-19/Bijzondere machtenbesluit nr. 2020/030 van de Brusselse Hoofdstedelijke Regering van 28 mei 2020 betreffende de steun aan ondernemingen die een terugval van hun activiteit ondergaan als gevolg van de gezondheidscrisis COVID-19.
- ⁽⁷⁾ Notification de la réunion du conseil des ministres du gouvernement de la région de Bruxelles-Capitale du jeudi 14 mai 2020, point 25/Betekening van de vergadering van de Ministerraad van de Brusselse Hoofdstedelijke Regering van donderdag 14 mei 2020, punt 25. This political decision has been transposed into a legal act by Arrêté du Gouvernement de la Région de Bruxelles-Capitale du 24 juillet 2020 instituant une aide exceptionnelle pour les travailleurs intermittents de la culture/Besluit van de Brusselse Hoofdstedelijke Regering van 24 juli 2020 houdende invoering van uitzonderlijke steun voor de cultuurwerkers.
- ⁽⁸⁾ Besluit van de Vlaamse Regering van 20 maart 2020 tot toekenning van steun aan ondernemingen die verplicht moeten sluiten ten gevolge van de maatregelen genomen door de Nationale Veiligheidsraad vanaf 12 maart 2020 inzake het coronavirus.
- ⁽⁹⁾ Besluit van de Vlaamse Regering van 10 april 2020 tot toekenning van steun aan ondernemingen die een omzetsdaling hebben ten gevolge van de exploitatiebeperkingen opgelegd door de maatregelen genomen door de Nationale Veiligheidsraad vanaf 12 maart 2020 inzake het coronavirus.
- ⁽¹⁰⁾ Besluit van de Vlaamse Regering van 12 juni 2020 tot toekenning van steun aan ondernemingen die een omzetsdaling hebben ondanks de versoepelde coronavirusmaatregelen, tot wijziging van de artikelen 1, 9 en 11 van het besluit van de Vlaamse Regering van 10 april 2020 tot toekenning van steun aan ondernemingen die een omzetsdaling hebben ten gevolge van de exploitatiebeperkingen opgelegd door de maatregelen genomen door de Nationale Veiligheidsraad vanaf 12 maart 2020 inzake het coronavirus, en tot wijziging van de artikelen 1, 6, 9 en 12 van het besluit van de Vlaamse Regering van 20 maart 2020 tot toekenning van steun aan ondernemingen die verplicht moeten sluiten ten gevolge van de maatregelen genomen door de Nationale Veiligheidsraad vanaf 12 maart 2020 inzake het coronavirus.

'Arrêté du Gouvernement de la Communauté française de pouvoirs spéciaux n° 4 du 23 avril 2020' ⁽¹¹⁾, 'Arrêté du Gouvernement de la Communauté française du 7 avril 2020' ⁽¹²⁾; 'Arrêté ministériel du 8 avril 2020 portant exécution de l'arrêté du Gouvernement wallon du 20 mars 2020' ⁽¹³⁾; 'Arrêté du Gouvernement wallon du 19 juin 2020' ⁽¹⁴⁾; 'Parlament der Deutschsprachigen Gemeinschaft, Corona-Krisendekret I vom 6. April 2020'; and 'Parlament der Deutschsprachigen Gemeinschaft, Corona-Krisendekret III vom 20. Juli 2020', the Belgian authorities have introduced a number of regional and community schemes that provide income support to the self-employed, one-person companies, and other types of employees who do not qualify for other kinds of income support. In particular, the compensation premia for companies and for entrepreneurs in the Brussels Capital Region, the nuisance, compensation and support premia in the Flemish Region and the Flemish Community, and the compensation premium for business closure in the Walloon Region provide generalised one-off support for companies and the self-employed which needed to close their activities due to COVID-19 or faced a substantial reduction in turnover.

Where the measures target a wider range of beneficiaries, only the amounts for expenditure related to the support of the self-employed and one-person companies have been requested. Other measures (the compensation premium for intermittent workers in the Brussels Capital Region, the nurseries subvention and the cultural operators subvention in the French Community, the training activities in the Walloon Region, and the cultural operators and self-employed subvention and the touristic operators subvention in the German-speaking Community) target the self-employed and workers with no access to the temporary unemployment scheme in specific sectors (cultural and care sector, training activities). As the cultural operators and self-employed subvention in the German-speaking Community provides loans that can be converted into grants, in order to meet the requirement of being public expenditure, only expenditure relating to loans being converted into grants should be supported under Regulation (EU) 2020/672.

- (8) Finally, the 'Parlament der Deutschsprachigen Gemeinschaft, Corona-Krisendekret I vom 6. April 2020', which was referred to in Belgium's request of 7 August 2020, introduces health-related measures in the German-speaking Community, which include hygiene training, the provision of protective material for residential and care centres, hospitals and medical service providers, and information campaigns.
- (9) Belgium fulfils the conditions for requesting financial assistance set out in Article 3 of Regulation (EU) 2020/672. Belgium has provided the Commission with appropriate evidence that the actual and planned public expenditure has increased by EUR 7 803 380 000 as of 1 February 2020 due to the national measures taken to address the socioeconomic effects of the COVID-19 outbreak. This constitutes a sudden and severe increase because it is related to both new measures and an extension of existing measures that cover a significant proportion of undertakings and of the labour force in Belgium.
- (10) The Commission has consulted Belgium and verified the sudden and severe increase in the actual and planned public expenditure directly related to short-time work schemes and similar measures, as well as the recourse to relevant health-related measures related to the COVID-19 outbreak, referred to in the request of 7 August 2020, in accordance with Article 6 of Regulation (EU) 2020/672.
- (11) Financial assistance should therefore be provided with a view to helping Belgium to address the socioeconomic effects of the severe economic disturbance caused by the COVID-19 outbreak. The Commission should take the decisions concerning maturities, size and release of instalments and tranches in close cooperation with national authorities.
- (12) This Decision should be without prejudice to the outcome of any procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty. It does not override the requirement for Member States to notify instances of potential State aid to the Commission under Article 108 of the Treaty.

⁽¹¹⁾ Arrêté du Gouvernement de la Communauté française de pouvoirs spéciaux n° 4 du 23 avril 2020 relatif au soutien du secteur culturel et du cinéma dans le cadre de la crise sanitaire du COVID-19.

⁽¹²⁾ Arrêté du Gouvernement de la Communauté française du 7 avril 2020 relatif au soutien des milieux d'accueil dans le cadre de la crise sanitaire du COVID-19.

⁽¹³⁾ Arrêté ministériel du 8 avril 2020 portant exécution de l'arrêté du Gouvernement wallon du 20 mars 2020 relatif à l'octroi d'indemnités compensatoires dans le cadre des mesures contre le coronavirus COVID-19 and Arrêté du Gouvernement wallon du 20 mars 2020 relatif à l'octroi d'indemnités compensatoires dans le cadre des mesures contre le coronavirus COVID-19.

⁽¹⁴⁾ Arrêté du Gouvernement wallon du 19 juin 2020 portant des dispositions diverses relatives aux formateurs et au subventionnement des activités de formation des centres de formation du réseau IFAPME

- (13) Belgium should inform the Commission on a regular basis of the implementation of the planned public expenditure, in order to enable the Commission to assess the extent to which Belgium has implemented that expenditure.
- (14) The decision to provide financial assistance has been taken taking into account existing and expected needs of Belgium, as well as requests for financial assistance pursuant to Regulation (EU) 2020/672 already submitted or planned to be submitted by other Member States, while applying the principles of equal treatment, solidarity, proportionality and transparency,

HAS ADOPTED THIS DECISION:

Article 1

Belgium fulfils the conditions set out in Article 3 of Regulation (EU) 2020/672.

Article 2

1. The Union shall make available to Belgium a loan amounting to a maximum of EUR 7 803 380 000. The loan shall have a maximum average maturity of 15 years.
2. The availability period for financial assistance granted by this Decision shall be 18 months starting from the first day after this Decision has taken effect.
3. The Union financial assistance shall be made available by the Commission to Belgium in a maximum of eight instalments. An instalment may be disbursed in one or several tranches. The maturities of the tranches under the first instalment may be longer than the maximum average maturity referred to in paragraph 1. In such cases, the maturities of further tranches shall be set so that the maximum average maturity referred to in paragraph 1 is respected once all instalments have been disbursed.
4. The first instalment shall be released subject to the entry into force of the loan agreement provided for in Article 8(2) of Regulation (EU) 2020/672.
5. Belgium shall pay the cost of the funding of the Union referred to in Article 4 of Regulation (EU) 2020/672 for each instalment plus any fees, costs and expenses of the Union resulting from any funding related to the loan granted under paragraph 1 of this Article.
6. The Commission shall decide on the size and release of instalments, as well as on the size of the tranches.

Article 3

Belgium may finance the following measures:

- (a) the temporary unemployment scheme, 'chômage temporaire/tijdelijke werkloosheid' as provided for by the 'Koninklijk besluit van 30 maart 2020 tot aanpassing van de procedures in het kader van tijdelijke werkloosheid omwille van het Covid-19-virus en tot wijziging van artikel 10 van het koninklijk besluit van 6 mei 2019 tot wijziging van de artikelen 27, 51, 52bis, 58, 58/3 en 63 van het koninklijk besluit van 25 november 1991 houdende de werkloosheidsreglementering en tot invoering van de artikelen 36sexies, 63bis en 124bis in hetzelfde besluit/Arrêté royal du 30 mars 2020 visant à adapter les procédures dans le cadre du chômage temporaire dû au virus Covid-19 et à modifier l'article 10 de l'arrêté royal du 6 mai 2019 modifiant les articles 27, 51, 52bis, 58, 58/3 et 63 de l'arrêté royal du 25 novembre 1991 portant réglementation du chômage et insérant les articles 36sexies, 63bis et 124bis dans le même arrêté';
- (b) the COVID-19-related replacement income for the self-employed, 'crisis bridging rights' as provided for by the 'Loi du 23 mars 2020 modifiant la loi du 22 décembre 2016 instaurant un droit passerelle en faveur des travailleurs indépendants et introduisant les mesures temporaires dans le cadre du COVID-19 en faveur des travailleurs indépendants/Wet van 23 maart 2020 tot wijziging van de wet van 22 december 2016 houdende invoering van een overbruggingsrecht ten gunste van zelfstandigen en tot invoering van tijdelijke maatregelen in het kader van COVID-19 ten gunste van zelfstandigen';
- (c) the COVID-19 parental leave as provided for in the 'Arrêté royal n° 23 du 13 mai 2020 pris en exécution de l'article 5, § 1, 5°, de la loi du 27 mars 2020 accordant des pouvoirs au Roi afin de prendre des mesures dans la lutte contre la propagation du coronavirus COVID-19 (II) visant le congé parental corona/Koninklijk besluit nr. 23 van 13 mei 2020, tot uitvoering van artikel 5, § 1, 5°, van de wet van 27 maart 2020 die machtiging verleent aan de Koning om maatregelen te nemen in de strijd tegen de verspreiding van het coronavirus COVID-19 (II) houdende het corona ouderschapsverlof';

(d) regional and community income support schemes, as follows:

(i) for the Brussels Capital Region:

- a compensation premium for companies as provided for in the 'Arrêté du Gouvernement de la Région de Bruxelles-Capitale de pouvoirs spéciaux n° 2020/019 du 23 avril 2020/Bijzondere machtenbesluit van de Brusselse Hoofdstedelijke Regering nr. 2020/019 van 23 april 2020', for the part of expenditure related to the support of the self-employed and one-person companies;
- a compensation premium for entrepreneurs as provided for in the 'Bijzondere machtenbesluit nr. 2020/030 van de Brusselse Hoofdstedelijke Regering van 28 mei 2020/Arrêté du Gouvernement de la Région de Bruxelles-Capitale de pouvoirs spéciaux n° 2020/030 du 28 mai 2020', for the part of expenditure related to the support of the self-employed and one-person companies;
- a compensation premium for intermittent workers, as provided for in the 'Arrêté du Gouvernement de la Région de Bruxelles-Capitale du 24 juillet 2020 instaurant une aide exceptionnelle pour les travailleurs intermittents de la culture/Besluit van de Brusselse Hoofdstedelijke Regering van 24 juli 2020 houdende invoering van uitzonderlijke steun voor de cultuurwerkers';

(ii) for the Flemish Region and the Flemish Community:

- a nuisance premium as provided for in 'Besluit van de Vlaamse Regering van 20 maart 2020', for the part of expenditure related to the support of the self-employed and one-person companies;
- a compensation premium as provided for in 'Besluit van de Vlaamse Regering van 10 april 2020', for the part of expenditure related to the support of the self-employed and one-person companies;
- a support premium as provided for in 'Besluit van de Vlaamse Regering van 12 juni 2020', for the part of expenditure related to the support of the self-employed and one-person companies;

(iii) for the French Community:

- a cultural operators subvention as provided for in 'Arrêté du Gouvernement de la Communauté française de pouvoirs spéciaux n° 4 du 23 avril 2020';
- nurseries subvention as provided for in 'Arrêté du Gouvernement de la Communauté française du 7 avril 2020', for the part of expenditure related to the support of the self-employed and one-person companies;

(iv) for the Walloon Region:

- a compensation premium for business closure as provided for in 'Arrêté ministériel du 8 avril 2020 portant exécution de l'arrêté du Gouvernement wallon du 20 mars 2020', for the part of expenditure related to the support of the self-employed and one-person companies;
- training activities as provided for in 'Arrêté du Gouvernement wallon du 19 juin 2020';

(v) for the German-speaking Community:

- a cultural operators and self-employed subvention as provided for in 'Parlament der Deutschsprachigen Gemeinschaft, Corona-Krisendekret I vom 6. April 2020', Article 7, for the part of expenditure relating to loans being converted into grants;
- a touristic operators subvention as provided for in 'Parlament der Deutschsprachigen Gemeinschaft, Corona-Krisendekret III vom 20. Juli 2020', Article 4, for the part of expenditure related to the support of the self-employed and one-person companies;

(e) health related measures in the German-speaking Community as provided for in 'Parlament der Deutschsprachigen Gemeinschaft, Corona-Krisendekret I vom 6. April 2020', Article 7.

Article 4

Belgium shall inform the Commission by 30 March 2021, and every six months thereafter of the implementation of the planned public expenditure until that planned public expenditure has been fully implemented.

Article 5

This Decision is addressed to the Kingdom of Belgium.

This Decision shall take effect on the date of its notification to the addressee.

Article 6

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels, 25 September 2020.

For the Council
The President
M. ROTH

COUNCIL IMPLEMENTING DECISION (EU) 2020/1343**of 25 September 2020****on granting temporary support under Regulation (EU) 2020/672 to the Republic of Bulgaria to mitigate unemployment risks in the emergency following the COVID-19 outbreak**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) 2020/672 of 19 May 2020 on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak ⁽¹⁾, and in particular Article 6(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) On 7 August 2020, Bulgaria requested financial assistance from the Union with a view to complementing its national efforts to address the impact of the COVID-19 outbreak and respond to the socioeconomic consequences of the outbreak for workers and the self-employed.
- (2) The COVID-19 outbreak and the extraordinary measures implemented by Bulgaria to contain the outbreak and its socioeconomic and health-related impact are expected to have a dramatic impact on public finances. According to the Commission's 2020 Spring forecast, Bulgaria was expected to have a general government deficit and debt of 2,8 % and 25,5 % of gross domestic product (GDP) respectively by the end of 2020. According to the Commission's 2020 Summer interim forecast, Bulgaria's GDP is projected to decrease by 7,1 % in 2020.
- (3) The COVID-19 outbreak has immobilised a substantial part of the labour force in Bulgaria. This has led to a sudden and severe increase in public expenditure in Bulgaria in respect of two wage subsidy measures, as set out in recitals (4) and (5).
- (4) More specifically, 'Decree No 55 of 30 March 2020 of the Council of Ministers' ⁽²⁾, which is referred to in Bulgaria's request of 7 August 2020, introduced a measure that provides wage subsidies to undertakings, which, due to the COVID-19 outbreak, have voluntarily or by law reduced or stopped their activity. The employment of employees is required to be maintained during participation in the measure and for an equal period afterwards. The monthly wage subsidy to the eligible undertakings amounts to 60 % of the monthly gross salary (including employers' social security contributions) of the benefitting employees.
- (5) Furthermore, 'Decree No 151 of 3 July 2020 of the Council of Ministers' ⁽³⁾, which is referred to in Bulgaria's request of 7 August 2020, introduced a measure that provides wage subsidies to undertakings, which, due to the COVID-19 outbreak, have suffered a revenue reduction of at least 20 %. The employment of employees is required to be maintained during participation in the measure and for an equal period afterwards. The monthly wage subsidy to the eligible undertakings amounts to 60 % of the monthly gross salary (including employers' social security contributions) of the benefitting employees.
- (6) Bulgaria fulfils the conditions for requesting financial assistance set out in Article 3 of Regulation (EU) 2020/672. Bulgaria has provided the Commission with appropriate evidence that the actual and planned public expenditure has increased by EUR 511 000 000 as of 1 February 2020 due to the national measures taken to address the socioeconomic effects of the COVID-19 outbreak. This constitutes a sudden and severe increase because the new measures cover or are intended to cover a significant proportion of undertakings and of the labour force in Bulgaria.

⁽¹⁾ OJ L 159, 20.5.2020, p. 1.

⁽²⁾ Decree No 55 of 30 March 2020 of the Council of Ministers, amended by Decree No 71 of 16 April 2020 and Decree No 106 of 28 May 2020 (Official Journal No 31 of 1 April 2020)

⁽³⁾ Decree No 151 of 3 July 2020 of the Council of Ministers (Official Journal No 60 of 7 July 2020)

- (7) The Commission has consulted Bulgaria and verified the sudden and severe increase in the actual and planned public expenditure directly related to short-time work schemes and similar measures referred to in the request of 7 August 2020, in accordance with Article 6 of Regulation (EU) 2020/672.
- (8) Financial assistance should therefore be provided with a view to helping Bulgaria to address the socioeconomic effects of the severe economic disturbance caused by the COVID-19 outbreak. The Commission should take the decisions concerning maturities, size and release of instalments and tranches in close cooperation with national authorities.
- (9) This Decision should be without prejudice to the outcome of any procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty. It does not override the requirement for Member States to notify instances of potential State aid to the Commission under Article 108 of the Treaty.
- (10) Bulgaria should inform the Commission on a regular basis of the implementation of the planned public expenditure, in order to enable the Commission to assess the extent to which Bulgaria has implemented that expenditure.
- (11) The decision to provide financial assistance has been reached taking into account existing and expected needs of Bulgaria, as well as requests for financial assistance pursuant to Regulation (EU) 2020/672 already submitted or planned to be submitted by other Member States, while applying the principles of equal treatment, solidarity, proportionality and transparency,

HAS ADOPTED THIS DECISION:

Article 1

Bulgaria fulfils the conditions set out in Article 3 of Regulation (EU) 2020/672.

Article 2

1. The Union shall make available to Bulgaria a loan amounting to a maximum of EUR 511 000 000. The loan shall have a maximum average maturity of 15 years.
2. The availability period for financial assistance granted by this Decision shall be 18 months starting from the first day after this Decision has taken effect.
3. The Union financial assistance shall be made available by the Commission to Bulgaria in a maximum of eight instalments. An instalment may be disbursed in one or several tranches. The maturities of the tranches under the first instalment may be longer than the maximum average maturity referred to in paragraph 1. In such cases, the maturities of further tranches shall be set so that the maximum average maturity referred to in paragraph 1 is respected once all instalments have been disbursed.
4. The first instalment shall be released subject to the entry into force of the loan agreement provided for in Article 8(2) of Regulation (EU) 2020/672.
5. Bulgaria shall pay the cost of the funding of the Union referred to in Article 4 of Regulation (EU) 2020/672 for each instalment plus any fees, costs and expenses of the Union resulting from any funding related to the loan granted under paragraph 1 of this Article.
6. The Commission shall decide on the size and release of instalments, as well as on the size of the tranches.

Article 3

Bulgaria may finance the following measures:

- (a) wage subsidies to undertakings as provided for in 'Decree No 55 of 30 March 2020 of the Council of Ministers';
- (b) wage subsidies to undertakings as provided for in 'Decree No 151 of 3 July 2020 of the Council of Ministers'.

Article 4

Bulgaria shall inform the Commission by 30 March 2021, and every six months thereafter of the implementation of the planned public expenditure until that planned public expenditure has been fully implemented.

Article 5

This Decision is addressed to the Republic of Bulgaria.

This Decision shall take effect on the date of its notification to the addressee.

Article 6

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels, 25 September 2020.

For the Council
The President
M. ROTH

COUNCIL IMPLEMENTING DECISION (EU) 2020/1344**of 25 September 2020****granting temporary support under Regulation (EU) 2020/672 to the Republic of Cyprus to mitigate unemployment risks in the emergency following the COVID-19 outbreak**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) 2020/672 of 19 May 2020 on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak ⁽¹⁾, and in particular Article 6(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) On 6 August 2020, Cyprus requested financial assistance from the Union with a view to complementing its national efforts to address the impact of the COVID-19 outbreak and respond to the socioeconomic consequences of the outbreak for workers and the self-employed.
- (2) The COVID-19 outbreak and the extraordinary measures implemented by Cyprus to contain the outbreak and its socioeconomic and health-related impact are expected to have a dramatic impact on public finances. According to the Commission's 2020 Spring forecast, Cyprus was expected to have a general government deficit and debt of 7 % and 115,7 % of gross domestic product (GDP) respectively by the end of 2020. According to the Commission's 2020 Summer interim forecast, Cyprus' GDP is projected to decrease by 7,7 % in 2020.
- (3) The COVID-19 outbreak has immobilised a substantial part of the labour force in Cyprus. This has led to a sudden and severe increase in public expenditure by Cyprus in respect of the special leave scheme for parents, the schemes supporting companies for the partial and total suspension of their operations, the special scheme for the self-employed, the special scheme for hotel units and tourist accommodation, the special scheme to support businesses related to the tourism industry or affected by tourism or associated with businesses subject to mandatory total suspension, the special scheme for supporting businesses exercising special predefined activities, and the subsidisation scheme of very small and small enterprises and the self-employed, and in support of public health measures, regarding the sickness benefit scheme as set out in recitals (4) to (12).
- (4) 'Law 27(I)/2020', which is referred to in Cyprus' request of 6 August 2020, has been the basis for the introduction of a number of Regulatory Administrative Acts, outlining measures to address the impact of the COVID-19 outbreak. On the basis of Law 27(I)/2020, the authorities have introduced a special leave scheme, which provides wage compensation to parents working in the private sector who have children up to the age of 15 or children of any age with disabilities. That special leave scheme can be considered to be a similar measure to short-time work schemes, as referred to in Regulation (EU) 2020/672, as it provides income support to employees and helps preserve employment by preventing parents, who have to look after their children while schools are closed, from needing to terminate the employment relationship.
- (5) Furthermore, the authorities have introduced a scheme supporting companies that have had to completely suspend operations, which provides wage compensation to 90 % of the employees of the businesses forced to suspend their operations, conditional on employment retention. The compensation covers 60 % of the employee's salary or 60 % of the employee's social insurance units earned in 2018 (2019 for the period 7/2020-8/2020), whichever is the greater. The compensation ranges between a maximum of EUR 1 214 and a minimum of EUR 360 per month.

⁽¹⁾ OJ L 159, 20.5.2020, p. 1.

