

## Part III.3.C - Supplementary information sheet on rescue aid, restructuring aid and/or temporary restructuring support: aid schemes

*This supplementary information sheet must be filled in for the of rescue aid, restructuring aid and temporary restructuring support schemes covered by the Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty<sup>1</sup> ("Guidelines").*

### 1. SCOPE OF THE SCHEME

#### 1.1 Does the scheme concern provision of:

- |                                     |                          |     |                          |    |
|-------------------------------------|--------------------------|-----|--------------------------|----|
| A) rescue aid:                      | <input type="checkbox"/> | yes | <input type="checkbox"/> | no |
| B) restructuring aid:               | <input type="checkbox"/> | yes | <input type="checkbox"/> | no |
| C) temporary restructuring support: | <input type="checkbox"/> | yes | <input type="checkbox"/> | no |

### 2. ELIGIBILITY

2.1 Is the scheme limited to small and medium enterprises<sup>2</sup> in difficulty or smaller State-owned undertakings in difficulty<sup>3</sup> (unless clearly indicated otherwise hereafter together referred as "SMEs")?

yes  no

2.2 Is the scheme limited to SMEs that fulfil one of the following eligibility criteria:

A) for SMEs that are limited liability companies<sup>4</sup> - more than half of the subscribed share capital has disappeared as a result of accumulated losses<sup>5</sup>?

yes  no

B) for SMEs that are companies where at least some members have unlimited liability for the debt of the company<sup>6</sup> - more than half of the capital as shown in the company accounts has disappeared as a result of accumulated losses?

yes  no

<sup>1</sup> OJ C 246, 31.7.2014, p.1.

<sup>2</sup> As defined in Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20.5.2003, p. 36).

<sup>3</sup> 'Smaller State-owned undertakings' are economic units with an independent power of decision that would qualify as small or medium-sized enterprises under Recommendation 2003/361/EC but for the fact that 25 % or more of the capital or voting rights are directly or indirectly controlled, jointly or individually, by one or more public bodies.

<sup>4</sup> This refers in particular to the types of company mentioned in Annex I of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

<sup>5</sup> This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital.

<sup>6</sup> This refers in particular to the types of company mentioned in Annex II of Directive 2013/34/EU.

C) for SMEs that are subject to collective insolvency proceedings or fulfil the criteria under their domestic law for being placed in collective insolvency proceedings at the request of their creditors?

yes  no

D) for smaller State-owned undertakings - the undertaking's book debt to equity ratio has been greater than 7.5 and its EBITDA interest coverage ratio has been below 1.0 for the past two years?

yes  no

2.3 Does the scheme foresee that rescue aid and/or temporary restructuring support can be granted to SMEs that do not qualify as undertakings in difficulty but merely are facing acute liquidity needs due to exceptional and unforeseen circumstances?

yes  no

2.4 If yes, please explain how your authorities are going to assess whether an SME faces acute liquidity needs and which kind of circumstances shall be qualified by your authorities as exceptional and unforeseen.

.....

2.5 Does the scheme apply to newly created SMEs?

yes  no

2.6 Does the scheme apply to SMEs active in:

A) the coal sector<sup>7</sup>:  yes  no

B) the steel sector<sup>8</sup>:  yes  no

C) sectors covered by specific rules for financial institutions<sup>9</sup>:

yes  no

**3. MAXIMUM AMOUNT OF AID**

3.1 Is the maximum total amount of aid to be granted to any one SME under the scheme limited to a maximum of EUR 10 million, including any aid obtained from other sources or under other schemes?

yes  no

3.2 Please indicate the maximum amount of aid to be granted to an SME under the scheme:

.....

**4. COMPATIBILITY WITH THE INTERNAL MARKET**

<sup>7</sup> As defined in Decision 2010/787/EU.

<sup>8</sup> As defined in Annex IV to the Communication from the Commission: Guidelines on regional state aid for 2014-2020 (OJ C 209, 23.7.2013, p. 1).

<sup>9</sup> Communication from the Commission on the application, from 1 August 2013, of the State aid rules to support measures in favour of banks in the context of the financial crisis ('Banking Communication') (OJ C 216, 30.7.2013, p. 1).

