

COVID-19

PUBLIC FINANCE SUPPORT (STATE AID) GRANTED TO THE HOSPITALITY SECTOR

Member State	State Aid Measure	EC Decision
BELGIUM (differences exist between the regions)	Brussels region measures specifically targeted at the hospitality sector include: <ul style="list-style-type: none"> • The abolition of certain taxes, in particular <ul style="list-style-type: none"> ○ City tax for hotels (for the first half of 2020) ○ A levy on taxis (for 2020) • Guarantees on bank loans to support cash flow (€40 million) — Finance & Invest.Brussels has been instructed to grant low interest loans to <ul style="list-style-type: none"> ○ Key suppliers of the hospitality (horeca) sector to allow them to offer their horeca customers a longer payment period ○ Horeca businesses with more than 50 employees ○ A moratorium on the repayment of capital on loans granted to affected companies active in certain sectors 	No decision
	The general measures the federal and regional governments have taken are also available for undertakings active in the hospitality sector, including: <ul style="list-style-type: none"> • Guarantee scheme for new credits: schemes with differing conditions exist at federal and regional level • Lump sum allowances: amounts and conditions differ between regions • Postponement of certain social charges and taxes • Loan schemes at Flemish and Walloon level • Extended use of the “temporary unemployment” regime • Bankruptcy protection 	See overview of State Aid available for COVID-19
BULGARIA	<p>A BGN 1.5 billion (€767 million) wage subsidy scheme that aims to benefit companies active in the most affected sectors, including accommodation, restaurants, beverage serving activities, or entertainment activities.</p> <p>Under the aid scheme, the monthly wage subsidy that can be paid to eligible companies is 60% of the benefitting personnel’s monthly gross salary (including an employer’s social security contributions). The wage subsidy that an employer can obtain for an individual employee is capped at BGN2,153 (approximately €1,100) per month. The wage subsidies will be paid to employers on a monthly basis. Companies can submit individual aid applications between 31 March 2020 and 30 June 2020, while the aid will be paid to beneficiaries until 31 July 2020.</p> <p>The Commission found that the scheme was compliant with Article 107(3)(b) TFEU and met the conditions of the Temporary Framework.</p> <p>https://ec.europa.eu/competition/state_aid/cases1/202016/285501_2148301_44_2.pdf</p>	Approved 14 April 2020

PUBLIC FINANCE SUPPORT (STATE AID)
GRANTED TO THE HOSPITALITY SECTOR

Member State	State Aid Measure	EC Decision
FINLAND	<p>The Finnish government has reportedly proposed a scheme of €120 million to support restaurants, cafés, and bars.</p> <p>The scheme would be two-tiered:</p> <ul style="list-style-type: none"> • A €40 million employment promotion measure that offers businesses €1,000 per each re-hired employee. This measure would apply to undertakings paying employees at least €2,500 over a three-month period after the COVID-19 restrictions are lifted, limited to 800 employees per undertaking. • An €83 million support measure to relieve lost sales. This measure would not require an application from the undertaking concerned, but would be automatically paid by the Finnish Tax Administration. 	No decision
	<p>Although not specific to the hospitality sector, undertakings in this sector can benefit from a general scheme available to all sectors provided they were affected by “a sudden liquidity shortage”.</p> <p>A €3 billion framework scheme to compensate SMEs and large companies active in all sectors in Finland that have been affected by a sudden liquidity shortage as a result of the COVID-19 crisis. The aid is granted in the form of direct grants, tax and payment advances, repayable advances, guarantees, loans, and equity. Aid may be granted no later than 31 December 2020.</p> <p>The Commission found that the scheme was compliant with Article 107(3)(b) TFEU and met the conditions of the Temporary Framework.</p> <p>https://ec.europa.eu/competition/state_aid/cases1/202018/285492_2151340_45_2.pdf</p>	Approved 24 April 2020
FRANCE	<p>No specific aid scheme. The French government is currently working on measures that take into account the specific situation of the hospitality sector.</p> <p>In order to help the hotel and restaurant sectors, the government has decided to postpone the due dates for audio-visual royalties by three months.</p> <p>Otherwise, general measures are applicable to the hospitality sector provided companies meet the below requirements:</p> <ul style="list-style-type: none"> • Independents forced to shut down their undertakings and place their staff on temporary leave (chômage partiel) will be entirely compensated for the cost associated with this measure (84% of net wages) (€8.5 billion budget) • Scheme to support small- and micro-enterprises and self-employed individuals through a “solidarity fund” (estimated budget of €1.7 billion for March 2020 and €2.9 billion for April 2020) <ul style="list-style-type: none"> ○ Direct grants to businesses (i) with up to 10 employees and (ii) sales up to €1 million (iii) that shut down on 15 March or after, or that suffered at least a 50% decrease in sales in March and/or April 2020 compared to March and/or April 2019 ○ Immediate €1,500 support on the basis of a simple declaration ○ Increased support available on a case-by-case basis to avoid bankruptcy (maximum of €8,000, initially €3,500) • Deadline extended on payments of certain social charges and certain taxes; in most critical cases, tax breaks can be awarded (€32 billion budget) 	See overview of State Aid available for COVID-19