- (6) The scheme supporting companies for partial suspension of operations provides wage compensation to the employees of businesses experiencing at least a 25 % decline in turnover due to the pandemic, conditional on employment retention. The compensation covers 60 % of the employee's salary or 60 % of the employee's social insurance units earned in 2018, whichever is the greater. The compensation ranges between a maximum of EUR 1 214 and a minimum of EUR 360 per month.
- (7) The 'special scheme for the self-employed' provides compensation to the self-employed who cannot exercise any activity according to the decree of the Minister of Health or a decision of the Council of Ministers.
- (8) The 'special scheme for hotel units and tourist accommodation' provides wage compensation to support employees in the hotel industry and other businesses providing tourist accommodation whose employer has fully suspended operations or experienced a decline in turnover of more than 40 %. Participation in the scheme is conditional on employment retention.
- (9) The 'special scheme to support businesses related to the tourism industry or affected by tourism or associated with businesses that are subject to mandatory total suspension' provides wage compensation to the employees in the hotel industry and other businesses providing tourist accommodation that have fully suspended operations or experienced a decline in turnover of more than 55 %, conditional on employment retention.
- (10) The 'special scheme for supporting businesses exercising special predefined activities' provides wage compensation to the employees of the businesses facing a decline of at least 55 % of their turnover, conditional on employment retention.
- (11) Moreover, 'Supplementary budget, Temporary framework for State aid measures to support the economy in the current COVID-19 outbreak', which is referred to in the Cypriot request of 6 August 2020, introduces subsidies for very small and small enterprises and the self-employed who employ up to 50 employees. Only the part of expenditure related to the support of the self-employed and one-person companies has been requested. Those subsidies provide a lump sum grant to support operating expenses of small businesses and the self-employed. The subsidisation scheme can be considered to be a similar measure to short-time work schemes, as referred to in Regulation (EU) 2020/672, as it aims at protecting the self-employed or similar categories of workers from reduction or loss of income.
- (12) Finally, the 'sickness benefit scheme', provides wage compensation to employees of the private sector and to the self-employed, on the condition that they are either classified as vulnerable individuals according to a list published by the Ministry of Health, placed in quarantine by the Authorities, or infected by COVID-19.
- (13) Cyprus fulfils the conditions for requesting financial assistance set out in Article 3 of Regulation (EU) 2020/672. Cyprus has provided the Commission with appropriate evidence that the actual and planned public expenditure has increased by EUR 479 070 000 as of 1 February 2020 due to the increased amount directly related to the special leave scheme for parents, the schemes supporting companies for the partial and total suspension of their operations, the special scheme for the self-employed, the special scheme for hotel units and tourist accommodation, the special scheme to support businesses related to the tourism industry or affected by tourism or associated with businesses that are subject to mandatory total suspension, the special scheme for supporting businesses exercising special predefined activities, and the subsidisation scheme of very small and small enterprises and the self-employed. This constitutes a sudden and severe increase because these new measures cover a significant proportion of firms and the labour force in Cyprus.
- (14) The Commission has consulted Cyprus and verified the sudden and severe increase in the actual and planned public expenditure directly related to short-time work schemes and similar measures, as well as the recourse to relevant health-related measures related to the COVID-19 outbreak, referred to in the request of 6 August 2020, in accordance with Article 6 of Regulation (EU) 2020/672.
- (15) Financial assistance should therefore be provided with a view to helping Cyprus to address the socioeconomic effects of the severe economic disturbance caused by the COVID-19 outbreak. The Commission should take the decisions concerning maturities, size and release of instalments and tranches in close cooperation with national authorities.

- (16) This Decision should be without prejudice to the outcome of any procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty. It does not override the requirement for Member States to notify instances of potential State aid to the Commission under Article 108 of the Treaty.
- (17) Cyprus should inform the Commission on a regular basis of the implementation of the planned public expenditure, in order to enable the Commission to assess the extent to which Cyprus has implemented that expenditure.
- (18) The decision to provide financial assistance has been reached taking into account existing and expected needs of Cyprus, as well as requests for financial assistance pursuant to Regulation (EU) 2020/672 already submitted or planned to be submitted by other Member States, while applying the principles of equal treatment, solidarity, proportionality and transparency,

HAS ADOPTED THIS DECISION:

Article 1

Cyprus fulfils the conditions set out in Article 3 of Regulation (EU) 2020/672.

Article 2

1. The Union shall make available to Cyprus a loan amounting to a maximum of EUR 479 070 000. The loan shall have a maximum average maturity of 15 years.
2. The availability period for financial assistance granted by this Decision shall be 18 months starting from the first day after this Decision has taken effect.
3. The Union financial assistance shall be made available by the Commission to Cyprus in a maximum of eight instalments. An instalment may be disbursed in one or several tranches. The maturities of the tranches under the first instalment may be longer than the maximum average maturity referred to in paragraph 1. In such cases, the maturities of further tranches shall be set so that the maximum average maturity referred to in paragraph 1 is respected once all instalments have been disbursed.
4. The first instalment shall be released subject to the entry into force of the loan agreement provided for in Article 8(2) of Regulation (EU) 2020/672.
5. Cyprus shall pay the cost of the funding of the Union referred to in Article 4 of Regulation (EU) 2020/672 for each instalment plus any fees, costs and expenses of the Union resulting from any funding related to the loan granted under paragraph 1 of this Article.
6. The Commission shall decide on the size and release of instalments, as well as on the size of the tranches.

Article 3

Cyprus may finance the following measures:

- (a) the special leave scheme for parents, as provided for in 'Law 27(I)/2020' and in 'Regulatory Administrative Acts 127/148/151/184/192/212/213/235/2020';
- (b) the schemes supporting companies for the partial and total suspension of operations, as provided for in 'Law 27(I)/2020' and in 'Regulatory Administrative Acts 131/148/151/188/212/213/239/2020 and 151/187/212/213/238/243/273/2020';
- (c) the special scheme for the self-employed, as provided for in 'Law 27(I)/2020' and in 'Regulatory Administrative Acts, 129/148/151/186/213/237/322/2020';
- (d) the special scheme for hotel units and tourist accommodation, as provided for in 'Law 27(I)/2020' and in 'Regulatory Administrative Acts 269/317/2020';
- (e) the special scheme to support businesses related to the tourism industry or affected by tourism or associated with businesses that are subject to mandatory total suspension, as provided for in 'Law 27(I)/2020' and in 'Regulatory Administrative Acts 270/318/2020';

- (f) the special scheme for supporting businesses exercising special predefined activities, as provided for in 'Law 27(I)/2020' and in 'Regulatory Administrative Acts 272/320/2020';
- (g) the subsidisation scheme of very small and small enterprises and the self-employed, as provided for in 'Supplementary budget, Temporary framework for State aid measures to support the economy in the current COVID-19 outbreak', for the part of expenditure related to the support of the self-employed and one-person companies;
- (h) the sickness benefit scheme, as provided for in 'Law 27(I)/2020' and in 'Regulatory Administrative Acts 128/148/151/185/212/236/2020'.

Article 4

Cyprus shall inform the Commission by 30 March 2021, and every six months thereafter of the implementation of the planned public expenditure until that planned public expenditure has been fully implemented.

Article 5

This Decision is addressed to the Republic of Cyprus.

This Decision shall take effect on the date of its notification to the addressee.

Article 6

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels, 25 September 2020.

For the Council
The President
M. ROTH

COUNCIL IMPLEMENTING DECISION (EU) 2020/1345**of 25 September 2020****granting temporary support under Regulation (EU) 2020/672 to the Czech Republic to mitigate unemployment risks in the emergency following the COVID-19 outbreak**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) 2020/672 of 19 May 2020 on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak ⁽¹⁾, and in particular Article 6(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) On 7 August 2020, the Czech Republic requested financial assistance from the Union with a view to complementing its national efforts to address the impact of the COVID-19 outbreak and respond to the socioeconomic consequences of the outbreak for workers and the self-employed.
- (2) The COVID-19 outbreak and the extraordinary measures implemented by the Czech Republic to contain the outbreak and its socioeconomic and health-related impact are expected to have a dramatic impact on public finances. According to the Commission's 2020 Spring forecast, the Czech Republic was expected to have a general government deficit and debt of 6,7 % and 38,7 % of gross domestic product (GDP) respectively by the end of 2020. According to the Commission's 2020 Summer interim forecast, the Czech Republic's GDP is projected to decrease by 7,8 % in 2020.
- (3) The COVID-19 outbreak has immobilised a substantial part of the labour force in the Czech Republic. This has led to a sudden and severe increase in public expenditure by the Czech Republic in respect of the short-time work scheme known as the 'Antivirus' Programme (with its sub-programmes Option A and Option B) and similar measures targeting non-wage labour costs ('Antivirus' Programme Option C) or support for the self-employed, as set out in recitals (4) to (8).
- (4) More specifically, 'Government Resolution No 353 of 31 March 2020', as amended, the legal basis of which is Article 120 of 'Law No 435/2004 Coll. on employment', as amended, which is referred to in the Czech Republic's request of 7 August 2020, introduced the 'Antivirus' Programme Options A and B. Those measures are designed to partially compensate wage costs of private employers forced to suspend or significantly scale down their economic activity as a direct consequence of measures taken by the authorities (Option A), or indirectly due to adverse economic effects of the pandemic (Option B), for example employees not able to work due to travel restrictions. Under Option A, the state contribution is provided for 80 % of the compensatory wages paid but not more than CZK 39 000 per employee per month. Under Option B, the state contribution amounts to 60 % of the compensatory wages paid but not more than CZK 29 000 per employee per month. Employees benefiting from the scheme cannot be dismissed during the employer's participation in the scheme. The measures run from 12 March to 31 October 2020 ⁽²⁾.
- (5) Furthermore, the authorities have introduced the 'Antivirus' Programme Option C, on the basis of 'Law No 300/2020 Coll.' and 'Law No 187/2006 Coll.' ⁽³⁾, which are referred to in the Czech Republic's request of 7 August 2020. That reduces non-wage labour costs (for example, social security contributions paid by the employer) of small companies (up to 50 employees) that maintain employment and the wage bill at a level of at least 90 % of what it was at the end of March 2020 and in March 2020, respectively. Only 90 % of the total

⁽¹⁾ OJ L 159, 20.5.2020, p. 1.

⁽²⁾ However, only public expenditure on support related to the period ending on 31 August 2020 was included in the request of 7 August 2020 referred to in recital (1).

⁽³⁾ Law No 300/2020 Coll. on the waiver of social security contributions and contributions to the state employment policy paid by some employers as taxpayers in connection with emergency measures during the epidemic in 2020 and amending Law No 187/2006 Coll., on health insurance, as amended.

expenditure of the measure has been requested to ensure that assistance is matched to expenditure that has maintained employment. The base of the calculation is capped at 150 % of the average gross wage in the Czech Republic. The support can be provided for part or the whole of the period from June to August 2020.

- (6) The 'Pětadvacítká' Programme, as introduced by 'Law No 159/2020 Coll.'⁽⁴⁾, which is referred to in the Czech Republic's request of 7 August 2020, provides the self-employed with a compensation bonus of CZK 500 per calendar day of the bonus period per person to those who have been forced to suspend or significantly scale down their economic activity beyond normal business volatility due to the COVID-19 public health risks or crisis measures taken by public authorities. The programme is split into two bonus periods: from 12 March to 30 April 2020, and from 1 May to 8 June 2020. The compensation bonus consists in foregone revenues for the Government, which for the purpose of the implementation of Regulation (EU) 2020/672 can be considered equivalent to public expenditure.
- (7) On the basis of 'Law No 136/2020 Coll. (for social security)' and 'Law No 134/2020 Coll. (for health security)', which are referred to in the Czech Republic's request of 7 August 2020, the authorities have introduced a partial waiver of social and health security contributions due by the self-employed who continue in their activity during the provision of support. The State assumes payment of the corresponding contribution due each month from March to August 2020. The waived amount is capped at a level established by law.
- (8) Finally, on the basis of 'Government Resolutions No 262 of 19 March 2020, No 311 of 26 March, No 354 of 31 March, No 514 of 4 May and No 552 of 18 May', Article 14 of 'Law No 218/2000 Coll. on budgetary rules', as amended (for the self-employed in primary agricultural and forestry production), Article 3 point (h) of 'Law No 47/2002 Coll. on support to SMEs', as amended (for all other self-employed persons), as referred to in the Czech Republic's request of 7 August 2020, the authorities have introduced the 'Care allowance' for the self-employed. That measure compensates for the loss of income incurred by the self-employed as a consequence of the need to take care of children or care-dependent people due to the closure of childcare and social care facilities. The daily amount of support is CZK 424 for March 2020 and CZK 500 for April to June 2020. That support can be provided for part or the whole of the period from 12 March to 30 June 2020.
- (9) The Czech Republic fulfils the conditions for requesting financial assistance set out in Article 3 of Regulation (EU) 2020/672. The Czech Republic has provided the Commission with appropriate evidence that the actual and planned public expenditure has increased by EUR 2 940 446 745 as of 1 February 2020 due to the national measures taken to address the socioeconomic effects of the COVID-19 outbreak. This constitutes a sudden and severe increase because the new measures cover a significant proportion of undertakings and of the labour force in the Czech Republic. The Czech Republic intends to finance EUR 940 446 745 of the increased amount of expenditure through Union funds and its own financing.
- (10) The Commission has consulted the Czech Republic and verified the sudden and severe increase in the actual and planned public expenditure directly related to short-time work schemes and similar measures referred to in the request of 7 August 2020, in accordance with Article 6 of Regulation (EU) 2020/672.
- (11) Financial assistance should therefore be provided with a view to helping the Czech Republic to address the socioeconomic effects of the severe economic disturbance caused by the COVID-19 outbreak. The Commission should take the decisions concerning maturities, size and release of instalments and tranches in close cooperation with national authorities.
- (12) This Decision should be without prejudice to the outcome of any procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty. It does not override the requirement for Member States to notify instances of potential State aid to the Commission under Article 108 of the Treaty.
- (13) The Czech Republic should inform the Commission on a regular basis of the implementation of the planned public expenditure, in order to enable the Commission to assess the extent to which the Czech Republic has implemented that expenditure.

⁽⁴⁾ Law No 159/2020 Coll. on a compensation bonus related to crisis measures related to the incidence of SARS CoV-2 coronavirus, as amended.

- (14) The Decision to provide financial assistance has been reached taking into account existing and expected needs of the Czech Republic, as well as requests for financial assistance pursuant to Regulation (EU) 2020/672 already submitted or planned to be submitted by other Member States, while applying the principles of equal treatment, solidarity, proportionality and transparency,

HAS ADOPTED THIS DECISION:

Article 1

The Czech Republic fulfils the conditions set out in Article 3 of Regulation (EU) 2020/672.

Article 2

1. The Union shall make available to the Czech Republic a loan amounting to a maximum of EUR 2 000 000 000. The loan shall have a maximum average maturity of 15 years.
2. The availability period for financial assistance granted by this Decision shall be 18 months starting from the first day after this Decision has taken effect.
3. The Union financial assistance shall be made available by the Commission to the Czech Republic in a maximum of eight instalments. An instalment may be disbursed in one or several tranches. The maturities of the tranches under the first instalment may be longer than the maximum average maturity referred to in paragraph 1. In such cases, the maturities of further tranches shall be set so that the maximum average maturity referred to in paragraph 1 is respected once all instalments have been disbursed.
4. The first instalment shall be released subject to the entry into force of the loan agreement provided for in Article 8(2) of Regulation (EU) 2020/672.
5. The Czech Republic shall pay the cost of the funding of the Union referred to in Article 4 of Regulation (EU) 2020/672 for each instalment plus any fees, costs and expenses of the Union resulting from any funding related to the loan granted under paragraph 1 of this Article.
6. The Commission shall decide on the size and release of instalments, as well as on the size of the tranches.

Article 3

The Czech Republic may finance the following measures:

- (a) the 'Antivirus' Programme as provided for in 'Government Resolution No 353 of 31 March 2020', as amended, the legal basis of which is Article 120 of 'Law No 435/2004 Coll. on employment', as amended;
- (b) the 'Antivirus' Programme Option C, as provided for in 'Law No 300/2020 Coll.';
- (c) the 'Přetřídění' Programme, as provided for in 'Law No 159/2020 Coll.';
- (d) the partial waiver of social and health security contributions due by the self-employed, as provided for in 'Law No 136/2020 Coll.' (for social security) and 'Law No 134/2020 Coll.' (for health security);
- (e) the 'Care allowance' for the self-employed, as provided for in 'Government Resolutions No 262 of 19 March 2020, No 311 of 26 March, No 354 of 31 March, No 514 of 4 May and No 552 of 18 May', Article 14 of 'Law No 218/2000 Coll. on budgetary rules', as amended (for the self-employed in primary agricultural and forestry production), Article 3 point (h) of 'Law No 47/2002 Coll. on support to SMEs', as amended (for all other self-employed persons).

Article 4

The Czech Republic shall inform the Commission by 30 March 2021, and every six months thereafter of the implementation of the planned public expenditure until that planned public expenditure has been fully implemented.

Article 5

This Decision is addressed to the Czech Republic.

This Decision shall take effect on the date of its notification to the addressee.

Article 6

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels, 25 September 2020.

For the Council
The President
M. ROTH

COUNCIL IMPLEMENTING DECISION (EU) 2020/1346**of 25 September 2020****granting temporary support under Regulation (EU) 2020/672 to the Hellenic Republic to mitigate unemployment risks in the emergency following the COVID-19 outbreak**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) 2020/672 of 19 May 2020 on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak ⁽¹⁾, and in particular Article 6(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) On 6 August 2020, Greece requested financial assistance from the Union with a view to complementing its national efforts to address the impact of the COVID-19 outbreak and respond to the socio-economic consequences of the outbreak for workers and the self-employed.
- (2) The COVID-19 outbreak and the extraordinary measures implemented by Greece to contain the outbreak and its socio-economic and health-related impact are expected to have a dramatic impact on public finances. According to the Commission's 2020 Spring forecast, Greece was expected to have a general government deficit and debt of 6,4 % and 196,4 % of gross domestic product (GDP) respectively by the end of 2020. According to the Commission's 2020 Summer interim forecast, Greece's GDP is projected to decrease by 9 % in 2020.
- (3) The COVID-19 outbreak has immobilised a substantial part of the labour force in Greece. This has led to a sudden and severe increase in public expenditure in Greece in respect of the special allowance provided to private sector employees whose labour contracts were suspended because of the crisis, the cost of their social security coverage during the suspension period, the special allowance provided to professionals who are self-employed, the short-time work scheme, and the employer social security contributions for employees in seasonal enterprises of the tertiary sector, as set out in recitals (4) to (8).
- (4) More specifically, 'Legal Act of 14 March 2020' ⁽²⁾, which is referred to in Greece's request of 6 August 2020, introduced a special allowance for private sector employees whose labour contracts have been suspended. That measure aims to protect employment in companies that cease their operations by public order or belong to economic sectors that are heavily affected by the COVID-19 outbreak, and concerns the provision of a special monthly allowance of EUR 534 to employees whose labour contracts are suspended from mid-March 2020. The precondition to benefit from the scheme is that the employer retains the same number of employees (meaning the same exact employees) for a period equal to the period for which the labour contract had been suspended.
- (5) The authorities additionally introduced the financing by the State of the social security coverage of employees that benefit from the special allowance referred to in recital (4). The precondition to benefit from the scheme is that the employer retains the same number of employees (meaning the same exact employees) for a period equal to the period for which the labour contract had been suspended.
- (6) The 'Legal Act of 20 March 2020' ⁽³⁾, which is referred to in Greece's request of 6 August 2020, introduced a special allowance for professionals who are self-employed (economists, accountants, engineers, lawyers, medical doctors, teachers, and researchers). The measure concerns a one-off special allowance of EUR 600 provided either in April or in June 2020 to such professionals.

⁽¹⁾ OJ L 159, 20.5.2020, p. 1.

⁽²⁾ Legal Act of 14 March 2020 (Government Gazette A' 64) ratified by Article 3 of Law 4682/2020 (Government Gazette A' 76); Ministerial Decision 12998/232 (Government Gazette B' 1078/28 March 2020), Ministerial Decision 16073/287/22 April 2020 (Government Gazette B' 1547/22 April 2020), Ministerial Decision 17788/346/8 May 2020 (Government Gazette B' 1779/10 May 2020), and Ministerial Decision 23102/477/2020 (Government Gazette B' 2268/13 June 2020).

⁽³⁾ Legal Act of 20 March 2020 (Government Gazette A' 68) ratified by Article 1 of Law 4683/2020 (Government Gazette A' 83).

- (7) A short-time work scheme that applies from 15 June 2020 until 15 October 2020 in all companies, with the exception of the airline industry where an extension is possible until the end of 2020, has been introduced on the basis of 'Law 4690/2020' ⁽⁴⁾, which it is referred to in Greece's request of 6 August 2020. Eligible companies are those that have recorded a drop in their turnover of at least 20 % and the measure allows for a reduction of up to 50 % in the weekly working hours of employees on condition that the employment relationship is retained. From 15 June 2020 until 30 June 2020, the State covered 60 % of the employees' net earnings and 60 % of the employers' social security contributions in respect of hours not worked. As of 1 July 2020, the State covers 100 % of the employers' and the employees' social security contributions in respect of hours not worked, in addition to 60 % of net earnings of employees on hours not worked.
- (8) Finally, 'Law 4714/2020' ⁽⁵⁾, which is referred to in Greece's request of 6 August 2020, introduces the financing by the State of the employer's social security contributions in respect of employees in seasonal enterprises. The measure targets seasonal enterprises in the tertiary sector, namely enterprises with 50 % of their turnover concentrated in the third quarter of the year based on 2019 data, and aims to finance the employers' social security contributions during the months of July, August and September 2020 under the condition that companies retain the same number of employees they had on 30 June 2020.
- (9) Greece fulfils the conditions for requesting financial assistance set out in Article 3 of Regulation (EU) 2020/672. Greece has provided the Commission with appropriate evidence that the actual and planned public expenditure has increased by EUR 2 728 000 000 as of 1 February 2020 due to the national measures taken to address the socio-economic effects of the COVID-19 outbreak. This constitutes a sudden and severe increase because it relates to new measures, which cover a significant proportion of undertakings and of the labour force in Greece.
- (10) The Commission has consulted Greece and verified the sudden and severe increase in the actual and planned public expenditure directly related to short-time work schemes and similar measures referred to in the request of 6 August 2020, in accordance with Article 6 of Regulation (EU) 2020/672.
- (11) Financial assistance should therefore be provided with a view to helping Greece to address the socio-economic effects of the severe economic disturbance caused by the COVID-19 outbreak. The Commission should take the decisions concerning maturities, size and release of instalments and tranches in close cooperation with national authorities.
- (12) This Decision should be without prejudice to the outcome of any procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty. It does not override the requirement for Member States to notify instances of potential State aid to the Commission under Article 108 of the Treaty.
- (13) Greece should inform the Commission on a regular basis of the implementation of the planned public expenditure, in order to enable the Commission to assess the extent to which Greece has implemented that expenditure.
- (14) The decision to provide financial assistance has been reached taking into account existing and expected needs of Greece, as well as requests for financial assistance pursuant to Regulation (EU) 2020/672 already submitted or planned to be submitted by other Member States, while applying the principles of equal treatment, solidarity, proportionality and transparency,

HAS ADOPTED THIS DECISION:

Article 1

Greece fulfils the conditions set out in Article 3 of Regulation (EU) 2020/672.

Article 2

1. The Union shall make available to the Greece a loan amounting to a maximum of EUR 2 728 000 000. The loan shall have a maximum average maturity of 15 years.

⁽⁴⁾ Law 4690/2020 (Government Gazette A' 104) ratified by Articles 122 and 123 of Law 4714/2020 (Government Gazette A' 148), Ministerial Decision 23103/478 (Government Gazette B 2274/14 June 2020) and Ministerial Decision 32085/1771.

⁽⁵⁾ Law 4714/2020 (Government Gazette A' 148) ratified by Ministerial Decision 32085/1771.

2. The availability period for financial assistance granted by this Decision shall be 18 months starting from the first day after this Decision has taken effect.
3. The Union financial assistance shall be made available by the Commission to Greece in a maximum of eight instalments. An instalment may be disbursed in one or several tranches. The maturities of the tranches under the first instalment may be longer than the maximum average maturity referred to in paragraph 1. In such cases, the maturities of further tranches shall be set so that the maximum average maturity referred to in paragraph 1 is respected once all instalments have been disbursed.
4. The first instalment shall be released subject to the entry into force of the loan agreement provided for in Article 8(2) of Regulation (EU) 2020/672.
5. Greece shall pay the cost of the funding of the Union referred to in Article 4 of Regulation (EU) 2020/672 for each instalment plus any fees, costs and expenses of the Union resulting from any funding related to the loan granted under paragraph 1 of this Article.
6. The Commission shall decide on the size and release of instalments, as well as on the size of the tranches.

Article 3

Greece may finance the following measures:

- (a) a special allowance provided to employees whose labour contracts have been suspended, as provided for in Article 13 of 'Legal Act of 14 March 2020';
- (b) the social security coverage of employees under the measure referred to in point (a) of this Article, as provided for in Article 13 of 'Legal Act of 14 March 2020';
- (c) a special allowance to professionals who are self-employed, as provided for in Article 8 of 'Legal Act of 20 March 2020';
- (d) a short-time work scheme, as provided for by Article 31 of 'Law 4690/2020';
- (e) the employer social security contributions for employees in seasonal enterprises in the tertiary sector, as provided for in Article 123 of 'Law 4714/2020'.

Article 4

Greece shall inform the Commission by 30 March 2021, and every six months thereafter of the implementation of the planned public expenditure until that planned public expenditure has been fully implemented.

Article 5

This Decision is addressed to the Hellenic Republic.

This Decision shall take effect on the date of its notification to the addressee.

Article 6

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels, 25 September 2020.