*In the case of rescue, restructuring aid and temporary restructuring support*

**4.1 Contribution to an objective of common interest:**

**A)** Does the scheme apply only in cases where the failure of the beneficiary would likely involve social hardship or a market failure, in particular:

- the exit of an innovative SME or an SME with high growth potential would have potential negative consequences;

yes  no

- the exit of an SME with extensive links to other local or regional SMEs would have potential negative consequences;

yes  no

- the failure or adverse incentives of credit markets would push an otherwise viable SME into bankruptcy; or

yes  no

- similar situations of hardship duly substantiated by the beneficiary.

yes  no

**B)** If you have answered yes to any of the above questions, please fully substantiate your answer(s) and explain the criteria on the basis of which your authorities are going to assess the contribution to the objectives of common interest.

.....

*In the case of restructuring aid:*

**4.2 Restructuring plan and return to long-term viability**

In relation to the grant of restructuring aid, does the scheme require the provision of a restructuring plan<sup>10</sup> aiming at restoring the long-term viability<sup>11</sup> of the beneficiary within a reasonable timescale (please see an indicative restructuring plan in Annex II to the Guidelines)?

yes  no

**5. NEED FOR STATE INTERVENTION / INCENTIVE EFFECT**

<sup>10</sup> Restructuring may involve one or more of the following elements: the reorganisation and rationalisation of the beneficiary's activities on to a more efficient basis, typically involving withdrawal from loss-making activities, restructuring of those existing activities that can be made competitive again and, possibly, diversification towards new and viable activities. It typically also involves financial restructuring in the form of capital injections by new or existing shareholders and debt reduction by existing creditors.

<sup>11</sup> Long-term viability is achieved when an undertaking is able to provide an appropriate projected return on capital after having covered all its costs including depreciation and financial charges. The restructured undertaking should be able to compete in the marketplace on its own merits.

5.1 In relation to the grant of restructuring aid, does the scheme require that your authorities compare the measures set out in the restructuring plan with a credible alternative scenario not involving state aid<sup>12</sup> demonstrating that in such an alternative scenario the relevant objective or objectives of common interest, as described in section 4.1. above, would not be attained, or would be attained to a lesser degree? In particular, does the scheme require a demonstration that in the absence of the aid, the beneficiary would have been restructured, sold or wound up in a way that would not have achieved the objective or objectives of common interest, as described in section 4.1 above?

yes  no

5.2 If yes, please explain according to what criteria your authorities will assess it.

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## 6. APPROPRIATENESS

### In the case of rescue aid:

6.1 Is the aid granted under the scheme restricted to loan guarantees or loans?

yes  no

6.2 Does the scheme require that the financial cost of the loan (or, in the case of loan guarantees, the total financial cost of the guaranteed loan, including the interest rate of the loan and the guarantee premium) is going to be set at a rate not lower than the reference rate set out by the Commission in its Reference Rate Communication for weak undertakings offering normal levels of collateralisation?

yes  no

6.3 Does the scheme provide that rescue aid is granted for no longer than six months, during which an analysis must be made of the beneficiary's position?

yes  no

6.4 Does the scheme provide that, within six months after granting the rescue aid, the loan will be reimbursed or the guarantee terminated, unless before that time either: (a) your authorities have approved a restructuring plan, or liquidation plan, or (b) the beneficiary has submitted a simplified restructuring plan<sup>13</sup> (in case of temporary restructuring support)?

yes  no

6.5 Does the scheme provide that the rescue aid must not be used to finance structural measures, such as acquisition of significant businesses or assets, other than those required during the rescue period for the survival of the beneficiary?

<sup>12</sup> The alternative scenario should not involve State aid. It may concern, for example: debt reorganisation, asset disposal, private capital raising, sale to a competitor or break-up, in each case either through entry into an insolvency or reorganisation procedure or otherwise.

<sup>13</sup> In line with point 115 (e) of the Guidelines, this plan need not contain all the elements set out in points 47 to 52 of the Guidelines, but must, as a minimum, identify the actions that the beneficiary must take to restore its long-term viability without State support.

yes  no

*In the case of restructuring aid:*

- 6.6 Please explain on basis of which criteria your authorities will assess to what extent the problems of beneficiaries relate to liquidity and/or solvency and how they will select the State aid instruments which will address the problems identified in the most appropriate way:
- .....