PUBLIC FINANCE SUPPORT (STATE AID) GRANTED TO THE HOSPITALITY SECTOR

Member State	State Aid Measure	EC Decision
	<ul style="list-style-type: none"> • Suspension of rent and utility (water, electricity) bills for SMEs in difficulty • Recognition of a state of force majeure with respect to public contracts: delay penalties do not apply in contracts with public bodies • Various measures implemented through Bpifrance, a State-owned financial institution, include: <ul style="list-style-type: none"> ○ State guarantees to provide access to liquidity (€300 billion budget) <ul style="list-style-type: none"> ▪ Bpifrance to provide State guarantees on commercial loans and credit lines for enterprises with up to 5,000 employees ▪ State guarantees to banks on portfolios of new loans for all types of companies ○ Extension of current Bpifrance guarantees ○ Bpifrance awarding credit lines ○ Bpifrance borrowers are allowed to suspend interest payments 	
GERMANY	<p>The (general, cross-sectoral) support measures under the German protection shield apply, as do support measures on a federal state level (e.g., Bavaria). Several support measures that also benefit the hospitality sector include:</p> <ul style="list-style-type: none"> • Grants for short-time work allowance (Kurzarbeitergeld) • Tax-related liquidity assistance • Shield for businesses' liquidity including loan programmes (e.g., KfW Sonderprogramm 2020 and KfW Schnellkredit 2020) and guarantee programmes (Bundesregelung Bürgschaften 2020) • Aid package for small enterprises, self-employed persons, and independent professions (Bundesregelung Kleinbeihilfen 2020) <p>On 6 May 2020, the Federal Government adopted the draft for a Corona Tax Assistance Act. The change is intended to mitigate the economic impact of the COVID-19 pandemic on the restaurant and catering industry and is therefore limited in time. In particular, the VAT rate is to be reduced from 19% to 7% for restaurant and catering services provided after 30 June 2020 and before 1 July 2021, with the exception of the supply of beverages. In addition, tax relief for short-time work compensation is planned.</p>	See overview of State Aid available for COVID-19
ITALY	<p>General measures applicable to the hospitality sector in Italy include:</p> <ul style="list-style-type: none"> • A tax-free contribution of €600 (for March and April 2020) to freelance workers, seasonal workers, farm workers, and entertainment workers, and a one-off contribution of €1,000 (only for May 2020) to independent professional workers who recorded a decrease of more than 33% in their turnover for March and April 2020, upon request. • For the 2020 tax period, in order to encourage the sanitisation of the working environment to contain the spread of COVID-19, a tax credit of 50% of sanitation costs incurred and documented up to a maximum of €20,000 is available for each beneficiary, up to a total maximum of €50 million for 2020. 	See overview of State Aid available for COVID-19

