EUROPEAN COMMISSION

Brussels, 8.04.2020
C(2020) 2342 final

PUBLIC VERSION

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Subject: State Aid SA.56933 (2020/N) – Bulgaria
COVID-19: intermediated SME loan guarantee program

Excellency,

1. PROCEDURE

(1) By electronic notification of 7 April 2020, Bulgaria notified aid in the form of guarantees on loans following the Council of Ministers Decision No 215 of 27.03.2020 for increase of the state participation in the capital of Bulgarian development bank AD, Sofia[1] ("the measures") under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak ("the Temporary Framework").[2]

(2) The Bulgarian authorities confirm that the notification does not contain confidential information.

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[1] In accordance with the Bulgarian Development Bank Act (promulgated, State Gazette No. 43/29.04.2008 ,as subsequently amended) and the Statutes of the Bulgarian Development Bank.

[2] Communication from the Commission - Temporary framework for State aid measures to support the economy in the current COVID-19 outbreak, 19 March 2020, OJ C 91I, 20.3.2020, p. 1-9, as modified by the Communication from the Commission of 3.4.2020.

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(3) Bulgaria exceptionally agrees to waive its rights deriving from Article 342 TFEU, in conjunction with Article 3 of Regulation 1/1958,[3] and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE MEASURE

(4) Bulgaria considers that the COVID-19 outbreak has started to affect the real economy. Bulgaria claims that as an open economy, it cannot remain isolated from the ongoing developments and deteriorating economic activity in the Euro area and in the major EU economies, which form a significant part of the Bulgaria's foreign trade and exports. Bulgaria's GDP is projected to decline by 3% in real terms this year, which will be manifested across almost all GDP components, including; deterioration of gross investment, deterioration of the export of goods and services, a negative impact on the labour market and inflation. Accordingly, the Bulgarian government has moved to the Parliament a bill for amendment of the 2020 State Budget Act, which takes into account the immediate economic and fiscal deterioration effects whilst proposing adequate budgeting of emergency economic measures to be undertaken in the months to come. The measure forms part of an overall package of measures and aims to ensure that sufficient liquidity remains available in the market in particular for SME's, to counter the damage inflicted upon those undertakings impacted by the outbreak and to preserve the continuity of economic activity during and after the outbreak.

(5) The measure is expressly based on Article 107(3)(b) of the Treaty on the Functioning of the European Union ("TFEU"), as interpreted by Section 2 of the Temporary Framework. Its objective is to support SMEs in Bulgaria that face liquidity problems as result of the effects of COVID-19 outbreak.

2.1. The nature and form of aid

(6) The Intermediated SME Guarantee Program provides aid in the form of state funded guarantees for individual SME loans or for SME loan portfolios channelled through credit institutions and other financial institutions.

2.2. National legal basis

(7) The legal basis for the measure is a series of decisions and acts. The Council of Ministers Decree No. 52 of 26.03.2020 approves amendments to the budget of the Ministry of Economy for 2020 with reference to the increase of the capital of a commercial entity, i.e. the Bulgarian Development Bank AD, Sofia,[4] with up to BGN 700 million at the expense of the central budget. This was effectuated through Council of Ministers Decision No 215 of 27.03.2020 approving an increase of the state participation in the capital of Bulgarian Development Bank.

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

[4] The Bulgarian Development Bank is the only state-owned bank in the country and an instrument for the implementation of the State policy in various priority areas of the economy. It is a credit institution which status and activity are regulated by the special Law on Bulgarian Development Bank. The Bulgarian Development Bank is a public limited company with more than 99.99 % state ownership of the capital.

Out of the BGN 700 million capital increase, the Bulgarian Development Bank will use up to BGN 500 million to finance the measure, in accordance with the Bulgarian Development Bank Act[5] and the Statutes of the Bulgarian Development Bank. Therefore, the present decision concerns solely the measure financed by the amount of BGN 500 million out of the Bulgarian Development Bank's capital increase of BGN 700 million.

2.3. Administration of the measure

(8) The funds granted by the Bulgarian Ministry of Economy are managed by the Bulgarian Development Bank. The measure is implemented and administered by the National Guarantee Fund, a wholly owned subsidiary of the Bulgarian Development Bank.