*In the case of temporary restructuring support:*

- 6.7 Is the temporary restructuring support to be granted under the scheme restricted to loan guarantees or loans?

yes  no

- 6.8 Does the scheme require that the financial cost of the loan (or, in the case of loan guarantees, the total financial cost of the guaranteed loan, including the interest rate of the loan and the guarantee premium) is going to be set at a rate not lower than the reference rate set out by the Commission in its Reference Rate Communication for weak undertakings offering normal levels of collateralisation?

yes  no

- 6.9 Does the scheme require that the remuneration for the temporary restructuring support is going to be increased by at least 50 basis points once 12 months have elapsed from the time of disbursement of the first instalment to the beneficiary (less any immediately preceding period of rescue aid)?

yes  no

- 6.10 Does the scheme provide that temporary restructuring support will be granted for no longer than 18 months, less any immediately preceding period of rescue aid?

yes  no

- 6.11 Does the scheme provide that not later than six months after disbursement of the first instalment of the temporary restructuring support to the beneficiary (less any immediately preceding period of rescue aid), your authorities will approve a simplified restructuring plan?

yes  no

- 6.12 Does the scheme provide that, before the end of the period of 18 months from the date of granting of the temporary restructuring support, less any immediately preceding period of rescue aid, the loan will be reimbursed or the guarantee terminated, unless before that time your authorities have approved a restructuring plan or liquidation plan of the beneficiary?

yes  no

## 7. PROPORTIONALITY OF THE AID / AID LIMITED TO THE MINIMUM

*In the case of rescue aid and temporary restructuring support:*

### 7.1 Amount of aid

- A) Does the scheme provide that the amount of aid will not exceed the result of the calculation on the basis of the formula set out in Annex I to the Guidelines?

yes  no

- B) If no, does the scheme require that a liquidity plan setting out the beneficiary's liquidity needs for the coming six months (18 months in the case of temporary restructuring support) is prepared?

yes  no

- C) If yes, please explain on which basis and information your authorities will examine whether the liquidity plan setting out the beneficiary's liquidity needs for the coming six months (18 months in the case of temporary restructuring support) is duly justified:

yes  no

.....  
*In the case of restructuring aid:*

### 7.2 Own contribution

- A) Does the scheme require provision of a real and aid-free contribution to the restructuring costs from the own resources of the beneficiary, its shareholders or creditors or the business group to which it belongs, or from new investors amounting to at least 40 % of the restructuring costs in case of medium-sized enterprises or 25% of the restructuring costs in case of small enterprises?

yes  no

- B) If yes, please explain which elements your authorities will take into account to assess whether the own contribution is real and aid-free?

yes  no

- .....  
C) Does the scheme require that the own contribution should be comparable to the aid granted in terms of effects on the solvency or liquidity position of the beneficiary<sup>14</sup>?

yes  no

- D) If yes, please explain how your authorities will assess it:

### 7.3 Burden sharing

*To be completed if the scheme provides that the State aid can be granted in a form enhancing the beneficiary's equity position<sup>15</sup>:*

<sup>14</sup> For example, where the aid to be granted enhances the beneficiary's equity position, the own contribution should similarly include measures that are equity-enhancing, such as raising fresh equity from incumbent shareholders, the write-down of existing debt and capital notes or the conversion of existing debt to equity, or the raising of new external equity on market terms.

<sup>15</sup> For example where the State provides grants, injects capital or writes off debt.

A) Does the scheme provide that State intervention may only take place after losses have been fully accounted for and attributed to the existing shareholders and/or subordinated debt holders?

yes  no

B) Will cash outflows from the beneficiary to holders of equity and subordinated debt be prevented during the restructuring period to the extent legally possible?

yes  no

C) If no, please explain on the basis of which criteria your authorities will assess whether such cash outflows would not disproportionately affect those that have injected fresh equity

.....

D) Will your authorities allow any exceptions from the conditions described in point 7.3.1. and 7.3.2. above?

no

yes. If so, please explain.

.....

E) Does the scheme provide that the State is going to receive a reasonable share of future gains in value of the beneficiary, in view of the amount of State equity injected in comparison with the remaining equity of the company after losses have been accounted for?

yes  no

**8. NEGATIVE EFFECTS**

**8.1 One time, last time' principle:**

A) Does the scheme exclude<sup>16</sup> the provision of aid to any SME which has already received rescue aid, restructuring aid or temporary restructuring support in the past<sup>17</sup> and/or any non-notified aid?