PUBLIC FINANCE SUPPORT (STATE AID)
GRANTED TO THE HOSPITALITY SECTOR

Member State	State Aid Measure	EC Decision
	<p>Measures specifically targeted at the hospitality sector in Italy include:</p> <ul style="list-style-type: none"> • Withdrawal of the first instalment of the municipal property tax expiring on 16 June 2020, in favour of hotel and guest house owners, provided that real estate property owners are the managers of business activities carried out inside the relevant buildings. • Establishment of a fund by the Ministry of Cultural Heritage to support the tourism sector through the underwriting of shares of collective investment funds, managed by asset management companies, for the purchase, restructuring, and development of properties involved in tourism and hospitality activities (€50 million for 2020 and €100 million for 2021). • Tax credit for the payment of services provided by Italian hotels and guest houses from 1 July 2020 to 31 December 2020, for families with an annual family income of less than €40,000. • Establishment of a fund by the Ministry of Cultural Heritage to support bookshops, the publishing industry, and museums and other cultural institutions and places. The fund is also intended to restore the losses resulting from the cancellation of shows, fairs, and exhibitions (€210 million for 2020). • Formation of a fund by the Ministry of Cultural Heritage to support travel agencies and tour operators as a result of the COVID-19 containment measures (€25 million for 2020). • Suspension of the terms relating to the payment of withholding tax, contributions, and premiums for compulsory insurance, as well as VAT, until 30 April 2020. The suspended payments will be made, without the application of penalties and interest, in a single instalment by 16 September 2020 or by instalments up to a maximum of five equal monthly instalments from 16 September 2020. • Exemption for holders of authorisations concerning the use of public land from the payment of the tax for the occupation of public spaces and areas from 1 May until 31 October 2020. 	No decision
LITHUANIA	<p>A €101 million scheme for “Partial Rent Compensation for the Enterprises Most Affected by COVID-19” is available in the form of direct grants. The scheme mainly targets companies active in hotels, restaurants, and other activities with a focus on customer relations.</p> <p>Eligible applicants must have had their activities banned during the quarantine period. The applicants must also satisfy a number of other conditions, e.g., the relevant rental agreement has been signed no later than 15 March 2020, the applicants were not undertakings in difficulty as of 31 December 2019, and applicants are not undergoing a bankruptcy and are registered in the Register of Legal Entities (when the applicant is a company). Aid is capped at €800,000 per beneficiary.</p> <p>The Commission found that the scheme was in line with Article 107(3)(b) TFEU and the conditions set out in the Temporary Framework.</p> <p>https://ec.europa.eu/competition/state_aid/cases1/202019/285718_2152946_37_2.pdf</p>	Approved 30 April 2020
MALTA	<p>General measures available to hospitality sector, which is recognised as the main driver of the Maltese economy, include:</p> <ul style="list-style-type: none"> • Guarantees on working capital loans approved by accredited commercial banks under the COVID-19 Guarantee Scheme (CGS). The budget of the measure is 	

PUBLIC FINANCE SUPPORT (STATE AID)
GRANTED TO THE HOSPITALITY SECTOR

Member State	State Aid Measure	EC Decision
	<p>€350 million. The guarantees will be provided to banks for new working capital loans up to an estimated overall loan portfolio of €777.8 million.</p> <p>https://ec.europa.eu/competition/state_aid/cases1/202014/285286_2144945_30_2.pdf</p> <ul style="list-style-type: none"> Interest rate subsidy scheme, provided in the form of direct grants, to cover interest payments of working capital loans approved by accredited commercial banks under the CGS. The subsidy is limited to part of the interest costs on the initial two years of the loan. The estimated budget of the measure is €40 million, and all undertakings active in Malta are eligible. <p>https://ec.europa.eu/competition/state_aid/cases1/202020/285789_2156724_50_2.pdf</p>	<p>Approved 2 April 2020</p> <p>Approved 14 May 2020</p>
NETHERLANDS	<p>No specific scheme available for the hospitality sector. The general measures apply.</p>	<p>See overview of State Aid available for COVID-19</p>
PORTUGAL	<p>€3 billion in aid provided in through four guarantee schemes, including (i) aid to companies active in the touristic sector, and (ii) aid to restaurants and similar companies:</p> <ul style="list-style-type: none"> The scheme “Aid to companies active in the touristic sector in the form of guarantees” will provide guarantees for credit lines up to €900 million, of which €300 million will target small- and micro-enterprises, €600 million medium enterprises, and midcaps. The scheme “Aid to restaurants and similar companies in the form of guarantees” will provide guarantees for credit lines up to €600 million, of which €270 million will have small- and micro-enterprises as a target, €321 million will target medium companies and small midcaps, and €9 million will target regular midcaps. <p>Guarantees can be granted from 22 March 2020 (date of the decision) until 31 December 2020.</p> <p>To benefit from the scheme, companies must: (i) be established in Portugal, and (ii) not have been in difficulty on 31 December 2019. The aid will be granted through the Portuguese mutual guarantee system and is capped at €50,000 for micro-enterprises, €500,000 for small companies, and €1.5 million for medium, small midcap, and midcap companies.</p> <p>The Commission found that the scheme was compliant with Article 107(3)(b) TFEU and met the conditions of the Temporary Framework, Directive 2014/59/EU on bank recovery and resolution, and Regulation 806/2014 on the Single Resolution Mechanism.</p> <p>https://ec.europa.eu/competition/state_aid/cases1/202013/285147_2142383_70_2.pdf</p>	<p>Approved 22 March 2020</p>