2.4. Budget and duration of the measure

(9) The budget of the measure is estimated at BGN 500 million (EUR 255 million).

(10) Aid may be granted under the measure as from its approval under EU State aid rules until 31 December 2020.[6]

2.5. Beneficiaries

(11) The final beneficiaries of the measure are micro, small and medium-sized enterprises, as defined in the Bulgarian SME Act[7], which suffer from the economic effects of the COVID-19 outbreak.[8] Midcap and large companies are excluded. Aid may be granted under the measure only to undertakings that were not in difficulty within the meaning of the General Block Exemption Regulation ("GBER")[9] the Agricultural Block Exemption Regulation (”ABER”)[10] or the

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5 Promulgated, State Gazette No. 43/29.04.2008, as subsequently amended.

6 Target date for signing of the respective guarantee agreements between the Bulgarian Development Bank, the National Guarantee Fund and the selected partner banks is April 15, 2020, but in no circumstances prior to the adoption of this decision. All local commercial banks are eligible and invited to participate so as to reach as many SMEs as possible.

7 As defined in Articles 3 and 4 of the Small and Medium Sized Enterprise Act (Promulgated, State Gazette No. 84/24.09.1999, as subsequently amended). Bulgaria confirmed that that definition is equivalent to the EU definition for SMEs as included in Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises, C(2003) 1422, OJ L 124, 20.5.2003, p. 36–41.

8 This will be established on the basis of the following criteria: (i) the company's financial statements indicate a decline in Q1 2020 turnover vs. Q1 2019; (ii) the company's financial statements indicate material clients receivables not received or amounts due to suppliers not paid after 01.03.2020; (iii) based on certification and documents submitted by the company: import deliveries needed for the company's business have been suspended after 01.01.2020, or export contracts have been cancelled; or (iv) the company is confronted with sick-leave and self-isolation of employees, overall decrease in the number of employees, closed production facilities, premises and offices, all based on certification and documents submitted by the company.

9 As defined in Article 2(18) of the Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, OJ L 187 of 26.6.2014, p. 1.

10 As defined in Article 2(14) of the Commission Regulation (EU) No 702/2014 of 25 June 2014 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible

Fisheries Block Exemption Regulation ("FBER")[11] on 31 December 2019. It may be granted to undertakings that faced difficulties or entered into difficulty thereafter because of the COVID-19 outbreak. Aid is channelled under the measure through credit institutions or other financial institutions as financial intermediaries.

2.6. Sectoral and regional scope of the measure

(12) The measure is open to all sectors. It applies to the whole territory of Bulgaria. It is expected that the measure in its practical implementation will primarily regard sectors that are most hit by the crisis, i.e. trade, services, including transport, tourism, hotels and restaurants, logistics, export, and others, depending on future developments and demands.

2.7. Basic elements of the measure

2.7.1. Nature of the eligible instruments

(13) The measure will provide for guarantees to SMEs channelled through credit institutions or other financial institutions guaranteeing up to 80% of loans to beneficiary undertakings. If the guarantee is granted on a portfolio basis, conditions on the maximum amount of the eligible loan instrument, the maximum duration, the maximum guarantee coverage and the pricing in view of the maximum guarantee coverage as described in the following recitals apply to each individual loan forming part of such portfolio.[12] The guarantee may relate to both investment and working capital loans[13]. Loans covered by the guarantee can include both new and existing loans. The refinancing of loans is excluded.

(14) To ensure liquidity support for the beneficiary undertaking, existing loans will be guaranteed only if there is a rescheduling of the borrower's due payments towards the credit or financial institution. A rescheduling can include a grace period for principal and interest payment of up to 3 months and a further grace period for principal repayment for another 3 months; the grace period for existing loans will end until 31 December 2020 inclusive. Moreover, existing loans will be guaranteed only if a difficulty in debt servicing occurred after 1 January 2020, and where the difficulty is directly related to the COVID 19 outbreak.[14] Only existing loans that were not classified as non-performing and were not in arrears

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with the internal market in application of Articles 107 and 108 of the Treaty, OJ L 193 of 1.7.2014, p.1.

11 As defined in Article 3(5) of the Commission Regulation (EU) No 1388/2014 of 16 December 2014 declaring certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty, OJ L 369 of 24 December 2014, p. 37.