<sup>16</sup> Please note where less than 10 years have elapsed since the rescue aid or temporary restructuring support was granted or the restructuring period came to an end or implementation of the restructuring plan was halted (whichever occurred the latest), further rescue aid, restructuring aid or temporary restructuring support can be only granted: (a) where temporary restructuring support follows the granting of rescue aid as part of a single restructuring operation; (b) where restructuring aid follows the granting of rescue aid or temporary restructuring support as part of a single restructuring operation; (c) where rescue aid or temporary restructuring support has been granted in accordance with these guidelines and that aid was not followed by restructuring aid, if: i it could reasonably have been believed that the beneficiary would be viable in the long term when the aid pursuant to these guidelines was granted, and ii. new rescue or restructuring aid or temporary restructuring support becomes necessary after at least five years due to unforeseeable circumstances for which the beneficiary is not responsible; (d) in exceptional and unforeseeable circumstances for which the beneficiary is not responsible.

<sup>17</sup> Including any such aid granted before the entry into force of the Guidelines, i.e. before 1.08.2014.

yes  no

*In the case of restructuring aid:*

**8.2 Measures to limit distortions of competition<sup>18</sup>:**

*Structural measures – divestments and reduction of business activities*

A) Does the scheme require from beneficiaries divestments of assets, reduction of capacity or market presence<sup>19</sup> together with indication of the relevant markets on which those divestments will take place<sup>20</sup> and their timing<sup>21</sup>?

yes  no

B) Does the scheme state that structural measures should normally take the form of divestments on a going concern basis of viable stand-alone businesses that, if operated by a suitable purchaser, can compete effectively in the long term?

yes  no

C) If no, does the scheme provide that, in lack of such entities, the beneficiary might carve out and subsequently divest an existing and appropriately funded activity, creating a new and viable entity that should be able to compete in the market?

yes  no

D) If the scheme allows for structural measures take the form of divestment of assets alone, without involving the creation of a viable entity able to compete in the market, does it require a demonstration by the beneficiary that no other form of structural measures would be feasible or that other structural measures would seriously jeopardise the economic viability of the undertaking?

yes  no

*Behavioural measures*

E) Does the scheme require that the beneficiary refrains from acquiring shares in any company during the restructuring period, except where indispensable to ensure the long-term viability?

yes  no

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<sup>18</sup> Member States are not obliged to require such measures from small enterprises, except where otherwise provided by rules on State aid in a particular sector. However, small enterprises should not normally increase their capacity during a restructuring period.

<sup>19</sup> Divestments, write-offs and closure of loss-making activities which would at any rate be necessary to restore long-term viability will generally not be considered sufficient.

<sup>20</sup> Such measures should take place in the market(s) where the beneficiary will have a significant market position after the restructuring, in particular those where there is significant excess capacity.

<sup>21</sup> Divestments to limit distortions of competition should take place without undue delay, taking into account the type of asset being divested and any obstacles to its disposal, and in any case within the duration of the restructuring plan.



**F)** Does the scheme require that the beneficiary refrains from publicising State support as a competitive advantage when marketing their products and services?

yes  no

**G)** Does the scheme provide for the beneficiary to refrain from engaging in commercial behaviour aimed at a rapid expansion of its market share relating to specific products or geographic markets by offering terms (for example as regards prices and other commercial conditions) which cannot be matched by competitors that are not in receipt of State aid?

yes  no

**H)** If yes, under what circumstances? Please explain.

.....

**J)** Does the scheme foresee any other behavioural measures?

no

yes. If so, please describe.

.....

Market opening measures

**L)** Does the scheme allow for any measure to be adopted by your Member State or by the beneficiary, that are aimed at promoting more open, sound and competitive markets, for instance by favouring entry and exit<sup>22</sup>?

yes  no

**M)** If yes, please describe:

.....

<b>9. GENERAL</b>
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**9.1** Does the scheme apply to SMEs in an assisted area?

yes  no

**9.2** Do specific provisions apply to SMEs in assisted areas under the scheme?

yes  no

**9.3** If yes, please explain which specific provisions apply and their justification in such case.

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<sup>22</sup> This could in particular include measures to open up certain markets directly or indirectly linked to the beneficiary's activities to other Union operators, in compliance with Union law. Such initiatives may replace other measures to limit distortions of competition that would normally be required of the beneficiary.

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**9.4** Do your authorities intend to accept a contribution which constitutes less than 40 % of the restructuring costs in case of medium-sized enterprises or less than 25% of the restructuring costs in case of small enterprises?

yes                       no

**9.5** If yes, please explain how your authorities are going to apply the requirements concerning the measures to limit distortions of competition in order to limit the negative systematic impacts for the region?

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<b>10. OTHER INFORMATION</b>
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Please provide any other information that would be of relevance to assess the notified aid measure under Guidelines:

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