For the Council
The President
M. ROTH

COUNCIL IMPLEMENTING DECISION (EU) 2020/1347**of 25 September 2020****granting temporary support under Regulation (EU) 2020/672 to the Kingdom of Spain to mitigate unemployment risks in the emergency following the COVID-19 outbreak**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) 2020/672 of 19 May 2020 on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak ⁽¹⁾, and in particular Article 6(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) On 3 August 2020, Spain requested financial assistance from the Union with a view to complementing its national efforts to address the impact of the COVID-19 outbreak and respond to the socioeconomic consequences of the outbreak for workers and the self-employed.
- (2) The COVID-19 outbreak and the extraordinary measures implemented by Spain to contain the outbreak and its socioeconomic and health-related impact are expected to have a dramatic impact on public finances. According to the Commission's 2020 Spring forecast, Spain was expected to have a general government deficit and debt of 10,1 % and 115,6 % of gross domestic product (GDP) respectively by the end of 2020. According to the Commission's 2020 Summer interim forecast, Spain's GDP is projected to decrease by 10,9 % in 2020.
- (3) The COVID-19 outbreak has immobilised a substantial part of the labour force in Spain. This has led to a sudden and severe increase in public expenditure by Spain in respect of the short-time work scheme, similar schemes specifically targeted at the self-employed and workers in the tourism sector, and in support of public health measures, as set out in recitals (4) to (9).
- (4) More specifically, 'Royal Decree-Law 8/2020', 'Royal Decree-Law 11/2020' and 'Royal Decree-Law 24/2020', which are referred to in Spain's request of 3 August 2020, introduced wage compensation of up to 70 per cent of the employees' basic salary for employees furloughed under the short-time work scheme 'ERTE' (*Expediente de Regulación Temporal de Empleo*). The compensation is capped at a maximum of EUR 1 098,09 per month, which may be increased to EUR 1 254,96 per month or EUR 1 411,83 per month, depending on the beneficiary's number of dependent children.
- (5) The authorities have also introduced a full or partial social security contribution exemption, depending on the employers' size and the month of the year, in respect of employees participating in 'ERTE'. The exemption consists in forgone revenues for the Government, which for the purpose of the implementation of Regulation (EU) 2020/672 can be considered equivalent to public expenditure.
- (6) For the self-employed, the authorities have introduced a benefit for the 'cessation of activity' (that is to say, the suspension, in full or in part of self-employed activity) and accompanying social security contribution exemptions. The measure provides monthly payments whilst businesses are required to be closed or, if opened, where turnover has been reduced by more than 75 %.
- (7) Specific support measures, consisting of benefits and social security contribution exemptions for employees participating in 'ERTE', have also been introduced for 'permanent seasonal workers' who have not been able to return to their activity on the scheduled dates due to the COVID-19 outbreak, on the basis of 'Royal Decree-Law 15/2020' and in application of 'Royal Decree-Law 8/2020', which is referred to in Spain's request of 3 August 2020.

⁽¹⁾ OJ L 159, 20.5.2020, p. 1.

- (8) 'Royal Decree Law 8/2019', 'Royal Decree Law 12/2019', 'Royal Decree Law 7/2020' and 'Royal Decree Law 25/2020', which are referred to in Spain's request of 3 August 2020, have introduced an exemption for employers from payment of social security contributions (by 50 %) to support 'employment conservation in the tourism sector' during the state of emergency and beyond, while maintaining a minimum level of social protection for several categories of workers. An average of total monthly expenditure and the number of persons for whom companies have received subsidies gives an average expenditure per person per month of approximately EUR 192.
- (9) Finally, Spain has extended health benefits for workers absent due to COVID-19 (either in preventive isolation or infected workers) on the basis of 'Royal Decree-Law 6/2020' and 'Royal Decree-Law 13/2020', which are referred to in Spain's request of 3 August 2020. The measure is similar to the scheme for accidents at work (that is to say, the benefits are more generous and are paid for by the Social Security Fund as of the first day of leave), with benefits capped at 75 % of the basic salary.
- (10) Spain fulfils the conditions for requesting financial assistance set out in Article 3 of Regulation (EU) 2020/672. Spain has provided the Commission with appropriate evidence that the actual and planned public expenditure has increased by EUR 23 803 573 600 as of 1 February 2020 due to the national measures taken to address the socioeconomic effects of the COVID-19 outbreak. The increased amount directly related to the short-time work scheme 'ERTE' and similar measures specifically targeted at the self-employed and workers in the tourism sector constitutes a sudden and severe increase because of the almost immediate and unprecedented increase in the number of beneficiaries covered by those schemes and the magnitude of the related benefits in Spain. Spain intends to finance EUR 1 660 000 000 of the increased amount of expenditure through Union funds.
- (11) The Commission has consulted Spain and verified the sudden and severe increase in the actual and planned public expenditure directly related to short-time work schemes and similar measures, as well as the recourse to relevant health-related measures related to the COVID-19 outbreak, referred to in the request of 3 August 2020, in accordance with Article 6 of Regulation (EU) 2020/672.
- (12) Financial assistance should therefore be provided with a view to helping Spain to address the socioeconomic effects of the severe economic disturbance caused by the COVID-19 outbreak. The Commission should take the decisions concerning maturities, size and release of instalments and tranches in close cooperation with national authorities.
- (13) This Decision should be without prejudice to the outcome of any procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty. It does not override the requirement for Member States to notify instances of potential State aid to the Commission under Article 108 of the Treaty.
- (14) Spain should inform the Commission on a regular basis of the implementation of the planned public expenditure, in order to enable the Commission to assess the extent to which Spain has implemented that expenditure.
- (15) The decision to provide financial assistance has been reached taking into account existing and expected needs of Spain, as well as requests for financial assistance pursuant to Regulation (EU) 2020/672 already submitted or planned to be submitted by other Member States, while applying the principles of equal treatment, solidarity, proportionality and transparency. In particular, the amount of the loan has been established to ensure compliance with the prudential rules applicable to the portfolio of loans as specified in Regulation (EU) 2020/672,

HAS ADOPTED THIS DECISION:

Article 1

Spain fulfils the conditions set out in Article 3 of Regulation (EU) 2020/672.

Article 2

1. The Union shall make available to Spain a loan amounting to a maximum of EUR 21 324 820 449. The loan shall have a maximum average maturity of 15 years.
2. The availability period for financial assistance granted by this Decision shall be 18 months starting from the first day after this Decision has taken effect.

3. The Union financial assistance shall be made available by the Commission to Spain in a maximum of ten instalments. An instalment may be disbursed in one or several tranches. The maturities of the tranches under the first instalment may be longer than the maximum average maturity referred to in paragraph 1. In such cases, the maturities of further tranches shall be set so that the maximum average maturity referred to in paragraph 1 is respected once all instalments have been disbursed.
4. The first instalment shall be released subject to the entry into force of the loan agreement provided for in Article 8(2) of Regulation (EU) 2020/672.
5. Spain shall pay the cost of the funding of the Union referred to in Article 4 of Regulation (EU) 2020/672 for each instalment plus any fees, costs and expenses of the Union resulting from any funding related to the loan granted under paragraph 1 of this Article.
6. The Commission shall decide on the size and release of instalments, as well as on the size of the tranches.

Article 3

Spain may finance the following measures:

- (a) the short-time work scheme 'ERTE' (*Expediente de Regulación Temporal de Empleo*) for employees, as provided for in 'Royal Decree Law 8/2020 of 17 March' (Chapter II, Articles 22 to 28), 'Royal Decree Law 18/2020 of 12 May' and 'Royal Decree Law 24/2020 of 26 June' (Articles 1 to 7);
- (b) the extraordinary social security contribution measures for employees subject to 'ERTE', as provided for in 'Royal Decree-Law 8/2020 of 17 March' (Chapter II, Articles 22-28), 'Royal Decree-Law 18/2020 of 12 May' (Articles 1 to 4), 'Royal Decree-Law 24/2020 of 26 June' (Chapter I, Article 4 and additional provision 1);
- (c) the benefit due to 'cessation of activity' and the accompanying social security contribution exemptions, as provided for in 'Royal Decree-Law 8/2020 of 17 March' (Article 17), as amended by 'Royal Decree-Law 11/2020 of 31 March' (final provision 1.8) and by 'Royal Decree-Law 24/2020 of 26 June' (Articles 8.9 and 10);
- (d) the support scheme for 'permanent seasonal workers', as provided for by 'Royal Decree-Law 15/2020 of 21 April' (final provision 8) and in application of 'Royal Decree-Law 8/2020 of 17 March' (Article 24) to these workers;
- (e) the partial exemption of employers from payment of social security contributions to support 'employment conservation in the tourism sector', as provided for in 'Royal Decree Law 8/2019 of 8 March', 'Royal Decree Law 12/2019 of 11 October', 'Royal Decree Law 7/2020 of 12 March' (Article 13) and 'Royal Decree Law 25/2020' (final provision 4);
- (f) health benefits for workers absent due to COVID-19, as provided for in 'Royal Decree-Law 6/2020 of 10 March' (Article 5), 'Royal Decree-Law 13/2020 of 7 April' (final provision 1) and 'Royal Decree-Law 27/2020 of 4 August' (final provision 10).

Article 4

Spain shall inform the Commission by 30 March 2021, and every six months thereafter of the implementation of the planned public expenditure until that planned public expenditure has been fully implemented.

Article 5

This Decision is addressed to the Kingdom of Spain.

This Decision shall take effect on the date of its notification to the addressee.

Article 6

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels, 25 September 2020.

For the Council
The President
M. ROTH

COUNCIL IMPLEMENTING DECISION (EU) 2020/1348**of 25 September 2020****granting temporary support under Regulation (EU) 2020/672 to the Republic of Croatia to mitigate unemployment risks in the emergency following the COVID-19 outbreak**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) 2020/672 of 19 May 2020 on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak ⁽¹⁾, and in particular Article 6(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) On 6 August 2020, Croatia requested financial assistance from the Union with a view to complementing its national efforts to address the impact of the COVID-19 outbreak and respond to the socioeconomic consequences of the outbreak for workers and the self-employed.
- (2) The COVID-19 outbreak and the extraordinary measures implemented by Croatia to contain the outbreak and its socioeconomic and health-related impact are expected to have a dramatic impact on public finances. According to the Commission's 2020 Spring forecast, Croatia was expected to have a general government deficit and debt of 7,1 % and 88,6 % of gross domestic product (GDP) respectively by the end of 2020. According to the Commission's 2020 Summer interim forecast, Croatia's GDP is projected to decrease by 10,8 % in 2020.
- (3) The COVID-19 outbreak has immobilised a substantial part of labour force in Croatia. This has led to a sudden and severe increase in public expenditure by Croatia in respect of job preservation subsidies in sectors affected by COVID-19 and aid for reduced working hours, as set out in recitals (4) and (5).
- (4) More specifically, on the basis of the 'Labour Market Act' ⁽²⁾, which is referred to in Croatia's request of 6 August 2020, the Croatian Employment Service decided ⁽³⁾ to introduce a measure that provides co-financing of workers' salaries to businesses that experience a drop in revenue (of 20 % in the period March to May 2020 or 50 % in June 2020), on condition that the employment relationship is not terminated. For March 2020, the amount of support is set at HRK 3 250,00 per full-time employee, and for the months of April, May and June 2020, the monthly amount of support is set at HRK 4 000 per full-time employee.
- (5) On the basis of the 'Labour Market Act', the Croatian Employment Service also decided ⁽⁴⁾ to introduce a measure that provides support for the temporary reduction of working time in the period between June and December 2020 to businesses employing 10 or more employees operating in any sector, on condition that the employment relationship is not terminated. Up to HRK 2 000 per month per employee can be financed by the measure.
- (6) Croatia fulfils the conditions for requesting financial assistance set out in Article 3 of Regulation (EU) 2020/672. Croatia has provided the Commission with appropriate evidence that the actual and planned public expenditure has increased by EUR 1 381 780 800 as of 1 February 2020 due to the national measures taken to address the socioeconomic effects of the COVID-19 outbreak. This constitutes a sudden and severe increase because of the almost immediate and unprecedented increase in the number of workers covered by those measures and the magnitude of the related expenditures in Croatia. Croatia intends to finance EUR 210 000 000 of the increased amount of expenditure through Union funds and EUR 151 180 800 through its own financing.

⁽¹⁾ OJ L 159, 20.5.2020, p. 1.

⁽²⁾ OG 118/18, 32/20.

⁽³⁾ Decision adopted on 20 March 2020 and amended on 25 March, 7 April, 9 April, 6 May, 28 May, 18 June, 25 June, 10 July and 29 July 2020. Decisions available at: https://www.hzz.hr/o-hzz/upravno-vijece/upravno-vijece_sjednice-2020.php.

⁽⁴⁾ Decision adopted on 29 June 2020 and amended on 10 July 2020, available at: https://www.hzz.hr/o-hzz/upravno-vijece/upravno-vijece_sjednice-2020.php.

- (7) The Commission has consulted Croatia and verified the sudden and severe increase in the actual and planned public expenditure directly related to short-time work schemes and similar measures referred to in the request of 6 August 2020, in accordance with Article 6 of Regulation (EU) 2020/672.
- (8) Financial assistance should therefore be provided with a view to helping Croatia to address the socioeconomic effects of the severe economic disturbance caused by the COVID-19 outbreak. The Commission should take the decisions concerning maturities, size and release of instalments and tranches in close cooperation with national authorities.
- (9) This Decision should be without prejudice to the outcome of any procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty. It does not override the requirement for Member States to notify instances of potential State aid to the Commission under Article 108 of the Treaty.
- (10) Croatia should inform the Commission on a regular basis of the implementation of the planned public expenditure, in order to enable the Commission to assess the extent to which Croatia has implemented that expenditure.
- (11) The decision to provide financial assistance has been reached taking into account existing and expected needs of Croatia, as well as requests for financial assistance pursuant to Regulation (EU) 2020/672 already submitted or planned to be submitted by other Member States, while applying the principles of equal treatment, solidarity, proportionality and transparency,

HAS ADOPTED THIS DECISION:

Article 1

Croatia fulfils the conditions set out in Article 3 of Regulation (EU) 2020/672.

Article 2

1. The Union shall make available to Croatia a loan amounting to a maximum of EUR 1 020 600 000. The loan shall have a maximum average maturity of 15 years.
2. The availability period for financial assistance granted by this Decision shall be 18 months starting from the first day after this Decision has taken effect.
3. The Union financial assistance shall be made available by the Commission to Croatia in a maximum of eight instalments. An instalment may be disbursed in one or several tranches. The maturities of the tranches under the first instalment may be longer than the maximum average maturity referred to in paragraph 1. In such cases, the maturities of further tranches shall be set so that the maximum average maturity referred to in paragraph 1 is respected once all instalments have been disbursed.
4. The first instalment shall be released subject to the entry into force of the loan agreement provided for in Article 8(2) of Regulation (EU) 2020/672.
5. Croatia shall pay the cost of the funding of the Union referred to in Article 4 of Regulation (EU) 2020/672 for each instalment plus any fees, costs and expenses of the Union resulting from any funding related to the loan granted under paragraph 1 of this Article.
6. The Commission shall decide on the size and release of instalments, as well as on the size of the tranches.

Article 3

Croatia may finance the following measures:

- (a) the job preservation subsidies in sectors affected by COVID-19, as provided for in the Croatian 'Employment Service decision of 20 March 2020' and subsequent amendments thereof, pursuant to Articles 35 and 36 of the 'Labour Market Act'; and
- (b) the aid for reduced working hours, as provided for in the Croatian 'Employment Service decision of 29 June 2020' and subsequent amendments thereof, pursuant to Articles 35 and 36 of the 'Labour Market Act'.

Article 4

Croatia shall inform the Commission by 30 March 2021, and every six months thereafter of the implementation of the planned public expenditure until that planned public expenditure has been fully implemented.

Article 5

This Decision is addressed to the Republic of Croatia.

This Decision shall take effect on the date of its notification to the addressee.

Article 6

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels, 25 September 2020.

For the Council
The President
M. ROTH

COUNCIL IMPLEMENTING DECISION (EU) 2020/1349**of 25 September 2020****granting temporary support under Regulation (EU) 2020/672 to the Italian Republic to mitigate unemployment risks in the emergency following the COVID-19 outbreak**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) 2020/672 of 19 May 2020 on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak ⁽¹⁾, and in particular Article 6(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) On 7 August 2020, Italy requested financial assistance from the Union with a view to complementing its national efforts to address the impact of the COVID-19 outbreak and respond to the socioeconomic consequences of the outbreak for workers and the self-employed.
- (2) The COVID-19 outbreak and the extraordinary measures implemented by Italy to contain the outbreak and its socioeconomic and health-related impact are expected to have a dramatic impact on public finances. According to the Commission's 2020 Spring forecast, Italy was expected to have a general government deficit and debt of 11,1 % and 158,9 % of gross domestic product (GDP) respectively by the end of 2020. According to the Commission's 2020 Summer interim forecast, Italy's GDP is projected to decrease by 11,2 % in 2020.
- (3) The COVID-19 outbreak has immobilised a substantial part of the labour force in Italy. This has led to a sudden and severe increase in public expenditure by Italy in respect of short-time work schemes for employees, allowances for the self-employed, fixed-term employees in agriculture, workers in the entertainment industry, collaborators of sport associations, domestic workers and on-call workers, baby-sitting vouchers, additional parental and disability leave benefits, non-repayable grants to the self-employed and individual enterprises, and tax credits in support of public health measures, as set out in recitals (4) to (10).
- (4) 'Decree-law n. 18/2020' ⁽²⁾ and 'Decree-law n. 34/2020' ⁽³⁾, which are referred to in Italy's request of 7 August 2020, has been the basis for the introduction of a number of measures to address the impact of the COVID-19 outbreak, including an extension of existing short-time work schemes (*Cassa integrazione guadagni*). The measure covers 80 % of the usual salary of the employees whose employment contract is maintained, of the companies completely or partially closed due to COVID-19, for a maximum of 18 weeks in the period from 23 February 2020 to 31 October 2020.
- (5) For the self-employed and freelancers, the authorities have introduced an allowance of EUR 600 for the months of March and April 2020. Freelancers who experienced a reduction of at least 33 % of their earnings in March and April 2020 on a year-to-year basis are also entitled to a EUR 1 000 allowance for May 2020. A further allowance of EUR 600 for March 2020 is granted to the self-employed and freelancers registered with private mandatory social security institutions.
- (6) The authorities have introduced a variety of measures targeting specific professions that have been adversely impacted by the COVID-19 outbreak. These measures include an allowance of EUR 600 for the month of March 2020 and of EUR 500 for the month of April 2020 for fixed-term employees in agriculture; an allowance of EUR 600 per month for the months of March, April and May 2020 for workers in the entertainment industry (with annual income up to EUR 50 000); an allowance of EUR 600 per month for the months of March, April and May 2020 for collaborators of sports associations; an allowance of EUR 600 per month for the months of March, April and May 2020 for on-call workers and, an allowance of EUR 500 per month for the months of April and May 2020 for domestic workers.

⁽¹⁾ OJ L 159, 20.5.2020, p. 1.

⁽²⁾ Decree-law n. 18/2020 as converted by Law n. 27/2020.

⁽³⁾ Decree-law n. 34/2020 as converted by Law n. 77/2020.

- (7) Two measures addressing the impact of early-childhood education services and schools closure have also been introduced by the authorities, in the form of parental leave benefits for up to 30 days in the period from 5 March 2020 to 31 August 2020 for employees or the self-employed with children up to 12 years old (or above 12, where the child is disabled and still attending school) covering 50 % of their income, and baby-sitting vouchers for a maximum of EUR 2 000 as an alternative to parental leave benefits and valid for the same period. These measures can be considered as similar measures to short-time work schemes, as referred to in Regulation (EU) 2020/672, as they provide income support to employees and the self-employed, which will help to cover the costs of childcare during school closures and therefore help parents to continue working, preventing putting the employment relation at risk.
- (8) Furthermore, the authorities have introduced additional disability leave benefits for up to 12 days in the period from 1 March 2020 to 30 April 2020 and an additional 12 days in the period from 1 May 2020 to 30 June 2020 for workers with severe disabilities or with relatives with severe disabilities. This is an extension of an existing scheme which entitles employees to three days of disability leave per month.
- (9) Non-repayable grants for the self-employed and individual enterprises have been introduced. The amount of the grant is calculated taking into account the drop in turnover suffered in April 2020 compared to April 2019 (from a minimum amount of EUR 1 000 to a maximum of 20 % of the drop in turnover).
- (10) Finally, two health-related measures have been introduced by the authorities, a new temporary tax credit of 60 % of the costs of improving the safety of the workplace (up to a maximum of EUR 80 000) and a new temporary tax credit of 60 % of the costs of sanitising small businesses, professional offices, and non-profit institutions and purchasing safety equipment (up to a maximum of EUR 60 000). Since the tax credits consist of forgone revenue for the government, they can be considered to be equivalent to public expenditure.
- (11) Italy fulfils the conditions for requesting financial assistance set out in Article 3 of Regulation (EU) 2020/672. Italy has provided the Commission with appropriate evidence that the actual and planned public expenditure has increased by EUR 28 811 965 628 as of 1 February 2020 due to the increased amounts directly related to short-time work schemes for employees, allowances for the self-employed, fixed-term employees in agriculture, workers in the entertainment industry, collaborators of sport associations, domestic workers and on-call workers, baby-sitting vouchers, additional parental and disability leave benefits, and non-repayable grants to the self-employed and individual enterprises. This constitutes a sudden and severe increase because it relates to both new, and an extension of existing, measures, which cover a significant proportion of undertakings and of the labour force in Italy. Italy intends to finance EUR 320 000 000 of the increased amount of expenditure through Union funds.
- (12) The Commission has consulted Italy and verified the sudden and severe increase in the actual and planned public expenditure directly related to short-time work schemes and similar measures, as well as the recourse to relevant health-related measures related to the COVID-19 outbreak, referred to in the request of 7 August 2020, in accordance with Article 6 of Regulation (EU) 2020/672.
- (13) Financial assistance should therefore be provided with a view to helping Italy to address the socioeconomic effects of the severe economic disturbance caused by the COVID-19 outbreak. The Commission should take the decisions concerning maturities, size and release of instalments and tranches in close cooperation with national authorities.
- (14) This Decision should be without prejudice to the outcome of any procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty. It does not override the requirement for Member States to notify instances of potential State aid to the Commission under Article 108 of the Treaty.
- (15) Italy should inform the Commission on a regular basis of the implementation of the planned public expenditure, in order to enable the Commission to assess the extent to which Italy has implemented that expenditure.
- (16) The decision to provide financial assistance has been reached taking into account existing and expected needs of Italy, as well as requests for financial assistance pursuant to Regulation (EU) 2020/672 already submitted or planned to be submitted by other Member States, while applying the principles of equal treatment, solidarity, proportionality and transparency. In particular, the amount of the loan has been established to ensure compliance with the prudential rules applicable to the portfolio of loans as specified in Regulation (EU) 2020/672,

HAS ADOPTED THIS DECISION:

Article 1

Italy fulfils the conditions set out in Article 3 of Regulation (EU) 2020/672.

Article 2

1. The Union shall make available to Italy a loan amounting to a maximum of EUR 27 438 486 464. The loan shall have a maximum average maturity of 15 years.
2. The availability period for financial assistance granted by this Decision shall be 18 months starting from the first day after this Decision has taken effect.
3. The Union financial assistance shall be made available by the Commission to Italy in a maximum of ten instalments. An instalment may be disbursed in one or several tranches. The maturities of the tranches under the first instalment may be longer than the maximum average maturity referred to in paragraph 1. In such cases, the maturities of further tranches shall be set so that the maximum average maturity referred to in paragraph 1 is respected once all instalments have been disbursed.
4. The first instalment shall be released subject to the entry into force of the loan agreement provided for in Article 8(2) of Regulation (EU) 2020/672.
5. Italy shall pay the cost of the funding of the Union referred to in Article 4 of Regulation (EU) 2020/672 for each instalment plus any fees, costs and expenses of the Union resulting from any funding related to the loan granted under paragraph 1 of this Article.
6. The Commission shall decide on the size and release of instalments, as well as on the size of the tranches.