12 In practice, this means that in case of an 80% guarantee on a portfolio, for each defaulting loan that is part of a portfolio, the credit institution carries 20% of the loss.

13 Working capital loans include loans for payment of wage bills, rents, overheads and other expenses directly related to the borrower's business activity.

14 To be established by the relevant intermediate credit institution based on the criteria mentioned in Footnote 8.

of more than 90 days during the 12 months prior to granting the guarantee can be included.

2.7.2. Maximum amount of the eligible instrument

(15) The loans subject to a guarantee issued under the measure to any beneficiary will be limited in compliance with Art. 25 (d) of the Temporary Framework:

– For loans with a maturity beyond 31 December 2020, the overall amount of loans per beneficiary will not exceed:

I. the double of the annual wage bill of the beneficiary (including social charges as well as the cost of personnel working on the undertaking's site but formally in the payroll of subcontractors) for 2019, or for the last year available. In the case of undertakings created on or after 1 January 2019, the maximum loan must not exceed the estimated annual wage bill for the first two years in operation; or

II. 25% of the beneficiary's total turnover in 2019; or

III. with appropriate justification and based on self-certification by the beneficiary SME of its liquidity needs, the amount of the loan may be increased to cover the liquidity needs from the moment of granting for the coming 18 months.

– For loans with a maturity until 31 December 2020, the amount of the individual loan principal may be higher than under point 25(d) of the Temporary Framework with appropriate justification and provided that the proportionality of the aid remains assured. In the present case, the Bulgarian authorities have explained that the maximum loan amount subject to a guarantee per beneficiary will in any case not exceed BGN 2 million (EUR 1.02 million).

2.7.3. Maximum amount of the guarantee

(16) The maximum amount of the guarantee per beneficiary shall be 80% of the guaranteed loan principal. Payments under a portfolio guarantee are additionally capped at 30% of the guaranteed portfolio.[15]. When the size of the loan decreases over time, the guaranteed amount decreases proportionally.

2.7.4. Maximum duration of the guarantee

(17) The maximum duration of the guarantee is 5 years with no restriction on the maturity of the underlying loan instrument.

2.7.5. Period for granting the eligible instruments

(18) The guarantees under the scheme may be granted until 31 December 2020.

[15] They also may not exceed the budget of the scheme, i.e. BGN 500 million (EUR 255 million).

2.7.6. *The attribution of losses*

(19) The Bulgarian Development Bank and the credit and financial institution will share the losses proportionally and under the same conditions. The credit institution and financial institution will always participate with own risk of at least 20%.

2.7.7. *Remuneration of the eligible instruments*

(20) Credit institutions and other financial institutions may either charge an annually increasing guarantee premium taking into account the guarantee coverage, or an annual flat fee calculated as an average of the respective number of years, as set out in the following table:

	Guarantee coverage	**increasing fee year 1 (bps)**	**increasing fee year 2 (bps)**	**increasing fee year 3 (bps)**	**increasing fee year 4 (bps)**	**increasing fee year 5 (bps)**
SME Loan	80%	0.22	0.44	0.44	0.89	0.89
SME Loan	70%	0.19	0.39	0.39	0.78	0.78
SME Loan	60%	0.17	0.33	0.33	0.67	0.67
SME Loan	50%	0.14	0.28	0.28	0.56	0.56

	Guarantee coverage	**flat fee for a 1 year loan (bps)**	**flat fee for a 2 year loan (bps)**	**flat fee for a 3 year loan (bps)**	**flat fee for a 4 year loan (bps)**	**flat fee for a 5 year loan (bps)**
SME Loan	80%	0.22	0.33	0.37	0.50	0.58
SME Loan	70%	0.19	0.29	0.32	0.44	0.51
SME Loan	60%	0.17	0.25	0.28	0.38	0.43
SME Loan	50%	0.14	0.21	0.23	0.31	0.36

2.7.8. *Mobilisation of the guarantee*

(21) Payments under the guarantee will be contractually linked to specific conditions, which have to be agreed between the parties when the guarantee is initially granted. The payments will be made on the basis of an issued writ of execution and/or accepted receivables in insolvency proceedings. Both the Bulgarian Development Bank and National Guarantee Fund have a longstanding experience in working with the guarantee products of the European Investment Fund and follow the best practices in that respect.