PUBLIC FINANCE SUPPORT (STATE AID)
GRANTED TO THE HOSPITALITY SECTOR

Member State	State Aid Measure	EC Decision
SPAIN	<p>The Spanish government has extended an existing credit line (known as the “Thomas Cook Line”, which was created by the Royal Decree-Law 12/2019) managed by the Instituto de Crédito Oficial (ICO) by increasing the amount available by €200 million. The ICO will guarantee up to 50% of the risk of the collaborating financial entities’ clients.</p> <p>This financial line covers companies and self-employed employees registered in Spain whose activity falls within the tourism sector or its ancillary activities, pursuant to the Spanish National Economic Activity Codes (CNAE). This includes touristic accommodation, hotels, restaurants, and other companies providing food, among others.</p>	No decision
	<p>The government has granted an automatic one-year suspension of the payment of interest and amortisations corresponding to loans granted by the tourism secretary.</p>	Approved 24 April 2020
	<p>Companies within the hospitality sector that continue to generate activity from February to June 2020 and keep their fixed seasonal workforce can benefit from a 50% reduction of the employer’s Social Security contributions for general contingencies, as well as for amounts paid for unemployment, wages guarantee fund (FOGASA), and professional training from 1 January 2020 to 31 December 2020.</p>	Approved 24 April 2020
SWEDEN	<p>A SEK5 billion (€453 million) aid scheme granted in the form of rebates to support tenants operating in the hotel and restaurant sectors, among other sectors.</p> <p>The measure covers up to 50% of rent reductions negotiated between tenants and landlords for the period 1 April to 30 June 2020. The measure can benefit small, medium-sized, and large enterprises affected by the COVID-19 outbreak. The total amount of aid per tenant is capped at €800,000. However, the landlord must submit an application for compensation of part of the rebate renegotiated with the tenant between 1 July 2020 and 31 December 2020.</p> <p>The Commission found that the scheme was in line with Article 107(3)(b) TFEU and the conditions set out in the Temporary Framework.</p> <p>https://ec.europa.eu/competition/state_aid/cases1/202016/285464_2148529_55_2.pdf</p>	Approved 15 April 2020
UK	<p>The Coronavirus Retail, Hospitality and Leisure Grant Fund provides for:</p> <ul style="list-style-type: none"> • Business properties with a rateable value of £15,000 or under may be eligible for a grant of £10,000 • Business properties with a rateable value of over £15,000 but less than £51,000 may be eligible for a grant of £25,000 <p>Properties eligible for the grant will be those that are wholly or mainly being used as a hospitality, retail, or leisure venue, such as a:</p> <ul style="list-style-type: none"> • Shop • Restaurant, café, bar, or pub • Cinema or live music venue • Estate agent or letting agency • Assembly or leisure property, for example, a bingo hall, a sports club, a gym or spa 	De minimis

PUBLIC FINANCE SUPPORT (STATE AID) GRANTED TO THE HOSPITALITY SECTOR

Member State	State Aid Measure	EC Decision
	<ul style="list-style-type: none"> Hospitality property, for example, a hotel, a guest house, or self-catering accommodation <p>Further information is available at: https://www.gov.uk/guidance/check-if-youre-eligible-for-the-coronavirus-retail-hospitality-and-leisure-grant-fund</p>	
	<p>Business rates relief is available to a wide spectrum of hospitality venues, including restaurants, cafés, bars, pubs, or hospitality property (e.g., hotel, guest house, or self-catering accommodation). The list of eligible venues is not exhaustive.</p> <p>Companies wishing to benefit from the relief do not need to take any action, as the local authorities will apply the discount automatically. The relief will apply to business rates bills for the 2020 to 2021 tax year. Local councils may have to reissue bills, but they will do this as soon as possible. Any enquiries on eligibility for, or provision of, the reliefs should be directed to the relevant local authority.</p> <p>For further details on business rates and expanded retail discount, including the method of calculation, see expanded guidance from the Ministry for Housing, Communities and Local Government to Local Authorities administering the business rates relief.</p>	<p>UK government decided that the measure is not State aid</p>

Contact

[Elisabetta Righini](#)

elisabetta.righini@lw.com

[Natália Solárová](#)

natalia.solarova@lw.com

[Belén Seán](#)

belen.senan@lw.com