Article 3

Italy may finance the following measures:

- (a) the extension of existing short-time work schemes (*Cassa integrazione guadagni*) for employees, as provided for in Articles 19-22 of 'Decree-law n. 18/2020' as converted by 'Law n. 27/2020' and in Articles 68-71 of 'Decree-law n. 34/2020' as converted by 'Law n. 77/2020';
- (b) an allowance for the self-employed, as provided for in Articles 27, 28 and 44 of 'Decree-law n. 18/2020' as converted by 'Law n. 27/2020' and Article 84 of 'Decree-law n. 34/2020' as converted by 'Law n. 77/2020';
- (c) allowances for fixed-term employees in agriculture, as provided for in Article 30 of 'Decree-law n. 18/2020' and Article 84 of 'Decree-law n. 34/2020' as converted by 'Law n. 77/2020';
- (d) allowances for workers in the entertainment industry, as provided for in Article 38 of 'Decree-law n. 18/2020' and Article 84 of 'Decree-law n. 34/2020' as converted by 'Law n. 77/2020';
- (e) allowances for collaborators of sport associations, as provided for in Article 96 of 'Decree-law n. 18/2020' and Article 84 of 'Decree-law n. 34/2020' as converted by 'Law n. 77/2020';
- (f) an allowance for domestic workers, as provided for in Article 85 of 'Decree-law n. 34/2020' as converted by 'Law n. 77/2020';
- (g) an allowance for on-call workers, as provided for in Articles 44 of 'Decree-law n. 18/2020' and Article 84 of 'Decree-law n. 34/2020' as converted by 'Law n. 77/2020';
- (h) non-repayable grants to the self-employed and individual enterprises, as provided for in Article 25 of 'Decree-law n. 34/2020' as converted by 'Law n. 77/2020', for the part of expenditure related to the support of the self-employed and one-person companies;
- (i) parental leave benefits, as provided for in Articles 23 and 25 of 'Decree-law n. 18/2020' as converted by 'Law n. 27/2020' and Article 72 of 'Decree-law n. 34/2020' as converted by 'Law n. 77/2020';
- (j) baby-sitting vouchers, as provided for in Articles 23 and 25 of 'Decree-law n. 18/2020' as converted by 'Law n. 27/2020' and Article 73 of 'Decree-law n. 34/2020' as converted by 'Law n. 77/2020';

- (k) disability leave benefits, as provided for in Articles 24 of 'Decree-law n. 18/2020' as converted by 'Law n. 27/2020' and Article 74 of 'Decree-law n. 34/2020' as converted by 'Law n. 77/2020';
- (l) tax credits in respect of improvements to the safety of the workplace, as provided for in Article 120 of 'Decree-law n. 34/2020' as converted by 'Law n. 77/2020';
- (m) tax credits in respect of sanitisation of workplaces and purchase of safety equipment, as provided for in Article 125 of 'Decree-law n. 34/2020' as converted by 'Law n. 77/2020'.

Article 4

Italy shall inform the Commission by 30 March 2021, and every six months thereafter of the implementation of the planned public expenditure until that planned public expenditure has been fully implemented.

Article 5

This Decision is addressed to the Italian Republic.

This Decision shall take effect on the date of its notification to the addressee.

Article 6

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels, 25 September 2020.

For the Council
The President
M. ROTH

COUNCIL IMPLEMENTING DECISION (EU) 2020/1350**of 25 September 2020****granting temporary support under Regulation (EU) 2020/672 to the Republic of Lithuania to mitigate unemployment risks in the emergency following the COVID-19 outbreak**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) 2020/672 of 19 May 2020 on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak ⁽¹⁾, and in particular Article 6(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) On 7 August 2020, Lithuania requested financial assistance from the Union with a view to complementing its national efforts to address the impact of the COVID-19 outbreak and respond to the socioeconomic consequences of the outbreak for workers and the self-employed.
- (2) The COVID-19 outbreak and the extraordinary measures implemented by Lithuania to contain the outbreak and its socioeconomic and health-related impact are expected to have a dramatic impact on public finances. According to the Commission's 2020 Spring forecast, Lithuania was expected to have a general government deficit and debt of 6,9 % and 48,5 % of gross domestic product (GDP) respectively by the end of 2020. According to the Commission's 2020 Summer interim forecast, Lithuania's GDP is projected to decrease by 7,1 % in 2020.
- (3) The COVID-19 outbreak has immobilised a substantial part of the labour force in Lithuania. This has led to a sudden and severe increase in public expenditure in Lithuania in respect of wage subsidies during and after time without work and benefits for the self-employed, including benefits for the self-employed engaged in agricultural activities, as set out in recitals (4) to (7).
- (4) 'Law on Employment No XII-2470', which is referred to in Lithuania's request of 7 August 2020, introduced a scheme to pay subsidies to employers to cover estimated wages for each employed person facing time without work. The employer could choose between subsidies to cover 70 % of the salary, up to a maximum of 1,5 times the minimum wage, or 90 % of the salary (100 % in the case of employees aged 60 and above), up to a maximum of the minimum wage. Employers that have participated in the scheme must retain at least 50 % of their employees for at least three months after the pay subsidy ends.
- (5) Subsidies are also paid for employees returning from time without work, for up to six months following their return to work. Subject to a cap of the minimum wage or two times the minimum wage, depending on the economic activity carried out by the employer, the amount of the subsidies paid in the first and second months following return can be as high as 100 % of an employee's salary, in the third and fourth months, 50 %, and in the fifth and sixth months, 30 %. Those subsidies can be considered to be a similar measure to short-time work schemes, as referred to in Regulation (EU) 2020/672, as they aim to provide income support to employees and help maintain existing employment relationships.
- (6) The authorities have also introduced benefits for the self-employed, including the self-employed engaged in agricultural activity with an agricultural holding or farm of no less than four economic size units, amounting to EUR 257 a month and paid during the quarantine period and the following two months. The benefits for the self-employed can be considered to be a similar measure to short-time work schemes, as referred to in Regulation (EU) 2020/672, as they aim to protect the self-employed or similar categories of workers from a reduction in or loss of income.

⁽¹⁾ OJ L 159, 20.5.2020, p. 1.

- (7) Finally, benefits have been introduced for self-employed persons engaged in agriculture with an agricultural holding or farm of less than four economic size units, who were not covered by the measure described in recital (6). The measure consists of a one-time payment of EUR 200 for those small farmers who had no other employment. For small farmers who were employed, in addition to their self-employed agricultural activity, and did not earn more than the minimum wage, the measure consists of a payment of EUR 200, for each of the three months of the quarantine period and of the period of state emergency. The measure can be considered to be a similar measure to short-time work schemes, as referred to in Regulation (EU) 2020/672, as it aims at protecting the self-employed or similar categories of workers from a reduction in or loss of income.
- (8) Lithuania fulfils the conditions for requesting financial assistance set out in Article 3 of Regulation (EU) 2020/672. Lithuania has provided the Commission with appropriate evidence that the actual and planned public expenditure has increased by EUR 746 660 000 as of 1 February 2020 due to the national measures taken to address the socioeconomic effects of the COVID-19 outbreak. This constitutes a sudden and severe increase because the new measures cover a significant proportion of undertakings and of the labour force in Lithuania. Lithuania intends to finance EUR 144 350 000 of the increased amount of expenditure through Union funds.
- (9) The Commission has consulted Lithuania and verified the sudden and severe increase in the actual and planned public expenditure directly related to short-time work schemes and similar measures, in accordance with Article 6 of Regulation (EU) 2020/672.
- (10) Financial assistance should therefore be provided with a view to helping Lithuania to address the socioeconomic effects of the severe economic disturbance caused by the COVID-19 outbreak. The Commission should take the decisions concerning maturities, size and release of instalments and tranches in close cooperation with national authorities.
- (11) This Decision should be without prejudice to the outcome of any procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty. It does not override the requirement for Member States to notify instances of potential State aid to the Commission under Article 108 of the Treaty.
- (12) Lithuania should inform the Commission on a regular basis of the implementation of the planned public expenditure, in order to enable the Commission to assess the extent to which Lithuania has implemented that expenditure.
- (13) The decision to provide financial assistance has been reached taking into account existing and expected needs of Lithuania, as well as requests for financial assistance pursuant to Regulation (EU) 2020/672 already submitted or planned to be submitted by other Member States, while applying the principles of equal treatment, solidarity, proportionality and transparency,

HAS ADOPTED THIS DECISION:

Article 1

Lithuania fulfils the conditions set out in Article 3 of Regulation (EU) 2020/672.

Article 2

1. The Union shall make available to Lithuania a loan amounting to a maximum of EUR 602 310 000. The loan shall have a maximum average maturity of 15 years.
2. The availability period for financial assistance granted by this Decision shall be 18 months starting from the first day after this Decision has taken effect.
3. The Union financial assistance shall be made available by the Commission to Lithuania in a maximum of eight instalments. An instalment may be disbursed in one or several tranches. The maturities of the tranches under the first instalment may be longer than the maximum average maturity referred to in paragraph 1. In such cases, the maturities of further tranches shall be set so that the maximum average maturity referred to in paragraph 1 is respected once all instalments have been disbursed.

4. The first instalment shall be released subject to the entry into force of the loan agreement provided for in Article 8(2) of Regulation (EU) 2020/672.
5. Lithuania shall pay the cost of the funding of the Union referred to in Article 4 of Regulation (EU) 2020/672 for each instalment plus any fees, costs and expenses of the Union resulting from any funding related to the loan granted under paragraph 1 of this Article.
6. The Commission shall decide on the size and release of instalments, as well as on the size of the tranches.

Article 3

Lithuania may finance the following measures:

- (a) wage subsidies during and after time without work, as provided for in Article 41 of 'Law on Employment No XII-2470';
- (b) benefits to the self-employed, as provided for in Article 5-1 of 'Law on Employment No XII-2470';
- (c) benefits to the self-employed engaged in agriculture, as provided for in Article 5-2 of 'Law on Employment No XII-2470'.

Article 4

Lithuania shall inform the Commission by 30 March 2021, and every six months thereafter of the implementation of the planned public expenditure until that planned public expenditure has been fully implemented.

Article 5

This Decision is addressed to the Republic of Lithuania.

This Decision shall take effect on the date of its notification to the addressee.

Article 6

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels, 25 September 2020.

For the Council
The President
M. ROTH

COUNCIL IMPLEMENTING DECISION (EU) 2020/1351**of 25 September 2020****granting temporary support under Regulation (EU) 2020/672 to the Republic of Latvia to mitigate unemployment risks in the emergency following the COVID-19 outbreak**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) 2020/672 of 19 May 2020 on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak ⁽¹⁾, and in particular Article 6(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) On 7 August 2020, Latvia requested financial assistance from the Union with a view to complementing its national efforts to address the impact of the COVID-19 outbreak and respond to the socio-economic consequences of the outbreak for workers and the self-employed.
- (2) The COVID-19 outbreak and the extraordinary measures implemented by Latvia to contain the outbreak and its socio-economic and health-related impact are expected to have a dramatic impact on public finances. According to the Commission's 2020 Spring forecast, Latvia was expected to have a general government deficit and debt of 7,3 % and 43,1 % of gross domestic product (GDP) respectively by the end of 2020. According to the Commission's 2020 Summer interim forecast, Latvia's GDP is projected to decrease by 7 % in 2020.
- (3) The COVID-19 outbreak has immobilised a substantial part of the labour force in Latvia. This has led to a sudden and severe increase in public expenditure in Latvia in respect of the scheme for the compensation of idle time for workers and the related support schemes – the downtime allowance and the workers' bonus for children, a scheme for wage subsidies for the export industry, and wage support payments for medical professionals and those employed by the cultural industry – as well as health-related expenditure on protective personal equipment and COVID-19 related sickness benefits, as set out in recitals (4) to (7).
- (4) 'Cabinet Regulations No 179 (Adopted 31 March 2020) "Regulations Regarding the Allowance for Idle Time for the Self-employed Persons Affected by the Spread of COVID-19" and No 165 (Adopted 26 March 2020) "Regulations Regarding the Employers Affected by the Crisis Caused by COVID-19 which are Eligible for the Allowance for Idle Time and Division of the Payment for Late Tax Payments in Instalments or Deferral Thereof for up to Three Years"', which are referred to in Latvia's request of 7 August 2020, introduced a scheme for the compensation of idle time for workers. The scheme pays wages to employees of private sector companies who have been furloughed. It covers between 50 % and 75 % of employees' salaries, depending on the size of the business, with a cap of EUR 700 per employee per month. Attached to the scheme for the compensation of idle time for workers are the related downtime allowance scheme and workers' bonus for children. On the basis of 'Cabinet Regulation No 236 "Regulations Regarding the Assistance Allowance for Idle Time for Employed or Self-employed Persons Who have been Affected by the Spread of COVID-19"', which is referred to in Latvia's request of 7 August 2020, the downtime allowance scheme provides a minimum benefit to furloughed employees or self-employed persons who either do not qualify for support under the scheme for the compensation of idle time for workers due to reasons unrelated to them, or receive less than EUR 180 from it. The benefit ensures a minimum level of support is provided, ensuring that all employees or self-employed persons receive a benefit of no less than EUR 180 per month.

The bonus for children scheme provides additional support to furloughed employees who have dependent children. The measure can be considered to be a similar measure to short-time work schemes, as referred to in Regulation (EU) 2020/672, as it provides income support to employees and the self-employed, which will help to cover the costs of childcare during school closures and therefore help parents to continue working, preventing putting the employment relationship at risk.

⁽¹⁾ OJ L 159, 20.5.2020, p. 1.

- (5) The 'Information report on measures to overcome the COVID-19 crisis and economic recovery' has established a scheme for wage subsidies for the tourism and export industries, which is a continuation of the scheme for the compensation of idle time for workers aimed specifically at tourism and exporting industries. The measure is dependent on the recipient proving that the resources will be used to cover salary costs.
- (6) The authorities have introduced two wage support payments targeted at medical professionals and those employed by the cultural industry. On the basis of the 'Law On Measures for the Prevention and Suppression of Threat to the State and Its Consequences Due to the Spread of COVID-19', the 'Law on the Suppression of Consequences of the Spread of COVID-19 Infection' and 'Cabinet Order No 303 "On the Allocation of Financial Resources from the State Budget Program 'Contingency Funds'" respectively, which are referred to in Latvia's request of 7 August 2020, the wage support payments provide grants to the medical and cultural industries in order to support the payment of wages whilst workers are furloughed. Both schemes are conditional on the grants being used to cover salary costs.
- (7) Finally, Latvia has introduced two health-related measures. On the basis of 'Cabinet Orders No. 79, 118 and 220 "On Allocation of Financial Resources from the State Budget Program 'funds for emergencies'"', which are referred to in Latvia's request of 7 August 2020, the authorities have increased health-related expenditure on personal protective equipment and other medical supplies to ensure the health and safety of public sector employees, in particular, healthcare workers. Additionally, on the basis of '09.06.2020. Cabinet Regulation No 380 "Regulations on the resources for ensuring epidemiological safety necessary for institutions included in the list of priority institutions and needs"', which is referred to in Latvia's request of 7 August 2020, the government authorities have paid COVID-19 related sickness benefits, whereby the government authorities paid the sick leave support to people who had to miss work due to a requirement to self-isolate or self-quarantine. Normally, part of the sickness benefit would have to be paid by the employer, whereas under this scheme the State paid the entire cost.
- (8) Latvia fulfils the conditions for requesting financial assistance set out in Article 3 of Regulation (EU) 2020/672. Latvia has provided the Commission with appropriate evidence that the actual and planned public expenditure has increased by EUR 212 808 280 as of 1 February 2020 due to the increased amount directly related to the scheme for the compensation of idle time for workers and related support schemes, the scheme for wage subsidies for the export industry, medical professionals and the cultural industry. This constitutes a sudden and severe increase because the new measures cover a significant proportion of undertakings and of the labour force in Latvia. Latvia intends to finance EUR 20 108 280 of the increased amount of expenditure through its own financing.
- (9) The Commission has consulted Latvia and verified the sudden and severe increase in the actual and planned public expenditure directly related to short-time work schemes and similar measures, as well as the recourse to relevant health-related measures related to the COVID-19 outbreak, referred to in the request of 7 August 2020, in accordance with Article 6 of Regulation (EU) 2020/672.
- (10) Financial assistance should therefore be provided with a view to helping Latvia to address the socio-economic effects of the severe economic disturbance caused by the COVID-19 outbreak. The Commission should take the decisions concerning maturities, size and release of instalments and tranches in close cooperation with national authorities.
- (11) This Decision should be without prejudice to the outcome of any procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty. It does not override the requirement for Member States to notify instances of potential State aid to the Commission under Article 108 of the Treaty.
- (12) Latvia should inform the Commission on a regular basis of the implementation of the planned public expenditure, in order to enable the Commission to assess the extent to which Latvia has implemented that expenditure.
- (13) The decision to provide financial assistance has been reached taking into account existing and expected needs of Latvia, as well as requests for financial assistance pursuant to Regulation (EU) 2020/672 already submitted or planned to be submitted by other Member States, while applying the principles of equal treatment, solidarity, proportionality and transparency,

HAS ADOPTED THIS DECISION:

Article 1

Latvia fulfils the conditions set out in Article 3 of Regulation (EU) 2020/672.

Article 2

1. The Union shall make available to Latvia a loan amounting to a maximum of EUR 192 700 000. The loan shall have a maximum average maturity of 15 years.
2. The availability period for financial assistance granted by this Decision shall be 18 months starting from the first day after this Decision has taken effect.
3. The Union financial assistance shall be made available by the Commission to Latvia in a maximum of eight instalments. An instalment may be disbursed in one or several tranches. The maturities of the tranches under the first instalment may be longer than the maximum average maturity referred to in paragraph 1. In such cases, the maturities of further tranches shall be set so that the maximum average maturity referred to in paragraph 1 is respected once all instalments have been disbursed.
4. The first instalment shall be released subject to the entry into force of the loan agreement provided for in Article 8(2) of Regulation (EU) 2020/672.
5. Latvia shall pay the cost of the funding of the Union referred to in Article 4 of Regulation (EU) 2020/672 for each instalment plus any fees, costs and expenses of the Union resulting from any funding related to the loan granted under paragraph 1 of this Article.
6. The Commission shall decide on the size and release of instalments, as well as on the size of the tranches.

Article 3

Latvia may finance the following measures:

- (a) the scheme for the compensation of idle time for workers, as provided for in 'Cabinet Regulations No 179 (Adopted 31 March 2020) "Regulations Regarding the Allowance for Idle Time for the Self-employed Persons Affected by the Spread of COVID-19" and No 165 (Adopted 26 March 2020) "Regulations Regarding the Employers Affected by the Crisis Caused by COVID-19 which are Eligible for the Allowance for Idle Time and Division of the Payment for Late Tax Payments in Instalments or Deferral Thereof for up to Three Years";
- (b) the downtime allowance, as provided for on the basis of 'Cabinet Regulation No 236 "Regulations Regarding the Assistance Allowance for Idle Time for Employed or Self-employed Persons Who have been Affected by the Spread of COVID-19";
- (c) the workers' bonus for children, as provided for in 'Cabinet Order No 178 "On the Allocation of Financial Resources to the State Budget Program 'Funds for National emergencies";
- (d) the scheme for wage subsidies for the tourism and export industries, as provided for in 'Information report on measures to overcome the Covid-19 crisis and economic recovery';
- (e) wage support payments for medical professionals and those employed by the cultural industry, as provided for in the 'Law On Measures for the Prevention and Suppression of Threat to the State and Its Consequences Due to the Spread of COVID-19', the 'Law on the Suppression of Consequences of the Spread of COVID-19 Infection' and 'Cabinet Order No 303 "On the Allocation of Financial Resources from the State Budget Program 'Contingency Funds"', respectively;
- (f) health related expenditure on protective personal equipment, as provided for in 'Cabinet Orders No 79, 118 and 220 "On Allocation of Financial Resources from the State Budget Program 'funds for emergencies";
- (g) COVID-19 related sickness benefits, as provided for in '09.06.2020. Cabinet Regulation No 380 from June 9, 2020 "Regulations on the resources for ensuring epidemiological safety necessary for institutions included in the list of priority institutions and needs".

Article 4

Latvia shall inform the Commission by 30 March 2021, and every six months thereafter of the implementation of the planned public expenditure until that planned public expenditure has been fully implemented.

Article 5

This Decision is addressed to the Republic of Latvia.

This Decision shall take effect on the date of its notification to the addressee.

Article 6

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels, 25 September 2020.

For the Council
The President
M. ROTH

COUNCIL IMPLEMENTING DECISION (EU) 2020/1352
of 25 September 2020
granting temporary support under Regulation (EU) 2020/672
to the Republic of Malta to mitigate unemployment risks in the emergency
following the COVID-19 outbreak

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) 2020/672 of 19 May 2020 on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak ⁽¹⁾, and in particular Article 6(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) On 7 August 2020, Malta requested financial assistance from the Union with a view to complementing its national efforts to address the impact of the COVID-19 outbreak and respond to the socioeconomic consequences of the outbreak for workers and the self-employed.
- (2) The COVID-19 outbreak and the extraordinary measures implemented by Malta to contain the outbreak and its socioeconomic and health-related impact are expected to have a dramatic impact on public finances. According to the Commission's 2020 Spring forecast, Malta was expected to have a general government deficit and debt of 6,7 % and 50,7 % of gross domestic product (GDP) respectively by the end of 2020. According to the Commission's 2020 Summer interim forecast, Malta's GDP is projected to decrease by 6,0 % in 2020.
- (3) The COVID-19 outbreak has immobilised a substantial part of the labour force in Malta. This has led to a sudden and severe increase in public expenditure in Malta in respect of a wage supplement measure, a disability benefit measure, a parent benefit measure and in support of public health measures for a medical benefit measure, as set out in recitals (4) to (7).
- (4) 'Malta Enterprise Act (Chap. 463 of the Laws of Malta)/'L-Att dwar il-Korporazzjoni għall-Intrapriża ta' Malta (Kap. 463 tal-Liġijiet ta' Malta)' and 'Government Notice No 389 of 13 April 2020'/Notifikazzjoni tal-Gvern Nru 389 tat-13 ta' April 2020', which are referred to in Malta's request of 7 August 2020, introduced a COVID-19 wage supplement, which covers employees and the self-employed, to address the disruption caused by the pandemic. Full-time employees working in the sectors hardest hit by the crisis listed in Annex A, referred to in the Government Notice (e.g. the hospitality sector) are eligible for wage support of EUR 800 per month. In less affected sectors listed in Annex B, referred to in the Government Notice, full-time employees may receive EUR 160 per month. In July 2020, the scheme was extended until September 2020 and the list of sectors included in the two annexes was revised. Sectors previously supported under the scheme but not included in the updated Annex A or B will be assisted with a wage supplement of EUR 600 for full-time employees.
- (5) 'Government Notice No 331 of 25 March 2020'/Notifikazzjoni tal-Gvern Nru 331 tal-25 ta' Marzu 2020', which is referred to in Malta's request of 7 August 2020, introduced a COVID-19 disability benefit enabling persons with disabilities working in the private sector to stay at home for health and safety reasons, whilst maintaining their contract with their employer. This benefit amounts to EUR 166,15 per week if working full-time.

⁽¹⁾ OJ L 159, 20.5.2020, p. 1.

- (6) On the basis of 'Government Notice No 330 of 25 March 2020'/'Notifikazzjoni tal-Gvern Nru 330 tal-25 ta' Marzu 2020', which is referred to in Malta's request of 7 August 2020, a COVID-19 parent benefit scheme, provides a benefit to parents working in the private sector who are required to stay at home to take care of school-aged children. The benefit is provided on condition that the parent cannot carry out his or her functions through teleworking arrangements. Full-time employees are eligible to receive a weekly direct payment of EUR 166,15.
- (7) Finally, 'Government Notice No 353 of 30 March 2020'/'Notifikazzjoni tal-Gvern Nru 353 tat-30 ta' Marzu 2020', which is referred to in Malta's request of 7 August 2020, introduces a COVID-19 medical benefit measure, from 27 March 2020, for persons employed in the private sector who have not been able to leave their home to go to work because they have been ordered to stay at home. Eligible persons are persons who are not able to work from home and are not paid by their employer during their absence from work. Eligible persons receive a weekly direct payment of EUR 166,15.
- (8) Malta fulfils the conditions for requesting financial assistance set out in Article 3 of Regulation (EU) 2020/672. Malta has provided the Commission with appropriate evidence that the actual and planned public expenditure has increased by EUR 243 632 000 as of 1 February 2020 due to the increased amount directly related to the COVID-19 wage supplement, COVID-19 disability benefit and COVID-19 parent benefit. This constitutes a sudden and severe increase because the new measures cover a significant proportion of undertakings and of the labour force in Malta.
- (9) The Commission has consulted Malta and verified the sudden and severe increase in the actual and planned public expenditure directly related to short-time work schemes and similar measures, as well as the recourse to relevant health-related measures related to the COVID-19 outbreak, referred to in the request of 7 August 2020, in accordance with Article 6 of Regulation (EU) 2020/672.
- (10) Financial assistance should therefore be provided with a view to helping Malta to address the socioeconomic effects of the severe economic disturbance caused by the COVID-19 outbreak. The Commission should take the decisions concerning maturities, size and release of instalments and tranches in close cooperation with national authorities.
- (11) This Decision should be without prejudice to the outcome of any procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty. It does not override the requirement for Member States to notify instances of potential State aid to the Commission under Article 108 of the Treaty.
- (12) Malta should inform the Commission on a regular basis of the implementation of the planned public expenditure, in order to enable the Commission to assess the extent to which Malta has implemented that expenditure.
- (13) The decision to provide financial assistance has been reached taking into account existing and expected needs of Malta, as well as requests for financial assistance pursuant to Regulation (EU) 2020/672 already submitted or planned to be submitted by other Member States, while applying the principles of equal treatment, solidarity, proportionality and transparency,

HAS ADOPTED THIS DECISION:

Article 1

Malta fulfils the conditions set out in Article 3 of Regulation (EU) 2020/672.

Article 2

1. The Union shall make available to Malta a loan amounting to a maximum of EUR 243 632 000. The loan shall have a maximum average maturity of 15 years.
2. The availability period for financial assistance granted by this Decision shall be 18 months starting from the first day after this Decision has taken effect.