2.7.9. *Additional provisions*

(22) To ensure the transfer of the benefit to the SMEs through the partner banks, the Bulgarian authorities will introduce the following additional requirements:

(a) For any loan included in the guaranteed portfolio, the credit and financial institution shall:

(1) Reduce the required collateral with the amount of the guarantee (*e.g.* calculate the guarantee as a first-class collateral along with the assets provided by the borrower);

(2) Reduce the credit risk premium under the loan pro-rata to the Bulgarian Development Bank's coverage of the outstanding principle under the loan (e.g. if the Bulgarian Development Bank guarantees 80% of the loan, then the credit risk premium under the exposure should be reduced by 80%). This will not interfere with the other components of the interest rate such as cost of funding and administrative costs; or

(3) Where it concerns a new loan, demonstrate that the underlying transaction would not have been concluded without the guarantee, in light of the credit institution's current credit policy and/or credit practice.

(23) The credit institution and financial institution shall keep and be able to present the respective documentation evidencing the transfer of the guarantee benefit to the client and it shall be obliged to inform the client of the benefit in the respective loan agreement.

(24) Guarantees on loans up to BGN 1 million (EUR 510,000) will be covered by a portfolio guarantee. Loans above BGN 1 million will be subject to an individual guarantee. The National Guarantee Fund / Bulgarian Development Bank could apply a separate administration fee to cover the costs for running the program.

(25) Guarantees on working capital loans up to the amount of EUR 150,000 may be subject to a counter-guarantee granted by the European Investment Fund (part of EIB group) under COSME. In this case, all COSME criteria will apply and will be respected. Without an EIF counter-guarantee, working capital loans up to an amount of BGN 100,000 (EUR 51,000) may be granted without collateral.

(26) Specific monitoring and reporting clauses will be inserted in the guarantee agreements with credit and other financial institutions, along with clauses on information, access and other reporting aspects.

2.8. Cumulation

(27) The aid ceilings and cumulation maxima fixed under the measure shall apply regardless of whether the support for the aided project is financed entirely from State resources or partly financed by the Union.

(28) The Bulgarian authorities confirmed that aid granted under Section 3.2 of the Temporary Framework will not be cumulated with other aid granted for the same underlying loan principal under Section 3.3 of the Temporary Framework, and vice versa. The Bulgarian authorities explicitly confirmed that this applies also to aid granted under other decisions taken by the Commission on the basis of the Temporary Framework. In as far as one and the same beneficiary may benefit from multiple measures under the Temporary Framework in parallel, the Bulgarian authorities confirmed that it is ensured that the maximum thresholds on aid amounts per beneficiary as specified in point 25(d) of the Temporary Framework are respected.

2.9. Monitoring and reporting

(29) The Bulgarian authorities confirmed that they will respect the monitoring and reporting obligations laid down in Section 4 of the Temporary Framework (*e.g.*,

by 31 December 2020, a list of measures put in place on the basis of schemes approved under the Temporary Framework must be provided to the Commission; detailed records regarding the granting of aid must be maintained for 10 years upon granting of the aid).

3. ASSESSMENT

3.1. Legality of the measure

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

3.2. Existence of State aid

(31) For a measure to be categorised as aid within the meaning of Article 107(1) TFEU, all the conditions set out in that provision must be fulfilled. First, the measure must be imputable to the State and financed through State resources. Second, it must confer an advantage on its recipients. Third, that advantage must be selective in nature. Fourth, the measure must distort or threaten to distort competition and affect trade between Member States.

(32) The measure is imputable to the State and involves State resources, since it is funded from the Bulgarian State's central budget and managed by the State owned Bulgarian Development Bank following the Council of Ministers Decree No. 52 of 26.03.2020 approving amendments to the budget of the Ministry of Economy for 2020 with reference to the increase of the capital of a commercial entity.

(33) The measure confers an advantage on its beneficiaries in the form of State guarantees on loans, offering reduced collateral, reduced credit risk premium, thus relieving those beneficiaries of costs which they would have had to bear under normal market conditions.

(34) The advantage granted by the measure is selective, since it is awarded only to SMEs, in particular those in financial constraints due to the COVID-19 outbreak.

(35) The measure is liable to distort competition, since it strengthens the competitive position of its beneficiaries. It also affects trade between Member States, since those beneficiaries are active in sectors in which intra-Union trade exists.