3. The Union financial assistance shall be made available by the Commission to Malta in a maximum of eight instalments. An instalment may be disbursed in one or several tranches. The maturities of the tranches under the first instalment may be longer than the maximum average maturity referred to in paragraph 1. In such cases, the maturities of further tranches shall be set so that the maximum average maturity referred to in paragraph 1 is respected once all instalments have been disbursed.
4. The first instalment shall be released subject to the entry into force of the loan agreement provided for in Article 8(2) of Regulation (EU) 2020/672.
5. Malta shall pay the cost of the funding of the Union referred to in Article 4 of Regulation (EU) 2020/672 for each instalment plus any fees, costs and expenses of the Union resulting from any funding related to the loan granted under paragraph 1 of this Article.
6. The Commission shall decide on the size and release of instalments, as well as on the size of the tranches.

Article 3

Malta may finance the following measures:

- (a) the COVID-19 wage supplement, as provided for in 'Malta Enterprise Act (Chap. 463 of the Laws of Malta)/'L-Att dwar il-Korporazzjoni għall-Intrapriża ta' Malta (Kap. 463 tal-Liġijiet ta' Malta)' and 'Government Notice No 389 of 13 April 2020/'Notifikazzjoni tal-Gvern Nru 389 tat-13 ta' April 2020';
- (b) the COVID-19 disability benefit, as provided for in 'Government Notice No 331 of 25 March 2020/'Notifikazzjoni tal-Gvern Nru 331 tal-25 ta' Marzu 2020';
- (c) the COVID-19 parent benefit, as provided for in 'Government Notice No 330 of 25 March 2020/'Notifikazzjoni tal-Gvern Nru 330 tal-25 ta' Marzu 2020';
- (d) the COVID-19 medical benefit, as provided for in 'Government Notice No 353 of 30 March 2020/'Notifikazzjoni tal-Gvern Nru 353 tat-30 ta' Marzu 2020'.

Article 4

Malta shall inform the Commission by 30 March 2021, and every six months thereafter of the implementation of the planned public expenditure until that planned public expenditure has been fully implemented.

Article 5

This Decision is addressed to the Republic of Malta.

This Decision shall take effect on the date of its notification to the addressee.

Article 6

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels, 25 September 2020.

For the Council
The President
M. ROTH

COUNCIL IMPLEMENTING DECISION (EU) 2020/1353**of 25 September 2020****granting temporary support under Regulation (EU) 2020/672 to the Republic of Poland to mitigate unemployment risks in the emergency following the COVID-19 outbreak**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) 2020/672 of 19 May 2020 on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak ⁽¹⁾, and in particular Article 6(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) On 6 August 2020, Poland requested financial assistance from the Union with a view to complementing its national efforts to address the impact of the COVID-19 outbreak and respond to the socioeconomic consequences of the outbreak for workers and the self-employed.
- (2) The COVID-19 outbreak and the extraordinary measures implemented by Poland to contain the outbreak and its socioeconomic and health-related impact are expected to have a dramatic impact on public finances. According to the Commission's 2020 Spring forecast, Poland was expected to have a general government deficit and debt of 9,5 % and 58,5 % of gross domestic product (GDP) respectively by the end of 2020. According to the Commission's 2020 Summer interim forecast, Poland's GDP is projected to decrease by 4,6 % in 2020.
- (3) The COVID-19 outbreak has immobilised a substantial part of the labour force in Poland. This has led to a sudden and severe increase in public expenditure in Poland in respect of a reduction in social security contributions for the self-employed, all social cooperatives (regardless of the number of employees) and companies employing up to 50 people, a downtime benefit for the self-employed and those working on civil law contracts, subsidies towards salaries and social security contributions, subsidies to the self-employed without employees and loans convertible into subsidies granted to the self-employed, micro-companies and non-government organisations, as set out in recitals (4) to (8).
- (4) More specifically, the 'Act of 2 March 2020 on specific solutions related to the prevention, counteraction and eradication of COVID-19, other infectious diseases and crisis situations caused by them' ⁽²⁾, which is referred to in Poland's request of 6 August 2020, introduced a temporary reduction in social security contributions for the self-employed, all social cooperatives (regardless of the number of employees) and companies employing up to 50 people to protect workplaces in response to the COVID-19 outbreak. The reduction applied for the period between March and May 2020. Those employing up to 10 people and, in most cases, self-employed persons, and all social cooperatives (regardless of the number of employees), could benefit from a full reduction, while for the entities employing between 10 and 50 people, the reduction amounted to 50 %. The temporary reduction in social security contributions can be considered to be a similar measure to short-time work schemes, as referred to in Regulation (EU) 2020/672, as it aims at protecting the self-employed from a reduction in or loss of income and, in the case of companies employing up to 50 people and all social cooperatives, it supports those employed by the companies provided that they remain employed until the end of the measure. The temporary reduction in social security contributions results in foregone revenues for the Government, which for the purpose of the implementation of Regulation 2020/672 can be considered equivalent to public expenditure.
- (5) Furthermore, the authorities have introduced a downtime benefit for the self-employed and those working under civil law contracts who have experienced a reduction in revenue due to the crisis. The measure consists of a lump sum benefit for the self-employed (50 % or 80 % of the minimum wage – depending on the decrease in revenue) and those working under non-standard labour contracts (up to 80 % of the minimum wage) to compensate them for a fall in revenue.

⁽¹⁾ OJ L 159, 20.5.2020, p. 1.

⁽²⁾ Dz.U. 2020 poz. 374, as amended.

- (6) Subsidies towards salaries and social security contributions have been introduced, conditional on a decrease in turnover due to the crisis. Independently of their size, undertakings can ask for temporary co-financing of their costs for salaries and social security contributions. The subsidies towards salaries and social security contributions can be considered to be a similar measure to short-time work schemes, as referred to in Regulation (EU) 2020/672, as concerns expenditure incurred by companies and other entities that use short-time work or voluntarily reduce working time, or, when the employees were continuously in employment until the latest available outturn data, as it requires that companies maintain employment, either during the period of reduced working time or up until the latest available outturn data.
- (7) Subsidies to the self-employed without employees have been introduced by the authorities. The subsidies provide temporary co-financing of a part of the costs of running a business incurred by natural persons without employees. The amount depends on the decrease in turnover and amounts to between 50 % and 90 % of the minimum salary.
- (8) Finally, the authorities have introduced a measure that provides loans that are convertible into grants to the self-employed, micro-companies and non-governmental organisations. The measure provides micro-loans of up to PLN 5 000. The loans may be converted into grants if the beneficiary continues operations for three months after the loan is paid. In order to meet the requirement of being public expenditure, only expenditure relating to loans being converted into grants should be supported under Regulation (EU) 2020/672.
- (9) Poland fulfils the conditions for requesting financial assistance set out in Article 3 of Regulation (EU) 2020/672. Poland has provided the Commission with appropriate evidence that the actual and planned public expenditure has increased by EUR 11 668 118 894 as of 1 February 2020 due to the national measures taken to address the socioeconomic effects of the COVID-19 outbreak. This constitutes a sudden and severe increase because it is related to both new measures and an extension of existing measures covering a significant proportion of undertakings and of the labour force in Poland.
- (10) The Commission has consulted Poland and verified the sudden and severe increase in the actual and planned public expenditure directly related to short-time work schemes and similar measures, in accordance with Article 6 of Regulation (EU) 2020/672.
- (11) Financial assistance should therefore be provided with a view to helping Poland to address the socioeconomic effects of the severe economic disturbance caused by the COVID-19 outbreak. The Commission should take the decisions concerning maturities, size and release of instalments and tranches in close cooperation with national authorities.
- (12) This Decision should be without prejudice to the outcome of any procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty. It does not override the requirement for Member States to notify instances of potential State aid to the Commission under Article 108 of the Treaty.
- (13) Poland should inform the Commission on a regular basis of the implementation of the planned public expenditure, in order to enable the Commission to assess the extent to which Poland has implemented that expenditure.
- (14) The decision to provide financial assistance has been reached taking into account existing and expected needs of Poland, as well as requests for financial assistance pursuant to Regulation (EU) 2020/672 already submitted or planned to be submitted by other Member States, while applying the principles of equal treatment, solidarity, proportionality and transparency. In particular, the amount of the loan has been established to ensure compliance with the prudential rules applicable to the portfolio of loans as specified in Regulation (EU) 2020/672,

HAS ADOPTED THIS DECISION:

Article 1

Poland fulfils the conditions set out in Article 3 of Regulation (EU) 2020/672.

Article 2

1. The Union shall make available to Poland a loan amounting to a maximum of EUR 11 236 693 087. The loan shall have a maximum average maturity of 15 years.
2. The availability period for financial assistance granted by this Decision shall be 18 months starting from the first day after this Decision has taken effect.
3. The Union financial assistance shall be made available by the Commission to Poland in a maximum of ten instalments. An instalment may be disbursed in one or several tranches. The maturities of the tranches under the first instalment may be longer than the maximum average maturity referred to in paragraph 1. In such cases, the maturities of further tranches shall be set so that the maximum average maturity referred to in paragraph 1 is respected once all instalments have been disbursed.
4. The first instalment shall be released subject to the entry into force of the loan agreement provided for in Article 8(2) of Regulation (EU) 2020/672.
5. Poland shall pay the cost of the funding of the Union referred to in Article 4 of Regulation (EU) 2020/672 for each instalment plus any fees, costs and expenses of the Union resulting from any funding related to the loan granted under paragraph 1 of this Article.
6. The Commission shall decide on the size and release of instalments, as well as on the size of the tranches.

Article 3

Poland may finance the following measures:

- (a) a reduction in social security contributions, as provided for in Art. 31zo of the 'Act of 2 March 2020 on specific solutions related to the prevention, counteraction and eradication of COVID-19, other infectious diseases and crisis situations caused by them', for the part of expenditure related to the support of self-employed persons, all social cooperatives (regardless of the number of employees) and, for companies employing up to 50 people, the part of expenditure in respect of employees who were continuously in employment;
- (b) a downtime benefit for self-employed persons and those working under civil law contracts, as provided for in Art. 15zq and 15zua of the 'Act of 2 March 2020 on specific solutions related to the prevention, counteraction and eradication of COVID-19, other infectious diseases and crisis situations caused by them';
- (c) subsidies towards salaries and social security contributions of companies and other entities that use short-time work or voluntarily reduce working time or when the employees were continuously in employment, as provided for in Art. 15g, 15ga, 15gg, 15zzb, 15zze, 15zze² of the 'Act of 2 March 2020 on specific solutions related to the prevention, counteraction and eradication of COVID-19, other infectious diseases and crisis situations caused by them';
- (d) subsidies to self-employed persons without employees as provided for in Art. 15zzc of the 'Act of 2 March 2020 on specific solutions related to the prevention, counteraction and eradication of COVID-19, other infectious diseases and crisis situations caused by them';
- (e) loans convertible into subsidies granted to self-employed persons, micro-companies and non-government organisations, for the amount actually converted into grants, as provided for in Art. 15zzd and Art. 15zzda of the 'Act of 2 March 2020 on specific solutions related to the prevention, counteraction and eradication of COVID-19, other infectious diseases and crisis situations caused by them'.

Article 4

Poland shall inform the Commission by 30 March 2021, and every six months thereafter of the implementation of the planned public expenditure until that planned public expenditure has been fully implemented.

Article 5

This Decision is addressed to the Republic of Poland.

This Decision shall take effect on the date of its notification to the addressee.

Article 6

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels, 25 September 2020.

For the Council
The President
M. ROTH

COUNCIL IMPLEMENTING DECISION (EU) 2020/1354**of 25 September 2020****granting temporary support under Regulation (EU) 2020/672 to the Portuguese Republic to mitigate unemployment risks in the emergency following the COVID-19 outbreak**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) 2020/672 of 19 May 2020 on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak ⁽¹⁾, and in particular Article 6(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) On 11 August 2020, Portugal requested financial assistance from the Union with a view to complementing its national efforts to address the impact of the COVID-19 outbreak and respond to the socioeconomic consequences of the outbreak for workers and the self-employed.
- (2) The COVID-19 outbreak and the extraordinary measures implemented by Portugal to contain the outbreak and its socioeconomic and health-related impact are expected to have a dramatic impact on public finances. According to the Commission's 2020 Spring forecast, Portugal was expected to have a general government deficit and debt of 6,5 % and 131,6 % of gross domestic product (GDP) respectively by the end of 2020. According to the Commission's 2020 Summer interim forecast, Portugal's GDP is projected to decrease by 9,8 % in 2020.
- (3) The COVID-19 outbreak has immobilised a substantial part of the labour force in Portugal. This has led to a sudden and severe increase in public expenditure in Portugal in respect of short-time work schemes and similar measures, as well as the recourse to relevant health-related measures related to the COVID-19 outbreak, as set out in recitals (4) to (17).
- (4) 'Law No 7/2009 of 12 February', which is referred to in Portugal's request of 11 August 2020, introduces a measure to support the maintenance of employment contracts through the temporary interruption of work or reduction of normal working time enshrined in Portugal's Labour Code. The measure provides a benefit to eligible firms to cover 70 % of the employees' compensation, with employees' compensation equalling two-thirds of their normal gross salary. This two-thirds correction is subject to a lower limit equal to the national minimum salary and an upper limit equal to three times the national minimum salary. Eligible firms must have suspended their business activity or be experiencing significant revenue losses.
- (5) 'Decree-Law No 10-G/2020 of 26 March' and 'Decree-Law No 27-B/2020 of 19 June', which are referred to in Portugal's request of 11 August 2020, have been the basis for the introduction of a number of measures to address the impact of the COVID-19 outbreak. This includes the new and simplified special support for the maintenance of employment contracts through the temporary interruption of work or reduction of normal working time. This measure is similar to the measure referred to in recital (4) but has simplified procedures to allow swifter access to funds. The measure provides a benefit to eligible firms to cover 70 % of the employees' compensation, with employees' compensation equalling two-thirds of their normal gross salary, as well as the exemption from the employer's social security contributions. This two-thirds correction is subject to a lower limit equal to the national minimum salary and an upper limit equal to three times the national minimum salary. Eligible firms must have suspended their business activity or experienced revenue losses of at least 40 % in the period of 30 days preceding the request for support, compared with the same month of the previous year or with the monthly average of the two months prior to that period. The measure has been extended a number of times, including by revising the calculation of employees' compensation to four-fifths of their normal gross salary and introducing the phasing-out of relief for social security contributions of benefitting firms. Since the relief of social security contributions constitutes forgone revenue for the government, for the purposes of Regulation (EU) 2020/672, it can be considered to be equivalent to public expenditure.

⁽¹⁾ OJ L 159, 20.5.2020, p. 1.

- (6) In cases where firms are in crisis due to the COVID-19 outbreak, are benefitting from measures referred to in recital 4 or 5 and have a training programme approved by national public employment and training services, under the special vocational programmes, employees and companies can receive a training allowance to cover income replacement, as well as the linked costs for training, to take place during working hours as an alternative to reducing working time.
- (7) Furthermore, the authorities have introduced a special support measure for firms for the resumption of business activity. In order to facilitate the transition back to work and facilitate the retention of jobs, firms whose employees benefited from the measures referred to in recital 4 or 5 may receive a benefit equal to either the national minimum salary per relevant employee paid in one single instalment, or to twice the national minimum salary per such employee paid in a phased manner over six months. When support is provided in a phased manner, firms are also to benefit from a partial exemption of 50 % from the respective employer's social security contributions with reference to the relevant employees.
- (8) Finally, under 'Decree-Law No 27-B/2020 of 19 June' and 'Decree-Law No 58-A/2020 of 14 August', the authorities have introduced an income stabilisation supplement for employees benefitting from measures referred to in recital 4 or 5. Eligible employees are those whose gross salary with reference to February 2020 did not exceed twice the national minimum salary. The employees receive a benefit equal to the difference between the gross salary of February 2020 and that of the period in which the employee was covered by one of the two above-mentioned support schemes, with a lower limit of EUR 100 and an upper limit of EUR 351.
- (9) 'Decree-Law No 10-A/2020 of 13 March' and 'Law No 2/2020 of 31 March' ⁽²⁾ which are referred to in Portugal's request of 11 August 2020, introduce a special support measure for the self-employed, informal workers and managing partners. The measure provides a monthly benefit equal to either the individual's registered income, with an upper limit of EUR 438,81 when the income is lower than EUR 658,21, or to two-thirds of the individual's registered income with an upper limit of EUR 438,81 when the income is greater than EUR 658,21. An initial lower limit equal to EUR 219,41 was applied on the overall amount of monthly support between 13 March and 30 June 2020. Eligible persons are the individuals suspending their business activity or experiencing revenue losses of at least 40 % in the period of 30 days preceding the request for support, compared with the same month of the previous year or with the monthly average of the two months prior to that period.
- (10) 'Decree-Law No 10-A/2020 of 13 March', which is referred to in Portugal's request of 11 August 2020, introduces a family allowance for employees prevented from working due to the need to assist their children under 12 years of age or other dependants. The measure provides a benefit covering 50 % of the employees' compensation. As a rule, employees' compensation corresponds to two-thirds of the normal gross salary, with a lower limit equal to the national minimum salary and an upper limit equal to three times the national minimum salary. This measure can be considered to be a similar measure to short-time work schemes, as referred to in Regulation (EU) 2020/672, as it provides income support to employees, which will help to cover the costs of childcare during school closures and therefore help parents to continue working, preventing putting the employment relation at risk.
- (11) 'Government Order No 3485-C/2020 of 17 March', 'Government Order No 4395/2020 of 10 April' and 'Government Order No 5897-B/2020 of 28 May', which are referred to in Portugal's request of 11 August 2020, introduce a special support measure for the maintenance of trainers' employment contracts in the light of the cancellation of vocational trainings. Public support consists of a benefit covering the trainers' salary even if the vocational training does not take place.
- (12) 'Resolution of the Council of the Regional Government of the Azores No 97/2020 of 8 April', 'Resolution of the Council of the Regional Government of the Azores No 120/2020 of 28 April', 'Resolution of the Council of the Regional Government of the Azores No 128/2020 of 5 May', 'Resolution of the Council of the Regional Government of the Azores No 129/2020 of 5 May', 'Resolution of the Council of the Regional Government of the Azores No 195/2020 of 15 July', 'Resolution of the Council of the Regional Government of the Azores No 196/2020 of 15 July' and 'Resolution of the Council of the Regional Government of the Azores No 200/2020 of 17 July', which are referred to in Portugal's request of 11 August 2020, introduce a number of regional

⁽²⁾ As amended by Law 27-A/2020 of 24 July 2020.

employment-related measures in the autonomous region of the Azores. The specific measures, including a regional top-up on nation-wide schemes, namely on short-time work, support for the self-employed and for firms with a view to the resumption of business activity, are intended to preserve employment in the Azores during the COVID-19 outbreak. Support under the measures is conditional on preserving employment contracts and maintaining business activity.

- (13) 'Resolution of the Regional Government of Madeira No 101/2020 of 13 March' and 'Ordinance No 133-B/2020 of the Vice-Presidency of the Regional Government of Madeira and of the Regional Secretariat for Social Inclusion and Citizenship of 22 April', which are referred to in Portugal's request of 11 August 2020, introduce a number of regional employment-related measures in the autonomous region of Madeira. The specific measures, including a regional top-up on nation-wide schemes, namely on short-time work, support for the self-employed and for firms with a view to the resumption of business activity, are intended to preserve employment in Madeira during the COVID-19 outbreak. Support under the measures is conditional on preserving employment contracts and maintaining business activity.
- (14) 'Decree-Law No 10-A/2020 of 13 March' and 'Law No 2/2020 of 31 March' ⁽³⁾, which are referred to in Portugal's request of 11 August 2020, provide for an allowance for employees and self-employed persons who are temporarily prevented from exercising their professional activity due to being in prophylactic isolation. Such workers are entitled to an allowance equal to their base salary. Those legal acts also introduce a sickness allowance owing to the contraction of COVID-19. Compared with Portugal's standard sickness allowance scheme, the granting of the COVID-19 sickness allowance is not subject to a waiting period. The public support consists of a benefit equal to the gross salary.
- (15) 'Decree-Law No 10-A/2020 of 13 March', which is referred to in Portugal's request of 11 August 2020, allows for the purchase of personal protective equipment to be used in the workplace, in particular in public hospitals, line ministries, municipalities and the autonomous regions of the Azores and Madeira as a health-related measure. Furthermore, that legal act introduces a school hygiene campaign aimed at ensuring the safe return to work of lecturers, other staff members and students.
- (16) The authorities have introduced the testing for the contraction of COVID-19 of inpatients and workers of public hospitals, as well as of employees of nursing homes and childcare facilities. The cost for testing is financed from the general budget and is, therefore, without an explicit legal base.
- (17) Finally, 'Law No 27-A/2020 of 24 July', which is referred to in Portugal's request of 11 August 2020, introduces a special compensation for workers in the National Health Service involved in fighting the COVID-19 outbreak. It consists of a performance bonus, paid only once, corresponding to an amount equal to 50 % of the employee's normal gross salary.
- (18) Portugal fulfils the conditions for requesting financial assistance set out in Article 3 of Regulation (EU) 2020/672. Portugal has provided the Commission with appropriate evidence that the actual and planned public expenditure has increased by EUR 5 934 462 488 as of 1 February 2020 due to the national measures taken to address the socioeconomic effects of the COVID-19 outbreak. The increase directly related to the measures above that are short-time work schemes or similar measures constitutes a sudden and severe increase because it is related to both new measures and an increase in demand for existing measures, which together cover a significant proportion of undertakings and of the labour force in Portugal.
- (19) The Commission has consulted Portugal and verified the sudden and severe increase in the actual and planned public expenditure directly related to short-time work schemes and similar measures, as well as the recourse to relevant health-related measures related to the COVID-19 outbreak, referred to in the request of 11 August 2020, in accordance with Article 6 of Regulation (EU) 2020/672.
- (20) Financial assistance should therefore be provided with a view to helping Portugal to address the socioeconomic effects of the severe economic disturbance caused by the COVID-19 outbreak. The Commission should take the decisions concerning maturities, size and release of instalments and tranches in close cooperation with national authorities.

⁽³⁾ As amended by Law 27-A/2020 of 24 July 2020.

- (21) This Decision should be without prejudice to the outcome of any procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty. It does not override the requirement for Member States to notify instances of potential State aid to the Commission under Article 108 of the Treaty.
- (22) Portugal should inform the Commission on a regular basis of the implementation of the planned public expenditure, in order to enable the Commission to assess the extent to which Portugal has implemented that expenditure.
- (23) The decision to provide financial assistance has been reached taking into account existing and expected needs of Portugal, as well as requests for financial assistance pursuant to Regulation (EU) 2020/672 already submitted or planned to be submitted by other Member States, while applying the principles of equal treatment, solidarity, proportionality and transparency,

HAS ADOPTED THIS DECISION:

Article 1

Portugal fulfils the conditions set out in Article 3 of Regulation (EU) 2020/672.

Article 2

- 1. The Union shall make available to Portugal a loan amounting to a maximum of EUR 5 934 462 488. The loan shall have a maximum average maturity of 15 years.
- 2. The availability period for financial assistance granted by this Decision shall be 18 months starting from the first day after this Decision has taken effect.
- 3. The Union financial assistance shall be made available by the Commission to Portugal in a maximum of eight instalments. An instalment may be disbursed in one or several tranches. The maturities of the tranches under the first instalment may be longer than the maximum average maturity referred to in paragraph 1. In such cases, the maturities of further tranches shall be set so that the maximum average maturity referred to in paragraph 1 is respected once all instalments have been disbursed.
- 4. The first instalment shall be released subject to the entry into force of the loan agreement provided for in Article 8(2) of Regulation (EU) 2020/672.
- 5. Portugal shall pay the cost of the funding of the Union referred to in Article 4 of Regulation (EU) 2020/672 for each instalment plus any fees, costs and expenses of the Union resulting from any funding related to the loan granted under paragraph 1 of this Article.
- 6. The Commission shall decide on the size and release of instalments, as well as on the size of the tranches.

Article 3

Portugal may finance the following measures:

- (a) the support for the maintenance of employment contracts through the temporary interruption of work or reduction of normal working time, as provided for in Articles 298 to 308 of 'Law No 7/2009 of 12 February';
- (b) the new and simplified special support for the maintenance of employment contracts through the temporary interruption of work or reduction of normal working time, as provided for in 'Decree-Law No 10-G/2020 of 26 March' and Article 2 of 'Decree-Law No 27-B/2020 of 19 June';
- (c) the special vocational programmes for the maintenance of employment contracts through the temporary interruption of work or reduction of normal working time, as provided for in Articles 7 to 9 of 'Decree-Law No 10-G/2020 of 26 March';
- (d) the new special support for firms for the resumption of business activity, as provided for in Article 4(1) to (7) and (10) to (12) and Article 5 of 'Decree-Law No 27-B/2020 of 19 June';

- (e) the new income stabilisation supplement for employees covered by either the support referred to in points (a), (b) and (c) for the maintenance of employment contracts through the temporary interruption of work or reduction of normal working time enshrined in Portugal's Labour Code, or the new and simplified support introduced in response to the COVID-19 pandemic as provided for in Article 3 of 'Decree-Law No 27-B/2020 of 19 June', as amended by 'Law 58-A/2020 of 14 August';
- (f) the new and progressive special support for the maintenance of employment contracts through the temporary reduction of normal working time as provided for in 'Decree-Law No 46-A/2020 of 30 July';
- (g) the new special support for the self-employed, informal workers and managing partners as provided for in Articles 26 to 28 of 'Decree-Law No 10-A/2020 of 13 March' and Article 325-G of 'Law No 2/2020 of 31 March', as amended by Article 3 of 'Law No 27-A/2020 of 24 July';
- (h) the family allowance for employees prevented from working due to the need to assist their children under 12 years of age or other dependents as provided for in Article 23 of 'Decree-Law No 10-A/2020 of 13 March';
- (i) the special support for the maintenance of trainers' employment contracts in the light of the cancellation of vocational trainings as provided for in 'Government Order No 3485-C/2020 of 17 March', 'Government Order No 4395/2020 of 10 April' and 'Government Order No 5897-B/2020 of 28 May';
- (j) the regional employment-related measures in the autonomous region of the Azores as provided for in 'Resolution of the Council of the Regional Government of the Azores No 97/2020 of 8 April', 'Resolution of the Council of the Regional Government of the Azores No 120/2020 of 28 April', 'Resolution of the Council of the Regional Government of the Azores No 128/2020 of 5 May', 'Resolution of the Council of the Regional Government of the Azores No 129/2020 of 5 May', 'Resolution of the Council of the Regional Government of the Azores No 195/2020 of 15 July', 'Resolution of the Council of the Regional Government of the Azores No 196/2020 of 15 July' and 'Resolution of the Council of the Regional Government of the Azores No 200/2020 of 17 July';
- (k) the regional employment-related measures in the autonomous region of Madeira, as provided for in 'Resolution of the Regional Government of Madeira No 101/2020 of 13 March' and 'Ordinance No 133-B/2020 of the Vice-Presidency of the Regional Government of Madeira and of the Regional Secretariat for Social Inclusion and Citizenship of 22 April';
- (l) the allowance for employees and self-employed in prophylactic isolation as provided for in Article 19 of 'Decree-Law No 10-A/2020 of 13 March' and Article 325-F of 'Law No 2/2020 of 31 March', as amended by Article 3 of 'Law No 27-A/2020 of 24 July';
- (m) the sickness allowance owing to the contraction of COVID-19 as provided for in Article 20 of 'Decree-Law No 10-A/2020 of 13 March' and Article 325-F of 'Law No 2/2020 of 31 March', as amended by Article 3 of 'Law No 27-A/2020 of 24 July';
- (n) the purchase of personal protective equipment to be used in the workplace, notably in public hospitals, line ministries, municipalities and the autonomous regions of the Azores and Madeira as provided for in Article 3 of 'Decree-Law No 10-A/2020 of 13 March';
- (o) the school hygiene campaign as provided for in Article 9 of 'Decree-Law No 10-A/2020 of 13 March';
- (p) the testing for contraction of COVID-19 of inpatients and workers of public hospitals, as well as of employees of nursing homes and childcare facilities;
- (q) the new special compensation for workers in the National Health Service involved in fighting the COVID-19 outbreak as provided for in Article 42-A of 'Law No 2/2020 of 31 March', as amended by Article 3 of 'Law No 27-A/2020 of 24 July'.

Article 4

Portugal shall inform the Commission by 30 March 2021, and every six months thereafter of the implementation of the planned public expenditure until such time as that planned public expenditure has been fully implemented.

Article 5

This Decision is addressed to the Portuguese Republic.

This Decision shall take effect on the date of its notification to the addressee.

Article 6

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels, 25 September 2020.

For the Council
The President
M. ROTH

COUNCIL IMPLEMENTING DECISION (EU) 2020/1355**of 25 September 2020****granting temporary support under Regulation (EU) 2020/672 to Romania to mitigate unemployment risks in the emergency following the COVID-19 outbreak**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) 2020/672 of 19 May 2020 on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak ⁽¹⁾, and in particular Article 6(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) On 7 August 2020, Romania requested financial assistance from the Union with a view to complementing its national efforts to address the impact of the COVID-19 outbreak and respond to the socioeconomic consequences of the outbreak for workers and the self-employed.
- (2) The COVID-19 outbreak and the extraordinary measures implemented by Romania to contain the outbreak and its socioeconomic and health-related impact are expected to have a dramatic impact on public finances. According to the Commission's 2020 Spring forecast, Romania was expected to have a general government deficit and debt of 9,2 % and 46,2 % of gross domestic product (GDP) respectively by the end of 2020. According to the Commission's 2020 Summer interim forecast, Romania's GDP is projected to decrease by 6,0 % in 2020.
- (3) The COVID-19 outbreak has immobilised a substantial part of the labour force in Romania. This has led to a sudden and severe increase in public expenditure in Romania in respect of short-time work schemes and similar measures, as well as health-related measures, as set out in recitals (4) to (11).
- (4) 'Government Emergency Ordinance 30/2020' ⁽²⁾, which is referred to in Romania's request of 7 August 2020, provides a benefit to employees of employers that reduce or temporarily interrupt their activity due to the effects of the COVID-19 outbreak. The benefit is capped at 75 % of those employees' basic salary (but no more than 75 % of the average gross salary in the economy) for the duration of the state of emergency.
- (5) 'Government Emergency Ordinance 92/2020' ⁽³⁾, which is referred to in Romania's request of 7 August 2020, introduced a benefit for persons whose employment contract was suspended for at least 15 days during the state of emergency or alert, provided that their employment relationship is maintained until 31 December 2020. The benefit amounts to 41,5 % of those employees' gross basic salary (but no more than 41,5 % of the average gross salary in the economy).
- (6) 'Government Emergency Ordinance 132/2020' ⁽⁴⁾ introduced a short-time work scheme, under which, in the event of a temporary reduction of activity caused by the state of emergency or alert, the employer has the possibility to reduce the working hours of employees by up to 50 %. During the period of working time reduction, affected employees benefit from an indemnity of 75 % of the difference between the gross salary for normal working time and their actual salary.
- (7) For the self-employed and liberal professions, two measures were introduced. For those that stopped work entirely due to the effects of the COVID-19 outbreak, the state provides a benefit of 75 % of the average gross salary ⁽⁵⁾. For those that reduce their working hours, the state provides a benefit of up to 41,5 % of the average gross salary.

⁽¹⁾ OJ L 159, 20.5.2020, p. 1.

⁽²⁾ Published in Official Monitor 231 of 21 March 2020.

⁽³⁾ Published in Official Monitor of Romania 459 of 29 May 2020.

⁽⁴⁾ Published in Official Monitor 720 of 10 August 2020.

⁽⁵⁾ As provided by 'Law No 6/2020 on State Social Insurance budget for 2020'.

- (8) For daily labourers who stop working as a result of the suspension of business activities due to the effects of the COVID-19 outbreak, the authorities introduced a measure providing a support allowance of 35 % of the due remuneration per working day, for a maximum period of three months.
- (9) 'Government Emergency Ordinance 11/2020' ⁽⁶⁾, which is referred to in Romania's request of 7 August 2020, provides a bonus for additional work for the personnel of the specialty structures of the National Public Health Institute and the county public health directorates and/or the public health directorate of Bucharest which act towards coordinating and implementing the measures of prevention and limitation of events declared global public health emergency by the WHO as a result of COVID-19 infections. The measure provides a benefit equivalent to 75 % of the basic salary for hours worked over the normal working hours and to 100 % of the basic salary for hours worked on weekends, legal holidays and other days not counted as working days. That measure can be considered to be a health-related measure, as referred to in Regulation (EU) 2020/672.
- (10) For employees of the national system of defence, penitentiaries, public health units and other categories established through ministerial orders, the authorities provided a childcare bonus. The benefit is conditional on the other parent not benefitting from alternative rights that grant days off to parents for the supervision of children in the event of the temporary closure of educational units. That measure can be considered to be a similar measure to short-time work schemes, as referred to in Regulation (EU) 2020/672, as it provides income support to employees, which will help to cover the costs of childcare during school closures and therefore help parents to continue working, preventing putting the employment relation at risk.
- (11) Finally, 'Law No 56/2020' ⁽⁷⁾, which is referred to in Romania's request of 7 August 2020, introduces a bonus in respect of particularly dangerous conditions of up to 30 % of the salary of medical personnel that participate in the medical actions against COVID-19.
- (12) Romania fulfils the conditions for requesting financial assistance set out in Article 3 of Regulation (EU) 2020/672. Romania has provided the Commission with appropriate evidence that the actual and planned public expenditure has increased by EUR 4 370 779 006 as of 1 February 2020 due to the increase in the amounts directly related to the technical unemployment benefits for employees and other categories than employees, a benefit for reinstated employees and other categories than employees, a forthcoming short-time work scheme, a support allowance to daily labourers and a childcare bonus for specific personnel. This constitutes a sudden and severe increase because it is related to new measures covering a significant proportion of undertakings and of the labour force in Romania. Romania intends to finance EUR 271 534 419 of the increased amount of expenditure through Union funds.
- (13) The Commission has consulted Romania and verified the sudden and severe increase in the actual and planned public expenditure directly related to short-time work schemes and similar measures, as well as the recourse to relevant health-related measures related to the COVID-19 outbreak, referred to in the request of 7 August 2020, in accordance with Article 6 of Regulation (EU) 2020/672.
- (14) Financial assistance should therefore be provided with a view to helping Romania to address the socioeconomic effects of the severe economic disturbance caused by the COVID-19 outbreak. The Commission should take the decisions concerning maturities, size and release of instalments and tranches in close cooperation with national authorities.
- (15) This Decision should be without prejudice to the outcome of any procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty. It does not override the requirement for Member States to notify instances of potential State aid to the Commission under Article 108 of the Treaty.
- (16) Romania should inform the Commission on a regular basis of the implementation of the planned public expenditure, in order to enable the Commission to assess the extent to which Romania has implemented that expenditure.
- (17) The decision to provide financial assistance has been reached taking into account existing and expected needs of Romania, as well as requests for financial assistance pursuant to Regulation (EU) 2020/672 already submitted or planned to be submitted by other Member States, while applying the principles of equal treatment, solidarity, proportionality and transparency,

⁽⁶⁾ Published in Official Monitor 102 of 11 February 2020.

⁽⁷⁾ Published in Official Monitor 402 of 15 May 2020.

HAS ADOPTED THIS DECISION:

Article 1

Romania fulfils the conditions set out in Article 3 of Regulation (EU) 2020/672.

Article 2

1. The Union shall make available to Romania a loan amounting to a maximum of EUR 4 099 244 587. The loan shall have a maximum average maturity of 15 years.
2. The availability period for financial assistance granted by this Decision shall be 18 months starting from the first day after this Decision has taken effect.
3. The Union financial assistance shall be made available by the Commission to Romania in a maximum of eight instalments. An instalment may be disbursed in one or several tranches. The maturities of the tranches under the first instalment may be longer than the maximum average maturity referred to in paragraph 1. In such cases, the maturities of further tranches shall be set so that the maximum average maturity referred to in paragraph 1 is respected once all instalments have been disbursed.
4. The first instalment shall be released subject to the entry into force of the loan agreement provided for in Article 8(2) of Regulation (EU) 2020/672.
5. Romania shall pay the cost of the funding of the Union referred to in Article 4 of Regulation (EU) 2020/672 for each instalment plus any fees, costs and expenses of the Union resulting from any funding related to the loan granted under paragraph 1 of this Article.
6. The Commission shall decide on the size and release of instalments, as well as on the size of the tranches.

Article 3

Romania may finance the following measures:

- (a) the technical unemployment benefit to employees of employers that reduce or temporarily interrupt their activity, as provided for in 'Government Emergency Ordinance 30/2020', Article XI;
- (b) the benefit applied for persons whose employment contract was suspended, as provided for in 'Government Emergency Ordinance 92/2020', Article I;
- (c) the short-time work scheme, as provided for in 'Government Emergency Ordinance 132/2020', Article 1;
- (d) the benefit similar to that referred to in point (a) for categories other than employees, including self-employed and liberal professions, as provided for in 'Government Emergency Ordinance 30/2020', Article XV;
- (e) the benefit provided by 'Law No 6/2020 on State Social Insurance budget for 2020' for other categories than employees, including self-employed and liberal professions, as provided for in 'Government Emergency Ordinance 132/2020', Article 3;
- (f) the support allowance to daily labourers as provided for in 'Government Emergency Ordinance 132/2020', Article 4;
- (g) the bonus in respect of additional work for the personnel of the specialty structures of the National Public Health Institute and the county public health directorates and/or the public health directorate of Bucharest, as provided for in 'Government Emergency Ordinance 11/2020', Article 8(6);
- (h) the childcare bonus granted to employees of the national system of defence, penitentiaries, public health units and other categories established through ministerial orders, as provided for in 'Government Emergency Ordinance 30/2020', Article I(6);
- (i) the bonus in respect of particularly dangerous conditions granted in recognition of the merits of medical personnel, as provided for in 'Law No 56/2020', Article 7.

Article 4

Romania shall inform the Commission by 30 March 2021, and every six months thereafter of the implementation of the planned public expenditure until that planned public expenditure has been fully implemented.

Article 5

This Decision is addressed to Romania.

This Decision shall take effect on the date of its notification to the addressee.

Article 6

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels, 25 September 2020.

For the Council
The President
M. ROTH

COUNCIL IMPLEMENTING DECISION (EU) 2020/1356**of 25 September 2020****granting temporary support under Regulation (EU) 2020/672 to the Republic of Slovenia to mitigate unemployment risks in the emergency following the COVID-19 outbreak**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) 2020/672 of 19 May 2020 on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak ⁽¹⁾, and in particular Article 6(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) On 7 August 2020, Slovenia requested financial assistance from the Union with a view to complementing its national efforts to address the impact of the COVID-19 outbreak and respond to the socioeconomic consequences of the outbreak for workers and the self-employed.
- (2) The COVID-19 outbreak and the extraordinary measures implemented by Slovenia to contain the outbreak and its socioeconomic and health-related impact are expected to have a dramatic impact on public finances. According to the Commission's 2020 Spring forecast, Slovenia was expected to have a general government deficit and debt of 7,2 % and 83,7 % of gross domestic product (GDP) respectively by the end of 2020. According to the Commission's 2020 Summer interim forecast, Slovenia's GDP is projected to decrease by 7,0 % in 2020.
- (3) The COVID-19 outbreak has immobilised a substantial part of the labour force in Slovenia. This has led to a sudden and severe increase in public expenditure in Slovenia in respect of short-time work schemes and similar measures, as set out in recitals (4) to (9).
- (4) The 'Act Determining the Intervention Measures on Salaries and Contributions (ZIUPPP)' ⁽²⁾ and the 'Act Determining the Intervention Measures to Contain the COVID-19 Epidemic and Mitigate its Consequences for Citizens and the Economy (ZIUZEOP)' ⁽³⁾, which are referred to in Slovenia's request of 7 August 2020, introduced a wage compensation scheme for employees who did not work (or waited for work) due to a temporary incapacity of the employers to provide work for business reasons, *force majeure* or quarantine. The benefit payable under the scheme is capped at 80 % of the employee's average wage in the last three months, but is not lower than the minimum wage in Slovenia, and is conditional on the retention of the employee during the employer's participation. The scheme was in force from 13 March 2020 to 31 May 2020. On the basis of the 'Act Determining the Intervention Measures to Mitigate and Remedy the Consequences of the COVID-19 Epidemic (ZIUOOPE)' ⁽⁴⁾, the scheme has since been extended with some amendments from 1 June 2020 until 31 August 2020 with a planned further extension until the end of September 2020.
- (5) An exemption from the payment of social security insurance contributions for employees benefitting from the wage compensation scheme was introduced. That scheme was in force from 13 March 2020 to 31 May 2020.
- (6) A short-time work scheme has been created that allows employers to temporarily introduce part-time work, whilst employees are paid a full-time salary. The employer receives a fixed-amount subsidy for each employee's non-worked hours, which is conditional on employee retention during the employer's participation and for one additional month. The scheme is in force from 1 June 2020 to 31 December 2020.

⁽¹⁾ OJ L 159, 20.5.2020, p. 1.

⁽²⁾ Official Gazette of RS No 36/20.

⁽³⁾ Official Gazette of RS No 49/20.

⁽⁴⁾ Official Gazette of RS No 80/20.

- (7) For employees who remained in the workplace, the authorities introduced a scheme that subsidised the payment of pension and disability insurance contributions, including contributions for professional pensions. The measure was coupled with an obligation for the employer to pay a monthly crisis allowance of EUR 200 to the working employees earning a wage below three times the minimum wage. Only the part of the expenditure related to the employees who were continuously in employment until the latest available outturn data was requested by the authorities. The measure was in force from 13 March 2020 to 31 May 2020.
- (8) A measure has been introduced that provides financing of social security contributions for self-employed persons, farmers and religious workers. The measure covers all social security insurance contributions for such beneficiaries who were insured and could not perform their economic activity, or could only perform part of that activity, during the epidemic. The measure was in force from 13 March 2020 to 31 May 2020.
- (9) Finally, a basic-income support measure for self-employed persons, farmers and religious workers was introduced that provided support of EUR 350 in March 2020 and of EUR 700 in April and May 2020 for such beneficiaries who were insured and could not perform their economic activity, or could only perform part of that activity, during the epidemic. The measure was in force from 13 March 2020 to 31 May 2020.
- (10) Slovenia fulfils the conditions for requesting financial assistance set out in Article 3 of Regulation (EU) 2020/672. Slovenia has provided the Commission with appropriate evidence that the actual and planned public expenditure has increased by EUR 1 203 670 000 as of 1 February 2020 due to the national measures taken to address the socioeconomic effects of the COVID-19 outbreak. This constitutes a sudden and severe increase because the new measures cover a significant proportion of undertakings and of the labour force in Slovenia. Slovenia intends to finance EUR 90 000 000 of the increased amount of expenditure through Union funds.
- (11) The Commission has consulted Slovenia and verified the sudden and severe increase in the actual and planned public expenditure directly related to short-time work schemes and similar measures referred to in the request of 7 August 2020, in accordance with Article 6 of Regulation (EU) 2020/672.
- (12) Financial assistance should therefore be provided with a view to helping Slovenia to address the socioeconomic effects of the severe economic disturbance caused by the COVID-19 outbreak. The Commission should take the decisions concerning maturities, size and release of instalments and tranches in close cooperation with national authorities.
- (13) This Decision should be without prejudice to the outcome of any procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty. It does not override the requirement for Member States to notify instances of potential State aid to the Commission under Article 108 of the Treaty.
- (14) Slovenia should inform the Commission on a regular basis of the implementation of the planned public expenditure, in order to enable the Commission to assess the extent to which Slovenia has implemented that expenditure.
- (15) The decision to provide financial assistance has been reached taking into account existing and expected needs of Slovenia, as well as requests for financial assistance pursuant to Regulation (EU) 2020/672 already submitted or planned to be submitted by other Member States, while applying the principles of equal treatment, solidarity, proportionality and transparency,

HAS ADOPTED THIS DECISION:

Article 1

Slovenia fulfils the conditions set out in Article 3 of Regulation (EU) 2020/672.

Article 2

1. The Union shall make available to Slovenia a loan amounting to a maximum of EUR 1 113 670 000. The loan shall have a maximum average maturity of 15 years.

2. The availability period for financial assistance granted by this Decision shall be 18 months starting from the first day after this Decision has taken effect.
3. The Union financial assistance shall be made available by the Commission to Slovenia in a maximum of eight instalments. An instalment may be disbursed in one or several tranches. The maturities of the tranches under the first instalment may be longer than the maximum average maturity referred to in paragraph 1. In such cases, the maturities of further tranches shall be set so that the maximum average maturity referred to in paragraph 1 is respected once all instalments have been disbursed.
4. The first instalment shall be released subject to the entry into force of the loan agreement provided for in Article 8(2) of Regulation (EU) 2020/672.
5. Slovenia shall pay the cost of the funding of the Union referred to in Article 4 of Regulation (EU) 2020/672 for each instalment plus any fees, costs and expenses of the Union resulting from any funding related to the loan granted under paragraph 1 of this Article.
6. The Commission shall decide on the size and release of instalments, as well as on the size of the tranches.

Article 3

Slovenia may finance the following measures:

- (a) a wage compensation scheme, as provided for in Articles 7 and 8 of the 'Act Determining the Intervention Measures on Salaries and Contributions' and Articles 21 to 32 of the 'Act Determining the Intervention Measures to Contain the COVID-19 Epidemic and Mitigate its Consequences for Citizens and the Economy', as amended, and as extended by Articles 24 to 34 of the 'Act Determining the Intervention Measures to Mitigate and Remedy the Consequences of the COVID-19 Epidemic';
- (b) an exemption from the payment of social security insurance contributions for workers benefiting from the wage compensation scheme, as provided for in Articles 21 to 32 of the 'Act Determining the Intervention Measures to Contain the COVID-19 Epidemic and Mitigate its Consequences for Citizens and the Economy';
- (c) a short-time work scheme subsidising temporary part-time employment, as provided for in Articles 11 to 23 of the 'Act Determining the Intervention Measures to Mitigate and Remedy the Consequences of the COVID-19 Epidemic';
- (d) the payment of pension and disability insurance contributions for workers and of a monthly crisis allowance, as provided for in Article 33 of the 'Act Determining the Intervention Measures to Contain the COVID-19 Epidemic and Mitigate its Consequences for Citizens and the Economy', for the part of the expenditure related to the employees who were continuously in employment until the latest available outturn data;
- (e) the financing of social security contributions for self-employed persons, farmers and religious workers, as provided for in Article 38 of the 'Act Determining the Intervention Measures to Contain the COVID-19 Epidemic and Mitigate its Consequences for Citizens and the Economy';
- (f) a basic income support measure for self-employed persons, farmers and religious workers, as provided for in Article 34 of the 'Act Determining the Intervention Measures to Contain the COVID-19 Epidemic and Mitigate its Consequences for Citizens and the Economy'.

Article 4

Slovenia shall inform the Commission by 30 March 2021, and every six months thereafter of the implementation of the planned public expenditure until that planned public expenditure has been fully implemented.

Article 5

This Decision is addressed to Republic of Slovenia.

This Decision shall take effect on the date of its notification to the addressee.

Article 6

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels, 25 September 2020.

For the Council
The President
M. ROTH

COUNCIL IMPLEMENTING DECISION (EU) 2020/1357**of 25 September 2020****granting temporary support under Regulation (EU) 2020/672 to the Slovak Republic to mitigate unemployment risks in the emergency following the COVID-19 outbreak**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) 2020/672 of 19 May 2020 on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak ⁽¹⁾, and in particular Article 6(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) On 6 August 2020, Slovakia requested financial assistance from the Union with a view to complementing its national efforts to address the impact of the COVID-19 outbreak and respond to the socioeconomic consequences of the outbreak for workers and the self-employed.
- (2) The COVID-19 outbreak and the extraordinary measures implemented by Slovakia to contain the outbreak and its socioeconomic and health-related impact are expected to have a dramatic impact on public finances. According to the Commission's 2020 Spring forecast, Slovakia was expected to have a general government deficit and debt of 8,5 % and 59,5 % of gross domestic product (GDP) respectively by the end of 2020. According to the Commission's 2020 Summer interim forecast, Slovakia's GDP is projected to decrease by 9,0 % in 2020.
- (3) The COVID-19 outbreak has immobilised a substantial part of the labour force in Slovakia. This has led to a sudden and severe increase in public expenditure in Slovakia in respect of the national short-time work scheme and similar measures, as set out in recital (4).
- (4) More specifically, 'Act No 5/2004 Coll. on Employment Services', which is referred to in Slovakia's request of 6 August 2020, has been the basis for the introduction of a number of measures to address the impact of the COVID-19 outbreak, including a scheme to support employers who temporarily furloughed employees between March 2020 and December 2021. Such employers can request a reimbursement of wage costs of up to 80 % of the usual gross salary of the employee furloughed up to a maximum of EUR 880 per month, conditional on employee retention. In addition, a number of accompanying measures were introduced: (a) a flat-rate contribution per employee from March to the end of September 2020 contingent on a decrease in sales of at least 20 % (monthly support from EUR 180 to EUR 540 depending on the sales decrease); (b) a flat-rate contribution until the end of September 2020 payable to the self-employed who have compulsory social insurance contingent on a decrease in sales of at least 20 % (monthly support from EUR 180 to EUR 540 depending on the sales decrease); (c) a reimbursement of 80 % of the employee's gross salary (up to a maximum of EUR 1 100) until the end of September 2020 for enterprises closed by decree; and (d) a flat-rate allowance of EUR 210 per month until the end of September 2020 for workers working under a contract, single-person companies and the self-employed. The flat-rate allowance can be considered to be a similar measure to short-time work schemes, as referred to in Regulation (EU) 2020/672, as it aims at protecting the self-employed or similar categories of workers from a reduction in or loss of income.
- (5) Slovakia fulfils the conditions for requesting financial assistance set out in Article 3 of Regulation (EU) 2020/672. Slovakia has provided the Commission with appropriate evidence that the actual and planned public expenditure has increased by EUR 1 077 457 000 as of 1 February 2020 due to the national measures taken to address the socioeconomic effects of the COVID-19 outbreak. This constitutes a sudden and severe increase because the new measures cover a significant proportion of undertakings and of the labour force in Slovakia. Slovakia intends to finance EUR 390 262 000 of the increased amount of expenditure through Union funds and EUR 56 311 400 through its own financing.