(36) In view of the above, the Commission concludes that the measure constitutes aid within the meaning of Article 107(1) TFEU. The Bulgarian authorities do not contest that conclusion.

3.3. Compatibility

(37) Since the measure involves aid within the meaning of Article 107(1) TFEU, it is necessary to consider whether that measure is compatible with the internal market.

(38) Pursuant to Article 107(3)(b) TFEU the Commission may declare compatible with the internal market aid "*to remedy a serious disturbance in the economy of a Member State*".

(39) By adopting the Temporary Framework on 19 March 2020, the Commission acknowledged (Section 2) that "*the COVID-19 outbreak affects all Member States and that the containment measures taken by Member States impact undertakings*". The Commission concluded that "*State aid is justified and can be declared compatible with the internal market on the basis of Article 107(3)(b) TFEU, for a limited period, to remedy the liquidity shortage faced by undertakings and ensure that the disruptions caused by the COVID-19 outbreak do not undermine their viability, especially of SMEs*".

(40) The measure aims to support SMEs in Bulgaria that face liquidity problems by facilitating the access of SMEs to external finance or improved credit terms at a time when the normal functioning of credit markets is severely disturbed by the COVID-19 outbreak and that outbreak is affecting the wider economy and leading to severe disturbances of the real economy of Member States.

(41) The measure is one of a series of measures conceived at national level by the Bulgarian authorities to remedy a serious disturbance in their economy. The importance of the measure to *stimulate lending or achieve improved lending conditions on existing loans by private banks to ensure liquidity of SMEs during the COVID-19 outbreak* is widely accepted by economic commentators and the measure is of a scale which can be reasonably anticipated to produce effects across the entire *Bulgarian* economy. Furthermore, the measure has been designed to meet the requirements of a specific category of aid "Aid in the form of guarantees on loans" described in Section 3.2 of the Temporary Framework and the requirements for aid in the form of guarantees and loans channelled through credit and other financial institutions or other financial institutions described in Section 3.4 of the Temporary Framework.

(42) The Commission accordingly considers that the measure is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State and meets all the conditions of the Temporary Framework. In particular:

- The measure sets minimum levels for guarantee premiums. The measure allows an option to the commercial banks to use annually increasing guarantee premiums taking into account the guarantee coverage, or annual flat fees, depending on the practices and systems used by the partner banks (see recital (20) above). Therewith, the Bulgarian authorities have taken advantage of the flexibility provided by point 25(b) of the Temporary Framework, whereby Member States may notify guarantee schemes, considering the table in point 25(a) as a basis, but with the possibility to modulate maturity, pricing and guarantee coverage. They have justified recourse to minimum guarantee premiums below those indicated in the table under point 25(a) by pointing to the coverage ratio under the measure which is less than the maximum allowed under point 25(f) of the Temporary Framework. That increased risk sharing ensures a sufficient incentive for the intermediary financial entities to perform an adequate risk assessment and viability outlook ensuring repayment of the loan. Furthermore, the flat credit risk margin for the entire duration of the loan is in line with point 25(b) of the Temporary Framework given that it is higher than the minimum credit risk margin for the 1st year, as adjusted according to the guarantee coverage. The premium structure and level therefore complies with the guidance in point 25(b) of the Temporary Framework.

- Guarantees must be granted under the measure by 31 December 2020 at the latest (recital (18)). The measure therefore complies with point 25(c) of the Temporary Framework.

- For loans with a maturity beyond 31 December 2020, the maximum loan amount per beneficiary covered by guarantees granted under the measure is limited in line with point 25(d) of the Temporary Framework (recital (15) above). For loans with a maturity until 31 December 2020, the higher amount of the loan principal is justified appropriately so that the proportionality of the aid remains assured (recital (15) above in line with point 25(e) of the Temporary Framework). Specifically, the Commission considers such aid to be proportionate in the present case, since (i) it includes a maximum threshold that is based on an absolute amount of BGN 2 million per guarantee per beneficiary which is relatively modest (approximately EUR 1 million), (ii) such threshold provides administrative simplification in the current urgent circumstances, in order to disburse effectively the aid, and (iii) beneficiaries are solely SMEs, which generally face greater challenges in receiving finance than large undertakings, even in normal times.