⁽¹⁾ OJ L 159, 20.5.2020, p. 1.

- (6) The Commission has consulted Slovakia and verified the sudden and severe increase in the actual and planned public expenditure directly related to short-time work schemes and similar measures referred to in the request of 6 August 2020, in accordance with Article 6 of Regulation (EU) 2020/672.
- (7) Financial assistance should therefore be provided with a view to helping Slovakia to address the socioeconomic effects of the severe economic disturbance caused by the COVID-19 outbreak. The Commission should take the decisions concerning maturities, size and release of instalments and tranches in close cooperation with national authorities.
- (8) This Decision should be without prejudice to the outcome of any procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty. It does not override the requirement for Member States to notify instances of potential State aid to the Commission under Article 108 of the Treaty.
- (9) Slovakia should inform the Commission on a regular basis of the implementation of the planned public expenditure, in order to enable the Commission to assess the extent to which Slovakia has implemented that expenditure.
- (10) The decision to provide financial assistance has been reached taking into account existing and expected needs of Slovakia, as well as requests for financial assistance pursuant to Regulation (EU) 2020/672 already submitted or planned to be submitted by other Member States, while applying the principles of equal treatment, solidarity, proportionality and transparency,

HAS ADOPTED THIS DECISION:

Article 1

Slovakia fulfils the conditions set out in Article 3 of Regulation (EU) 2020/672.

Article 2

1. The Union shall make available to Slovakia a loan amounting to a maximum of EUR 630 883 600. The loan shall have a maximum average maturity of 15 years.
2. The availability period for financial assistance granted by this Decision shall be 18 months starting from the first day after this Decision has taken effect.
3. The Union financial assistance shall be made available by the Commission to Slovakia in a maximum of eight instalments. An instalment may be disbursed in one or several tranches. The maturities of the tranches under the first instalment may be longer than the maximum average maturity referred to in paragraph 1. In such cases, the maturities of further tranches shall be set so that the maximum average maturity referred to in paragraph 1 is respected once all instalments have been disbursed.
4. The first instalment shall be released subject to the entry into force of the loan agreement provided for in Article 8(2) of Regulation (EU) 2020/672.
5. Slovakia shall pay the cost of the funding of the Union referred to in Article 4 of Regulation (EU) 2020/672 for each instalment plus any fees, costs and expenses of the Union resulting from any funding related to the loan granted under paragraph 1 of this Article.
6. The Commission shall decide on the size and release of instalments, as well as on the size of the tranches.

Article 3

Slovakia may finance the national short-time work scheme and accompanying measures as provided for in Article 54(1)(e) of 'Act No 5/2004 Coll. on Employment Services'.

Article 4

Slovakia shall inform the Commission by 30 March 2021 and every six months thereafter of the implementation of the planned public expenditure until that planned public expenditure has been fully implemented.

Article 5

This Decision is addressed to the Slovak Republic.

This Decision shall take effect on the date of its notification to the addressee.

Article 6

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels, 25 September 2020.

For the Council
The President
M. ROTH

COMMISSION IMPLEMENTING DECISION (EU) 2020/1358**of 28 September 2020****on the application of Directive 2009/103/EC of the European Parliament and of the Council with regard to checks on insurance against civil liability in respect of the use of motor vehicles normally based in Bosnia and Herzegovina****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive 2009/103/EC of the European Parliament and of the Council of 16 September 2009 relating to insurance against civil liability in respect of the use of motor vehicles, and the enforcement of the obligation to insure against such liability ⁽¹⁾, and in particular Article 2, point (b), in conjunction with Article 8(2) thereof,

Whereas:

- (1) According to Article 8(1), second subparagraph, of Directive 2009/103/EC, vehicles normally based in a third country are to be treated, as regards the documentation of the compulsory insurance against civil liability in respect of the use of such vehicles, as vehicles normally based in the Union where the national bureaux of all the Member States severally guarantee, each in accordance with the provisions of their own national law on compulsory insurance, settlement of claims in respect of accidents occurring in their territory caused by such vehicles.
- (2) Article 2 of Directive 2009/103/EC makes the application of Article 8 of that Directive to vehicles normally based in a third country subject to the conclusion of an agreement between the national insurers' bureaux of the Member States and the national insurers' bureau of such third country. In addition, for Article 8 of that Directive to apply to such vehicles, the Commission is to fix the date of application of that provision for those vehicles, and the types of vehicles to which that provision is to apply, after having ascertained in close cooperation with the Member States that such an agreement has been concluded.
- (3) On 30 May 2002, the national insurers' bureaux of the Member States of the European Economic Area and other associated States concluded an agreement under which the settlement of claims arising in respect of accidents occurring in their territory that are caused by vehicles normally based in the territory of the other parties to that agreement, is guaranteed, irrespective of whether such vehicles are insured (the 'Agreement').
- (4) On 13 June 2019 the national insurers' bureaux of the Member States and those of Andorra, Iceland, Norway, Serbia and Switzerland signed Addendum No 2 to the Agreement to include the national insurers' bureau of Bosnia and Herzegovina. That Addendum provides for the practical arrangements enabling the abolition of insurance checks for vehicles mentioned in the Agreement that are normally based in the territory of Bosnia and Herzegovina, covering all types of vehicles except military vehicles registered in that country.
- (5) Therefore, all the conditions for the removal of checks on motor insurance against civil liability in accordance with Directive 2009/103/EC in respect of vehicles normally based in Bosnia and Herzegovina are fulfilled,

HAS ADOPTED THIS DECISION:

Article 1

From 19 October 2020, Member States shall refrain from making checks of insurance against civil liability in respect of all types of vehicles normally based in the territory of Bosnia and Herzegovina, with the exception of military vehicles registered in that country, at their entry into the Union.

⁽¹⁾ OJ L 263, 7.10.2009, p. 11.

Article 2

Member States shall forthwith inform the Commission of measures taken to apply this Decision.

Article 3

This Decision shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

Done at Brussels, 28 September 2020.

For the Commission
The President
Ursula VON DER LEYEN

ACTS ADOPTED BY BODIES CREATED BY INTERNATIONAL AGREEMENTS

DECISION No 2/2019 OF THE JOINT COMMITTEE ESTABLISHED BY THE AGREEMENT BETWEEN THE EUROPEAN UNION AND THE SWISS CONFEDERATION ON THE LINKING OF THEIR GREENHOUSE GAS EMISSIONS TRADING SYSTEMS

of 5 December 2019

**amending Annexes I and II to the Agreement between the European Union and the Swiss
Confederation on the linking of their greenhouse gas emissions trading systems [2020/1359]**

THE JOINT COMMITTEE,

Having regard to the Agreement between the European Union and the Swiss Confederation on the linking of their greenhouse gas emissions trading systems ⁽¹⁾ (hereinafter ‘the Agreement’), and in particular Article 13(2) thereof,

Whereas:

- (1) Articles 11 to 13 of the Agreement have been provisionally applied since its signature on 23 November 2017.
- (2) Article 13(2) of the Agreement provides that the Joint Committee may amend the Annexes to the Agreement.
- (3) The Annex to this Decision contains amendments to Annexes I and II to the Agreement, which update relevant aspects of the original Annexes I and II that were agreed in 2015. It also provides for a provisional solution to operationalise the link between the EU ETS and the ETS of Switzerland.
- (4) In accordance with section B of Annex I to the Agreement, the Union should, pursuant to Article 25a of Directive 2003/87/EC of the European Parliament and of the Council ⁽²⁾, as amended by Directive (EU) 2018/410 of the European Parliament and of the Council ⁽³⁾, exclude incoming flights from aerodromes situated in the territory of Switzerland from the scope of the EU ETS. This does not affect the coverage of aircraft operators by the EU ETS, which is based on Annex I to Directive 2003/87/EC which provides that the category of activities to which Directive 2003/87/EC applies includes all flights that arrive at, or depart from, an aerodrome situated in the territory of a Member State.
- (5) Annex I to the Agreement should be reviewed in accordance with Article 13(7) of the Agreement with a view to maintaining the current compatibility of the EU ETS and the ETS of Switzerland for the trading period 2021-2030. It should be ensured that the revision of Annex I to the Agreement, as a minimum, preserves the integrity of the respective domestic emission reduction commitments of the Union and Switzerland and the integrity and orderly functioning of their carbon markets. Carbon leakage and distortion of competition between linked systems are to be avoided,

⁽¹⁾ OJ L 322, 7.12.2017, p. 3.

⁽²⁾ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

⁽³⁾ Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments, and Decision (EU) 2015/1814 (OJ L 76, 19.3.2018, p. 3).

HAS ADOPTED THIS DECISION:

Article 1

Annexes I and II to the Agreement are replaced by the text appearing in Annexes I and II in the Annex to this Decision.

Article 2

This Decision shall enter into force on the date of entry into force of the Agreement.

Done at Brussels, 5 December 2019.

For the Joint Committee

Secretary for the European Union

Maja-Alexandra DITTEL

The Chair

Marc CHARDONNENS

Secretary for Switzerland

Caroline BAUMANN

ANNEX

'ANNEX I

ESSENTIAL CRITERIA

A. Essential criteria for stationary installations

This section shall be reviewed in accordance with Article 13(7) of this Agreement with a view to maintaining the current compatibility of the EU ETS and the ETS of Switzerland for the trading period 2021-2030, as proposed by the Swiss government. The Joint Committee shall ensure that the revision of this section, as a minimum, preserves the integrity of the respective domestic emission reduction commitments of the parties and the integrity and orderly functioning of their carbon markets. Carbon leakage and distortion of competition between linked systems shall be avoided.

	Essential criteria	In the EU ETS	In the ETS of Switzerland
1.	Mandatory nature of the participation in the ETS	Participation in the ETS shall be mandatory for the installations carrying out the activities and emitting the greenhouse gases ("GHG") listed below.	Participation in the ETS shall be mandatory for the installations carrying out the activities and emitting the GHG listed below.
2.	The ETS shall cover at least the activities set out in:	— Annex I to Directive 2003/87/EC, as in force on the date of entry into force of this Agreement.	— Article 40(1) of, and Annex 6 to, the CO ₂ Ordinance, as in force on the date of entry into force of this Agreement.
3.	The ETS shall cover at least the GHGs set out in:	— Annex II to Directive 2003/87/EC, as in force on the date of entry into force of this Agreement.	— Article 1(1) of the CO ₂ Ordinance, as in force on the date of entry into force of this Agreement.
4.	A cap shall be set for the ETS, which is at least as stringent as the one in:	— Articles 9 and 9a of Directive 2003/87/EC, as in force on the date of entry into force of this Agreement. The linear reduction factor of 1,74 % per year will increase to 2,2 % per year as from 2021, and will apply to all sectors in accordance with Directive (EU) 2018/410, as in force on the date of entry into force of this Agreement.	— Article 18(1) and (2) of the CO ₂ Act — Article 45(1) of the CO ₂ Ordinance, as in force on the date of entry into force of this Agreement. The linear reduction factor is 1,74 % per year up to 2020.
5.	Market stability mechanism	In 2015, the EU introduced the Market Stability Reserve (Decision (EU) 2015/1814), the operation of which was reinforced by Directive (EU) 2018/410.	— Article 19(5) of the CO ₂ Act — Article 48 of the CO ₂ Ordinance, as in force on the date of entry into force of this Agreement. The Swiss legislation provides for the possibility to reduce auction volumes where there is a significant increase of allowances on the market for economic reasons. The Parties shall cooperate with a view to developing an appropriate contribution to market stability.
6.	The level of market oversight of the ETS shall be at least as stringent as the ones in:	— Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (MIFID II)	— Federal Act on the Swiss Financial Market Supervisory Authority of 22 June 2007 — Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading of 19 June 2015

	Essential criteria	In the EU ETS	In the ETS of Switzerland
		<ul style="list-style-type: none"> — Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (MIFIR) — Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (MAR) — Directive 2014/57/EU of the European Parliament and of the Council of 16 April 2014 on criminal sanctions for market abuse (market abuse directive) (CS-MAD) — Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (AMLD), as in force on the date of the entry into force of this Agreement. 	<ul style="list-style-type: none"> — Federal Act on Financial Institutions of 15 June 2018 — Federal Act on Combating Money Laundering and Terrorist Financing of 10 October 1997, as in force on the date of the entry into force of this Agreement. <p>Swiss financial market regulation does not define the legal nature of emission allowances. In particular, emission allowances are not qualified as securities in the Financial Markets Infrastructure Act and therefore are not tradeable on regulated trading venues. Because emission allowances do not qualify as securities, Swiss securities regulation does not apply to OTC emission allowances trading on secondary markets.</p> <p>Derivative contracts qualify as securities according to the Financial Markets Infrastructure Act. This also includes derivatives that have emission allowances as their underlying instrument. OTC traded derivatives on emission allowances between non-financial as well as financial counterparties is covered by the provisions in the Financial Market Infrastructure Act.</p>
7.	Cooperation regarding market oversight	The Parties shall establish appropriate cooperation arrangements regarding market oversight. Those cooperation arrangements shall concern the exchange of information and the enforcement of obligations arising under their respective market oversight regime. The Parties shall inform the Joint Committee about any such arrangements.	
8.	The qualitative limits for international credits shall be at least as stringent as those set out in:	<ul style="list-style-type: none"> — Articles 11a and 11b of Directive 2003/87/EC — Commission Regulation (EU) No 550/2011 of 7 June 2011 on determining, pursuant to Directive 2003/87/EC of the European Parliament and of the Council, certain restrictions applicable to the use of international credits from projects involving industrial gases — Article 58 of Commission Regulation (EU) No 389/2013 of 2 May 2013 on establishing a Union Registry pursuant to Directive 2003/87/EC of the European Parliament and of the Council, Decisions No 280/2004/EC 	<ul style="list-style-type: none"> — Articles 5 and 6 of the CO₂ Act — Article 4 and Article 4a(1) of, and Annex 2 to, the CO₂ Ordinance, as in force on the date of entry into force of this Agreement.

	Essential criteria	In the EU ETS	In the ETS of Switzerland
		and No 406/2009/EC of the European Parliament and the Council and repealing Commission Regulations (EU) No 920/2010 and (EU) No 1193/2011, as in force on the date of entry into force of this Agreement.	
9.	The quantitative limits for international credits shall be at least as stringent as those set out in:	<ul style="list-style-type: none"> — Article 11a of Directive 2003/87/EC — Commission Regulation (EU) No 389/2013 of 2 May 2013 establishing a Union Registry pursuant to Directive 2003/87/EC of the European Parliament and of the Council, Decisions No 280/2004/EC and No 406/2009/EC of the European Parliament and of the Council and repealing Commission Regulations (EU) No 920/2010 and (EU) No 1193/2011 — Commission Regulation (EU) No 1123/2013 of 8 November 2013 on determining international credit entitlements pursuant to Directive 2003/87/EC of the European Parliament and of the Council, as in force on the date of entry into force of this Agreement. No entitlements to use international credits are provided for in Union law from 2021 onwards.	<ul style="list-style-type: none"> — Article 16(2) of the CO₂ Act — Article 55b of the CO₂ Ordinance, as in force on the date of entry into force of this Agreement. These provisions only provide for the use of international credits up to 2020.
10.	Free allocation shall be calculated on the basis of benchmarks and adjustment factors. A maximum of five percent of the quantity of allowances over the period from 2013 to 2020 shall be set aside for new entrants. Allowances which are not allocated free of charge shall be auctioned or invalidated. To this end, the ETS shall meet at least:	<ul style="list-style-type: none"> — Articles 10, 10a, 10b and 10c of Directive 2003/87/EC — Commission Decision 2011/278/EU of 27 April 2011 determining transitional Union-wide rules for harmonised free allocation of emission allowances pursuant to Article 10a of Directive 2003/87/EC of the European Parliament and of the Council — Commission Decision 2013/448/EU of 5 September 2013 concerning national implementation measures for the transitional free allocation of greenhouse gas emission allowances in accordance with Article 11(3) of Directive 2003/87/EC of the European Parliament and of the Council — Commission Decision (EU) 2017/126 of 24 January 2017 amending Decision 2013/448/EU as regards the establishment of a uniform cross-sectoral correction 	<ul style="list-style-type: none"> — Article 18(3) and Article 19(2) to (6) of the CO₂ Act — Article 45(2) and Articles 46, 46a, 46b, 46c and 48 of, and Annex 9 to, the CO₂ Ordinance, as in force on the date of entry into force of this Agreement. Free allocations do not exceed the levels of allocations given to installations in the EU ETS.

	Essential criteria	In the EU ETS	In the ETS of Switzerland
		<p>factor in accordance with Article 10a of Directive 2003/87/EC of the European Parliament and of the Council (Calculations for the determination of the cross-sectoral correction factor in the EU ETS from 2013 to 2020)</p> <p>— Commission Decision 2014/746/EU of 27 October 2014 determining, pursuant to Directive 2003/87/EC of the European Parliament and of the Council, a list of sectors and sub-sectors which are deemed to be exposed to a significant risk of carbon leakage, for the period 2015 to 2019</p> <p>— Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments (Carbon leakage list for the period 2015-2020)</p> <p>— Commission Delegated Regulation (EU) 2019/331 of 19 December 2018 determining transitional Union-wide rules for harmonised free allocation of emission allowances pursuant to Article 10a of Directive 2003/87/EC of the European Parliament and of the Council</p> <p>— Commission Delegated Decision (EU) 2019/708 of 15 February 2019 supplementing Directive 2003/87/EC of the European Parliament and of the Council concerning the determination of sectors and subsectors deemed at risk of carbon leakage for the period 2021 to 2030</p> <p>— any cross-sectoral correction factor in the EU ETS in 2015-2020 or 2026-2030, as in force on the date of entry into force of this Agreement.</p>	
11.	The ETS shall provide for penalties in the same circumstances and of the same magnitude as those set out in:	— Article 16 of Directive 2003/87/EC, as in force on the date of entry into force of this Agreement.	<p>— Article 21 of the CO₂ Act</p> <p>— Article 56 of the CO₂ Ordinance, as in force on the date of entry into force of this Agreement.</p>

	Essential criteria	In the EU ETS	In the ETS of Switzerland
12.	Monitoring and reporting in the ETS shall at least be as stringent as in:	<ul style="list-style-type: none"> — Article 14 of, and Annex IV to, Directive 2003/87/EC — Commission Regulation (EU) No 601/2012 of 21 June 2012 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council — Commission Implementing Regulation (EU) 2018/2066 of 19 December 2018 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council and amending Commission Regulation (EU) No 601/2012, as in force on the date of entry into force of this Agreement. 	<ul style="list-style-type: none"> — Article 20 of the CO₂ Act — Articles 50 to 53 of, and Annexes 16 and 17 to, the CO₂ Ordinance, as in force on the date of entry into force of this Agreement.
13.	Verification and accreditation in the ETS shall at least be as stringent as in:	<ul style="list-style-type: none"> — Article 15 of, and Annex V to, Directive 2003/87/EC — Commission Regulation (EU) No 600/2012 of 21 June 2012 on the verification of greenhouse gas emission reports and tonne-kilometre reports and the accreditation of verifiers pursuant to Directive 2003/87/EC of the European Parliament and of the Council — Commission Implementing Regulation (EU) 2018/2067 of 19 December 2018 on the verification of data and on the accreditation of verifiers pursuant to Directive 2003/87/EC of the European Parliament and of the Council, as in force on the date of entry into force of this Agreement. 	<ul style="list-style-type: none"> — Articles 51 to 54 of the CO₂ Ordinance, as in force on the date of entry into force of this Agreement.

B. Essential criteria for aviation

	Essential criteria	For the EU	For Switzerland
1.	Mandatory nature of the participation in the ETS	Participation in the ETS shall be mandatory for aviation activities in accordance with the criteria listed below.	Participation in the ETS shall be mandatory for aviation activities in accordance with the criteria listed below.
2.	Coverage of aviation activities and GHG and attribution of flights and their respective emissions according to the departing flight principle as set out in:	<ul style="list-style-type: none"> — Directive 2003/87/EC, as amended by Regulation (EU) 2017/2392 of the European Parliament and of the Council of 13 December 2017 to temporarily derogate enforcement in respect of flights to and from countries with whom an agreement pursuant to Article 25 of Directive 2003/87/EC has not been reached 	<p>1. Scope of coverage</p> <p>Flights which arrive at, or depart from, an aerodrome situated in the territory of Switzerland, except flights which depart from an aerodrome situated in the territory of the EEA.</p> <p>Any temporary derogations as regards the scope of the ETS, such as derogations in the sense of Article 28a of Directive</p>

Essential criteria	For the EU	For Switzerland
	<p>— Articles 17, 29, 35 and 56 of, and Annex VII to, Commission Regulation (EU) No 389/2013 of 2 May 2013 establishing a Union Registry pursuant to Directive 2003/87/EC of the European Parliament and of the Council, Decisions No 280/2004/EC and No 406/2009/EC of the European Parliament and of the Council and repealing Commission Regulations (EU) No 920/2010 and (EU) No 1193/2011, as in force on the date of the entry into force of this Agreement.</p> <p>As from 1 January 2020, flights from an aerodrome situated in the territory of the European Economic Area ("EEA") to aerodromes situated in the territory of Switzerland shall be covered by the EU ETS, while flights from aerodromes situated in the territory of Switzerland to aerodromes situated in the territory of the EEA shall be excluded from the EU ETS, pursuant to Article 25a of Directive 2003/87/EC.</p>	<p>2003/87/EC, may apply with regard to the ETS of Switzerland in accordance with those introduced in the EU ETS. Only CO₂ emissions shall be covered for aviation activities.</p> <p>2. Limitations of coverage General coverage mentioned in point 1 shall not include:</p> <ol style="list-style-type: none"> 1. Flights performed exclusively for the transport on an official mission of a reigning monarch and his/her immediate family, heads of State, heads of Government and Government ministers, where this is substantiated by an appropriate status indicator in the flight plan. 2. Military, customs and police flights. 3. Flights related to search and rescue, fire-fighting flights, humanitarian flights and emergency medical service flights. 4. Flights performed exclusively under visual flight rules as defined in Annex 2 to the Convention on International Civil Aviation of 7 December 1944. 5. Flights terminating at the aerodrome from which the aircraft has taken off and during which no planned intermediate landing has been made. 6. Training flights performed exclusively in order to acquire or maintain a licence, or a rating in the case of cockpit flight crew where this is substantiated by an appropriate remark in the flight plan, provided that the flight does not serve for the transport of passengers and/or cargo or for the positioning or ferrying of the aircraft. 7. Flights performed exclusively for the purpose of scientific research. 8. Flights performed exclusively for the purpose of checking, testing or certifying aircraft or airborne or ground-based equipment.

	Essential criteria	For the EU	For Switzerland
			<p>9. Flights performed by aircraft with a certified maximum take-off mass of less than 5 700 kilograms.</p> <p>10. Flights of commercial aircraft operators with total annual emissions lower than 10 000 tonnes on flights covered by the ETS of Switzerland or fewer than 243 flights per period for three consecutive four-month periods within the scope of the ETS of Switzerland, if the operators are not covered by the EU ETS.</p> <p>11. Flights of non-commercial aircraft operators covered by the ETS of Switzerland with total annual emissions lower than 1 000 tonnes in accordance with the respective derogation applied in the EU ETS, if the operators are not covered by the EU ETS.</p> <p>These limitations of coverage are provided for in:</p> <ul style="list-style-type: none"> — Article 16a of the CO₂ Act — Article 46d and Article 55(2) of, and Annex 13 to, the CO₂ Ordinance, <p>as in force on the date of entry into force of this Agreement.</p>
3.	Exchange of relevant data regarding the application of the limitations of coverage of aviation activities	The two parties shall cooperate regarding the application of the limitations of coverage in the ETS of Switzerland and the EU ETS for commercial and non-commercial operators in accordance with this Annex. In particular, both parties shall ensure the timely transfer of all relevant data to enable correct identification of the flights and aircraft operators that are covered by the ETS of Switzerland and the EU ETS.	
4.	Cap (total quantity of allowances to be allocated to aircraft operators)	<p>Article 3c of Directive 2003/87/EC, as in force on the date of entry into force of this Agreement.</p> <p>Article 3c of Directive 2003/87/EC initially allocated allowances as follows:</p> <ul style="list-style-type: none"> — 15 % auctioned — 3 % set aside in a special reserve — 82 % allocated free of charge. <p>Allocations were amended by Regulation (EU) No 421/2014 whereby the allocation of free allowances was reduced in proportion to the reduction of the surrender obligation (Article 28a (2) of Directive 2003/87/EC). Regulation (EU) 2017/2392, as in force on the date of entry into force of this Agreement, has extended this approach until 2023, and applies the 2,2 % linear reduction factor from 1 January 2021.</p>	<p>The cap shall reflect a similar level of stringency as the one in the EU ETS, in particular with regard to the reduction percentage rate between years and trading periods. The allowances in the cap shall be allocated as follows:</p> <ul style="list-style-type: none"> — 15 % shall be auctioned — 3 % shall be set aside in a special reserve — 82 % shall be allocated free of charge. <p>This allocation may be reviewed in accordance with Articles 6 and 7 of this Agreement.</p>

	Essential criteria	For the EU	For Switzerland
			<p>Up to 2020, the quantity of allowances within the cap shall be calculated bottom-up on the basis of the allowances to be allocated free of charge in accordance with the cap distribution as mentioned above. Any temporary derogations as regards the scope of the ETS shall require the corresponding proportional adjustments to the amounts to be allocated.</p> <p>As of 2021, the quantity of allowances within the cap shall be determined by the cap in 2020, taking into account a possible reduction percentage rate in accordance with the EU ETS.</p> <p>This is provided for in:</p> <ul style="list-style-type: none"> — Article 18 of the CO₂ Act — Article 46e of, and Annex 15 to, the CO₂ Ordinance, <p>as in force of the date of the entry into force of this Agreement.</p>
5.	Allocation of allowances for aviation through auctioning of allowances	— Article 3d and Article 28a(3) of Directive 2003/87/EC, as in force on the date of the entry into force of this Agreement.	<p>Swiss emission allowances to be auctioned shall be auctioned by the Swiss competent authority. Switzerland is entitled to the revenues generated from the auctioning of Swiss allowances.</p> <p>This is provided for in:</p> <ul style="list-style-type: none"> — Article 19a(2) and (4) of the CO₂ Act — Article 48 of, and Annex 15 to, the CO₂ Ordinance, <p>as in force of the date of the entry into force of this Agreement.</p>
6.	Special reserve for certain aircraft operators	— Article 3f of Directive 2003/87/EC, as in force on the date of the entry into force of this Agreement.	<p>Allowances shall be set aside in a special reserve for new entrants and fast growers, except that up to 2020, given that the reference year for the acquisition of data for Swiss aviation activities shall be 2018, Switzerland will not have a special reserve.</p> <p>This special reserve is provided for in:</p> <ul style="list-style-type: none"> — Article 18(3) of the CO₂ Act — Article 46e of, and Annex 15 to, the CO₂ Ordinance, <p>as in force of the date of the entry into force of this Agreement.</p>
7.	Benchmark for free allocation of allowances to aircraft operators	<p>— Article 3e of Directive 2003/87/EC, as in force on the date of the entry into force of this Agreement.</p> <p>The annual benchmark is 0,000642186914222035 allowances per tonne-kilometre.</p>	<p>The benchmark shall be no higher than the one in the EU ETS.</p> <p>Up to 2020, the annual benchmark shall be 0,000642186914222035 allowances per tonne-kilometre.</p> <p>This benchmark is provided for in:</p> <ul style="list-style-type: none"> — Article 46f(1) and (2) of, and Annex 15 to, the CO₂ Ordinance, <p>as in force of the date of the entry into force of this Agreement.</p>

	Essential criteria	For the EU	For Switzerland
8.	Free allocation of emission allowances for aircraft operators	<p>— Article 3e of Directive 2003/87/EC, as in force on the date of the entry into force of this Agreement.</p> <p>Adjustments shall be made pursuant to Article 25a of Directive 2003/87/EC, to the issuance of allowances in proportion to the corresponding reporting and surrendering obligations resulting from the actual coverage under the EU ETS of flights between the EEA and Switzerland.</p>	<p>The number of emission allowances allocated free of charge to aircraft operators is calculated by multiplying its reported tonne-kilometre data performed in the reference year by the applicable benchmark.</p> <p>This free allocation is provided for in:</p> <p>— Article 19a(3) and (4) of the CO₂ Act</p> <p>— Article 46f(1) and (2) of, and Annex 15 to, the CO₂ Ordinance, as in force on the date of entry into force of this Agreement.</p>
9.	The qualitative limits for international credits shall be at least as stringent as those set out in:	<p>— Articles 11a and 11b of Directive 2003/87/EC</p> <p>— Commission Regulation (EU) No 389/2013 of 2 May 2013 establishing a Union Registry pursuant to Directive 2003/87/EC of the European Parliament and of the Council, Decisions No 280/2004/EC and No 406/2009/EC of the European Parliament and of the Council and repealing Commission Regulations (EU) No 920/2010 and (EU) No 1193/2011, as in force on the date of entry into force of this Agreement.</p>	<p>— Articles 5 and 6 of the CO₂ Act</p> <p>— Article 4 and Article 4a(1) of, and Annex 2 to, the CO₂ Ordinance, as in force on the date of entry into force of this Agreement.</p>
10.	Quantitative limits for the use of international credits	<p>— Article 11a of Directive 2003/87/EC</p> <p>— Commission Regulation (EU) No 389/2013 of 2 May 2013 establishing a Union Registry pursuant to Directive 2003/87/EC of the European Parliament and of the Council, Decisions No 280/2004/EC and No 406/2009/EC of the European Parliament and of the Council and repealing Commission Regulations (EU) No 920/2010 and (EU) No 1193/2011</p> <p>— Commission Regulation (EU) No 1123/2013 of 8 November 2013 on determining international credit entitlements pursuant to Directive 2003/87/EC of the European Parliament and of the Council, as in force on the date of entry into force of this Agreement.</p>	<p>The use of international credits shall be 1,5 % of verified emissions up to 2020.</p> <p>This is provided for in:</p> <p>— Article 55d of the CO₂ Ordinance, as in force on the date of entry into force of this Agreement.</p>
11.	Acquisition of tonne-kilometre data for reference year	<p>— Article 3e of Directive 2003/87/EC, as in force on the date of entry into force of this Agreement.</p>	<p>Without prejudice to the provision below, the acquisition of tonne-kilometre data shall be done at the same time and using the same approach as the acquisition of tonne-kilometre data for the EU ETS.</p> <p>Up to 2020 and in accordance with the Ordinance on the Acquisition of Tonne-Kilometre Data and the Preparation of</p>

	Essential criteria	For the EU	For Switzerland
			<p>Monitoring Plans relating to Distances covered by Aircraft, as in force on the date of entry into force of this Agreement, the reference year for the acquisition of data for Swiss aviation activities shall be 2018. This is provided for in:</p> <ul style="list-style-type: none"> — Article 19a(3) and (4) of the CO₂ Act — the Ordinance on the Acquisition of Tonne-Kilometre Data and the Preparation of Monitoring Plans relating to Distances covered by Aircraft, as in force on the date of entry into force of this Agreement.
12.	Monitoring and reporting	<ul style="list-style-type: none"> — Article 14 of, and Annex IV to, Directive 2003/87/EC — Commission Regulation (EU) No 601/2012 of 21 June 2012 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council — Commission Implementing Regulation (EU) 2018/2066 of 19 December 2018 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council and amending Commission Regulation (EU) No 601/2012 — Commission Delegated Regulation (EU) 2019/1603 of 18 July 2019 supplementing Directive 2003/87/EC of the European Parliament and of the Council as regards measures adopted by the International Civil Aviation Organisation for the monitoring, reporting and verification of aviation emissions for the purpose of implementing a global market-based measure, <p>as in force on the date of the entry into force of this Agreement.</p>	<p>Monitoring and reporting provisions shall reflect the same level of stringency as in the EU ETS.</p> <p>This is provided for in:</p> <ul style="list-style-type: none"> — Article 20 of the CO₂ Act — Articles 50 to 52 of, and Annexes 16 and 17 to, the CO₂ Ordinance, <p>as in force on the date of entry into force of this Agreement.</p>
13.	Verification and accreditation	<ul style="list-style-type: none"> — Article 15 of, and Annex V to, Directive 2003/87/EC — Commission Regulation (EU) No 600/2012 of 21 June 2012 on the verification of greenhouse gas emission reports and tonne-kilometre reports and the accreditation of verifiers pursuant to Directive 2003/87/EC of the European Parliament and of the Council 	<p>Verification and accreditation provisions shall reflect the same level of stringency as in the EU ETS.</p> <p>This is provided for in:</p> <ul style="list-style-type: none"> — Article 52(4) and (5) of, and Annex 18 to, the CO₂ Ordinance, <p>as in force on the date of entry into force of this Agreement.</p>

	Essential criteria	For the EU	For Switzerland
		<p>— Commission Implementing Regulation (EU) 2018/2067 of 19 December 2018 on the verification of data and on the accreditation of verifiers pursuant to Directive 2003/87/EC of the European Parliament and of the Council,</p> <p>as in force on the date of the entry into force of this Agreement.</p>	
14.	Administration	<p>The criteria laid down in Article 18a of Directive 2003/87/EC shall apply. To this effect and pursuant to Article 25a of Directive 2003/87/EC, Switzerland shall be considered as an Administering Member State as regards the attribution of the administration of aircraft operators to Switzerland and EU (EEA) Member States.</p> <p>Pursuant to Article 25a of Directive 2003/87/EC, the competent authorities of the EU (EEA) Member States shall be responsible for all the tasks related to the administration of aircraft operators attributed to them, including the tasks relating to the ETS of Switzerland (e.g. the reception of verified emission reports covering both EU and Swiss aviation activities, the allocation, issuance and transfer of allowances, compliance and enforcement).</p> <p>The European Commission shall agree bilaterally with the Swiss competent authorities on handing over the relevant documentation and information.</p> <p>In particular, the European Commission shall ensure the transfer to aircraft operators administered by Switzerland of the amount of free allocation of EU allowances.</p> <p>In case of a bilateral agreement regarding the administration of flights operating in relation to the EuroAirport Basel-Mulhouse-Freiburg not involving any amendment to Directive 2003/87/EC, the European Commission shall, as appropriate, facilitate the implementation of such agreement, provided that this does not result in double counting.</p>	<p>In accordance with the CO₂ Ordinance, as in force on the date of entry into force of this Agreement, Switzerland shall be responsible for the administration of aircraft operators:</p> <ul style="list-style-type: none"> — with a valid operating licence granted by Switzerland, or — with the greatest estimated attributed aviation emissions in Switzerland under the linked ETS. <p>Swiss competent authorities shall be responsible for all the tasks related to the administration of aircraft operators attributed to Switzerland, including the tasks relating to the EU ETS (e.g. the reception of verified emission reports covering both EU and Swiss aviation activities, the allocation, issuance and transfer of allowances, compliance and enforcement).</p> <p>The Swiss competent authorities shall agree bilaterally with the European Commission on handing over the relevant documentation and information.</p> <p>In particular, the Swiss competent authorities shall transfer to aircraft operators administered by the EU (EEA) Member States of the amount of free allocation of Swiss allowances.</p> <p>This is provided for in:</p> <ul style="list-style-type: none"> — Article 39(1bis) of the CO₂ Act — Article 46d of, and Annex 14 to, the CO₂ Ordinance, <p>as in force on the date of entry into force of this Agreement.</p>
15.	Surrendering	When assessing compliance of aircraft operators on the basis of the amount of surrendered allowances, the competent authorities of the EU (EEA) Member	When assessing compliance of aircraft operators on the basis of the amount of surrendered allowances, the competent authorities of Switzerland shall first ac-

	Essential criteria	For the EU	For Switzerland
		States shall first account for emissions covered by the ETS of Switzerland and use the remaining amount of surrendered allowances to account for emissions covered by the EU ETS.	count for emissions covered by the EU ETS and use the remaining amount of surrendered allowances to account for emissions covered by the ETS of Switzerland.
16.	Legal enforcement	Parties shall enforce the provisions of their respective ETS in relation to aircraft operators that do not fulfil the obligations in the respective ETS, regardless of whether the operator is administered by an EU (EEA) competent authority or by a Swiss competent authority, in case enforcement by the authority administering the operator requires additional action.	
17.	Administrative attribution of aircraft operators	Pursuant to Article 25a of Directive 2003/87/EC, the aircraft operator's list published by the European Commission, in accordance with Article 18a(3) of Directive 2003/87/EC, shall specify the administering State, including Switzerland, for each aircraft operator. Aircraft operators attributed to Switzerland for the first time after the entry into force of this Agreement shall be administered by Switzerland after 30 April of the year of attribution and before 1 August of the year of attribution. The two parties shall cooperate on sharing relevant documentation and information. The attribution of an aircraft operator shall not affect the coverage of that aircraft operator by the respective ETS (i.e. an operator covered by the EU ETS that is administered by the Swiss competent authority shall have the same level of obligations under the EU ETS alongside its coverage under the ETS of Switzerland, and <i>vice versa</i>).	
18.	Modalities for implementation	Any further modalities needed for the organisation of the work and cooperation within the one-stop shop for aviation account holders shall be developed and adopted by the Joint Committee after signature of this Agreement, in accordance with Articles 12, 13 and 22 of this Agreement. These modalities shall apply from the date that this Agreement applies.	
19.	Assistance from Eurocontrol	For the aviation part of this Agreement, the European Commission shall include Switzerland within the mandate given to Eurocontrol in relation to the EU ETS.	

C. Essential Criteria for Registries

The ETS of each Party shall include a registry and a transaction log, which shall meet the following essential criteria in relation to security mechanisms and procedures and in relation to the opening and management of accounts:

Essential Criteria in relation to Security Mechanisms and Procedures

The registries and the transaction logs shall protect the confidentiality, the integrity, the availability and the authenticity of the data stored in the system. To this end, the following security mechanisms shall be implemented by the Parties:

Essential Criteria

To access accounts, a two-factor authentication mechanism for all users accessing the account is required.

A transaction signature mechanism is required for both initiation and approval of transactions. The confirmation code shall be sent out-of-band to the users.

Any of the following operations shall be initiated by one person and approved by another person (4-eye principle):

- all operations undertaken by an administrator, unless justified exceptions as defined in the LTS apply
- all transfers of units unless justified by an alternative measure providing the same level of security.

A system of notifications that alert the users when operations are performed involving their accounts and holdings shall be in place.

A minimum of 24-hour delay applies between the initiation of a transfer and its execution to all the users to receive information and stop any suspected illegitimate transfer.

The Swiss administrator and the Union central administrator shall take steps to inform users of their responsibilities with regard to the security of their systems (e.g. PC, network) and with regard to handling data/navigating on the internet.

As regards allowances, emissions for the year 2020 may only be covered by allowances issued in the period 2013-2020.

Essential Criteria in relation to the Opening and Management of Accounts

Essential Criteria

Opening of an Operator Account/Operator Holding Account

The application by the operator or competent authority to request the opening of an operator account/operator holding account shall be addressed to the national administrator (Federal Office of the Environment, FOEN, for Switzerland). The application shall contain sufficient information to identify the ETS installation and an appropriate installation ID.

Opening of an Aircraft Operator Account/Aircraft Operator Holding Account

Each aircraft operator covered by the ETS of Switzerland and/or the EU ETS shall have one aircraft operator account/aircraft operator holding account. For aircraft operators administered by the Swiss competent authority such an account shall be held in the Swiss registry. The application by the aircraft operator or an authorised representative of the aircraft operator shall be addressed to the national administrator (FOEN for Switzerland) within 30 working days from the approval of the monitoring plan of the aircraft operator or its transferral from an EU (EEA) Member State to the Swiss authorities. The application shall contain the unique aircraft code(s) of the aircraft operated by the applicant which fall under the ETS of Switzerland and/or the EU ETS.

Opening of a Personal Account/Person Holding Account

The application to request the opening of a personal account/person holding account shall be addressed to the national administrator (FOEN for Switzerland). It shall include sufficient information to identify the account holder/applicant, and it shall include at least:

- for a natural person: proof of ID and contact details
 - for a legal person:
 - copy of the commercial register, or
 - the instruments establishing the legal entity and a document proving the registration of the legal entity
 - criminal records of the natural person or for a legal person of its directors
-

Authorised/Account representatives

Each account shall have at least one authorised/account representative who is nominated by the prospective account holder. The authorised/account representatives shall initiate transactions and other processes on behalf of the account holder. When nominating the authorised/account representative, the following information about the authorised/account representative shall be transmitted:

- name and contact details
 - document supporting ID
 - criminal record.
-

Checking of documents

Any copy of a document submitted as evidence for the opening of a personal account/person holding account or the nomination of an authorised/account representative must be certified as a true copy. Regarding documents issued outside the State requesting a copy, the copy must be legalised. The date of the certification and, where relevant, of the legalisation must not be more than three months prior to the date of the application.

Refusal to open or update an account or to nominate an authorised/account representative

A national administrator (FOEN for Switzerland) may refuse to open or to update an account or to nominate an authorised/account representative, provided that the refusal is reasonable and justifiable. The refusal shall be justified on at least one of the following grounds:

- the information and documents provided are incomplete, out-of-date or otherwise inaccurate, or false
- the prospective representative is under investigation or has been convicted in the preceding five years for fraud involving allowances or Kyoto units, money laundering, terrorist financing or other serious crimes for which the account may be an instrument
- grounds set out in national or Union law.

Regular review of account information

The account holders shall immediately report any change to the account or user data to the national administrator (FOEN for Switzerland), supported by information as required by the national administrator who is responsible for the approval of the update of the information in a timely manner.

At least once every three years, the national administrator shall review whether the information related to an account remains complete, up-to-date, accurate and true, and shall request that the account holder notify any changes as appropriate.

Suspension of Access to Account

Where any provision under Article 3 of this Agreement relating to registries is contravened or an investigation concerning a possible contravention of those provisions is pending, access to accounts may be suspended.

Confidentiality and disclosure of information

Information, including the holdings of all accounts, all transactions made, the unique unit identification code of the allowances and the unique numeric value of the unit serial number of the Kyoto units held or affected by a transaction, held in the EUTL or the SSTL, the Union Registry, the Swiss registry and any other Kyoto Protocol registry shall be considered confidential.

Such confidential information may be provided to relevant public entities upon their request if such requests pursue a legitimate objective and are justified, necessary and proportionate for the purposes of investigation, detection, prosecution, tax administration, enforcement, auditing and financial supervision to prevent and combat fraud, money laundering, terrorism financing, other serious crime, market manipulation or other breaches of Union or national law of an EEA Member State or Switzerland, and to ensure the good functioning of the EU ETS and the ETS of Switzerland.

D. Essential Criteria for Auctioning Platforms and Auction Activities

Entities conducting auctions of allowances in the ETS of the Parties shall meet the following essential criteria and shall conduct the auctions accordingly:

	Essential Criteria
1.	The entity conducting the auction shall be selected through a process which ensures transparency, proportionality, equal treatment, non-discrimination and competition between different potential auction platforms on the basis of Union or national procurement law.
2.	The entity conducting the auction shall be authorised for this activity and shall provide the necessary safeguards in the conduct of their operations; those safeguards include, among others, arrangements to identify and manage the potential adverse consequences of any conflict of interest, to identify and manage risks to which the market is exposed, to have transparent and non-discretionary rules and procedures for fair and orderly auctioning and sufficient financial resources to facilitate the orderly functioning.
3.	Access to the auctions shall be subject to minimum requirements as regards adequate customer diligence checks to ensure that participants do not undermine the operation of the auctions.

4.	The auction process shall be predictable, in particular as regards the timing and sequencing of sales and the estimated volumes to be made available. The main elements of the auctioning method, including the schedule, dates and estimated volumes of sales, shall be published on the website of the entity conducting the auction at least one month before the start of the auction. Any significant adjustment shall be announced as early as practicable in advance as well.
5.	The auctioning of allowances shall be performed with the objective of minimising any impact on the ETS of each Party. The entity in charge of auctioning shall ensure that the auction clearing prices do not deviate significantly from the relevant price for allowances in the secondary market over the auctioning period, a situation which would indicate a deficiency of the auctions. The methodology determining the deviation referred to in the previous sentence should be notified to the competent authorities exercising market oversight functions.
6.	All non-confidential information pertinent to the auctions, including all legislation, guidance and forms, shall be published in an open and transparent manner. The results of each auction conducted shall be published as soon as is reasonably practicable and include the relevant non-confidential information. Reports on the results of the auctions shall be published at least annually.
7.	The auctioning of allowances shall be subject to adequate rules and procedures to mitigate the risk of anti-competitive behaviour, market abuse, money-laundering and terrorist financing in auctions. Such rules and procedures shall be, to the extent possible, not less stringent than those applicable to financial markets in the respective legal regimes of the Parties. In particular, the entity conducting the auction shall be responsible for putting in place measures, procedures and processes ensuring the integrity of the auctions. It shall also monitor the behaviour of market participants and notify the competent public authorities in the event of anti-competitive behaviour, market abuse, money laundering or terrorist financing.
8.	The entity conducting the auctions and the auctioning of allowances shall be subject to adequate supervision by competent authorities. Designated competent authorities shall have necessary legal competences and technical arrangements to supervise: <ul style="list-style-type: none"> — the organisation and conduct of operators of auction platforms — the organisation and conduct of professional intermediaries acting on behalf of clients — the behaviour and transactions of market participants, in order to prevent insider dealing and market manipulation — the transactions of market participants, in order to prevent money laundering and terrorist financing. To the extent possible, the supervision shall not be less stringent than the supervision on financial markets in the respective legal regimes of the Parties.

Switzerland shall endeavour to make use of a private entity for the auctioning of its allowances, in accordance with public procurement rules.

Until such an entity is contracted, and provided that the number of allowances to be auctioned in a year is below a fixed threshold, Switzerland may continue to use the current arrangements for auctioning, namely the auctions operated by the FOEN, under the following conditions:

1. The threshold shall be 1 000 000 allowances, including allowances to be auctioned for aviation activities.
2. The essential criteria 1 to 8 shall apply, with the exception of criteria 1 and 2, while the last sentence of criterion 5, and criteria 7 and 8 only apply to the FOEN to the extent possible.

The essential criterion 3 shall apply, together with the following provision: admission to bid in auctions of Swiss allowances under the arrangements for auctioning which were in place at the time this Agreement was signed, shall be guaranteed for all entities in the EEA which are admitted to bid in auctions in the Union.

Switzerland may mandate entities conducting the auction which are located in the EEA.

ANNEX II

LINKING TECHNICAL STANDARDS

To operationalise the link between the EU ETS and the ETS of Switzerland, a provisional solution shall be in place by May 2020 or as soon as possible thereafter. Parties shall cooperate to replace the provisional solution with a permanent registry link as soon as possible.

The Linking Technical Standards (LTS) shall specify:

- the architecture of the communication link
- the security of data transfer
- the list of functions (transactions, reconciliation ...)
- the definition of the web services
- the data logging requirements
- the operational arrangements (call desk, support)
- the communication activation plan and the testing procedure
- the security testing procedure.

The LTS shall specify that the administrators are to take all reasonable steps to ensure that the SSTL, the EUTL and the link are operational 24 hours a day and 7 days a week, and that any interruptions to the operation of the SSTL, the EUTL and the link are to be kept to the minimum.

The LTS shall specify that the communications between the SSTL and the EUTL consist of secure exchanges of webservices messages based on the following technologies ⁽¹⁾:

- web services using Simple Object Access Protocol (SOAP) or equivalent
- hardware-based Virtual Private Network (VPN)
- XML (Extensible Markup Language)
- digital signature, and
- network time protocols.

The LTS shall set out additional security requirements for the Swiss registry, the SSTL, the Union registry and the EUTL and shall be documented in a “security management plan”. In particular, the LTS shall specify that:

- if there is a suspicion that the security of the Swiss registry, the SSTL, the Union registry or the EUTL has been compromised, both Parties shall immediately inform each other and suspend the link between the SSTL and the EUTL
- in the event of a security breach, the Parties shall commit to immediately share the information with each other. To the extent that the technical details are available, a report describing the incident (date, cause, impact, remedies) shall be shared between the Swiss registry administrator and the Union central administrator within 24 hours after the security breach.

The security testing procedure set out in the LTS shall be completed before the communication link between the SSTL and the EUTL is established, and whenever a new version or release of the SSTL or the EUTL is required.

The LTS shall provide two testing environments in addition to the production environment: a developer testing environment and an acceptance environment.

⁽¹⁾ Those technologies are currently used for establishing a connection between the Union Registry and the International Transaction Log as well as between the Swiss Registry and the International Transaction Log.

The Parties shall provide evidence through the Swiss registry administrator and the Union central administrator that an independent security assessment of their systems has been performed in the previous 12 months in accordance with the security requirements set out in the LTS. Security testing and in particular penetration testing shall be performed on all new major releases of the software in accordance with the security requirements set out in the LTS. The penetration testing shall not be performed by the software developer or by a subcontractor of the software developer.'

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