- The measure limits the duration of the guarantees to maximum 5 years (recital (17) above). Those guarantees cover up to maximum 80% of the loan principal and losses stemming from the loans are sustained proportionally and under the same conditions by the credit and other financial institutions and the State (recital (19) above). Furthermore, when the size of the loan decreases over time, the guaranteed amount decreases proportionally (recital (16) above). The measure therefore complies with point 25(f) of the Temporary Framework.

- Guarantees granted under the measure relate to investment and working capital loans (recital (13) above). The measure therefore complies with point 25(g) of the Temporary Framework.

- Undertakings in difficulty (situation as of 31 December 2019 within the meaning of the GBER, the ABER or the Fisheries Block Exemption Regulation are excluded from benefitting from the measure (recital(s) (11)). The measure therefore complies with point 25(h) of the Temporary Framework.

- The measure introduces safeguards in relation to the possible indirect aid in favour of the credit institutions or other financial institutions to limit undue distortions to competition. The guarantee is limited to 80% or less of coverage, so that the financial institution continues to bear a significant part of the risk itself. Also, if the guarantee is granted on a portfolio basis, all conditions on the loans concerning pricing, maximum loan amount and guarantee coverage apply to each individual loan forming part of such portfolio. Moreover, the extension of the grace period for the payment of the principal and the interest further increases the risk of the bank (see recital (14) above). Furthermore, the banks have to accept to reduce the collateral or the risk premiums of loans in exchange for the guarantee coverage (recital (22) above). Finally, the loans covered by the guarantee cannot be used for repayment of other loans (see recital (13) above). Such safeguards ensure that these institutions, to the largest extent possible, pass on the advantages of the measure to the final beneficiaries. The measure therefore complies with points 28 to 31 of the Temporary Framework.

- The Bulgarian authorities have confirmed that they will respect the monitoring and reporting rules laid down in Section 4 of the Temporary Framework (recital (29)).

- The applicable cumulation rules are respected (recitals (27) to (28)).

- Lastly, the mobilisation of the guarantees is contractually linked to specific conditions which have to be agreed between the parties when the guarantee is initially granted (recital (21) above)).

4. COMPLIANCE WITH INTRINSICALLY LINKED PROVISIONS OF DIRECTIVE 2014/59/EU

(43) Without prejudice to the possible application of Directive 2014/59/EU on bank recovery and resolution (**"BRRD"**)[16] in the event that an institution benefiting from the measures meets the conditions for the application of that Directive or of that Regulation, the Commission notes that the notified measures do not appear to violate intrinsically linked provisions of BRRD.

(44) In particular, aid granted by Member States to non-financial undertakings as final beneficiaries under Article 107(3)(b) TFEU in line with the Temporary Framework, which is channeled through credit institutions or other financial institutions as financial intermediaries, may also constitute an indirect advantage to those institutions.[17] Nevertheless, any such indirect aid granted under the measure does not have the objective of preserving or restoring the viability, liquidity or solvency of those institutions. The objective of the measure is to remedy the liquidity shortage faced by undertakings that are not financial institutions and to ensure that the disruptions caused by the COVID-19 outbreak do not undermine the viability of such undertakings, especially of SMEs. As a result, aid granted under the measure does not qualify as extraordinary public financial support under Art. 2(1) No 28 BRRD.

(45) Moreover, as indicated in recital (42) above, the measure introduces safeguards in relation to any possible indirect aid in favour of the credit and other financial institutions to limit undue distortions to competition. Such safeguards ensure that those institutions, to the largest extent possible, pass on the advantages provided by the measure to the final beneficiaries.

(46) The Commission therefore concludes that the measure does not violate any intrinsically linked provisions of the BRRD.

[16] OJ L 173, 12.6.2014, p. 190-348.

[17] Points 6 and 29 of the Temporary Framework.

5. CONCLUSION

The Commission has accordingly decided not to raise objections to the aid on the grounds that it is compatible with the internal market pursuant to Article 107(3)(b) of the Treaty on the Functioning of the European Union.

Yours faithfully,

For the Commission

Margrethe VESTAGER
Executive Vice-President

CERTIFIED COPY
For the Secretary-General,

Jordi AYET PUIGARNAU
Director of the Registry
EUROPEAN COMMISSION