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Subject: **State Aid SA.104267 (2022/N) – Finland**
TCF: Subsidised loans in the energy sector

Excellency,

1. PROCEDURE

(1) By electronic notification of 27 September 2022, Finland notified liquidity support to municipal electricity companies (Liquidity support to municipal electricity companies, the "measure") in the form of subsidised loans granted by municipalities or Municipality Finance Plc ("Munifin") under the Temporary Crisis Framework for State aid measures to support the economy following the aggression against Ukraine by Russia (the "Temporary Crisis Framework")[1].

(2) Finland exceptionally agrees to waive its rights deriving from Article 342 of the Treaty on the Functioning of the European Union ("TFEU"), in conjunction with Article 3 of Regulation 1/1958[2] and to have this Decision adopted and notified in English.

[1] Communication from the Commission on the Temporary Crisis Framework for State aid measures to support the economy following the aggression against Ukraine by Russia (OJ C 131 I, 24.3.2022, p. 1), as amended by Commission Communication C/2022/5342 (OJ C 280, 21.7.2022, p. 1).

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

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2. DESCRIPTION OF THE MEASURE

(3) Finland considers that the Russian aggression against Ukraine, the sanctions imposed by the European Union ("EU") and its international partners and the counter-measures taken by Russia ("the current crisis") so far affect the real economy. Undertakings in Finland are affected by this crisis in multiple ways, both directly and indirectly. This may take the form of shrinking demand, interruption of existing contracts and projects, with the consequent loss of turnover, disruptions in supply chains, in particular of raw materials and pre-products, or other inputs no longer being available or not being economically affordable. The war, sanctions and countersanctions are causing disruptions in global production chains, payment flows, and the availability of raw materials. The current crisis created significant economic uncertainties, resulting to exceptionally large and unexpected price increases, especially in natural gas and electricity.

(4) Finland notes that according to the September 2022 Bank of Finland interim forecast[3], the energy crisis triggered by Russia's invasion of Ukraine will stifle growth towards the end of the year. Although the Finnish economy is forecasted to grow by 2.2% in 2022, models are predicting that the economy will shrink in the second half of 2022 and GDP will contract by 0.3% in 2023. The final magnitude will depend on the duration and progress of the aggression, and on how Finland will be able to reduce its dependence on foreign trade with Russia and find new markets for exports.

(5) As regards the electricity market, one of the direct consequences of the aggression is that electricity is no longer imported from Russia to Finland. In 2021, around 10% of the total electricity consumption was covered by imports from Russia. Finland claims that the stagnation of energy imports from Russia inevitably increases the price of electricity in Finland and in the Nordic countries[4].

(6) In this context, in Finland most electricity companies face or are at instant danger of facing liquidity problems, amongst others, because of collateral requirements for exchange trading. According to data from the Finnish Ministry of Finance, electricity producers hedge most of their production on the electricity derivatives exchange. Hedges are typically done one to three years ahead. The hedging percentage for the closest year is typically higher and the hedging percentage for following years increases over time. According to Finland, with sharply increased prices in the electricity derivatives market the collateral requirements may be as much as 10 to 20 times higher than in normal circumstances. This creates a liquidity problem to energy companies, even if these companies are profitable. Even companies that have assets of significant value cannot use them as collateral in the electricity derivatives exchange.

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3 https://www.bofbulletin.fi/en/2022/articles/energy-crisis-will-shrivel-growth-in-finnish-economy/

4 Source: Finnish Transmission System Operator Fingrid https://www.fingrid.fi/globalassets/dokumentit/fi/kantaverkko/suomen-sahkojarjestelma/electricity-imports-from-russia-to-finland.pdf

(7) At the same time, the Finnish authorities note that upon delivery of the electricity sold, the collateral related to the sale in question is returned in its entirety.

(8) Thus, the measure aims to remedy the liquidity shortage faced by municipal electricity producing or supplying companies that are directly or indirectly affected by the serious disturbance of the economy caused by the Russian aggression against Ukraine, the sanctions imposed by the EU or by its international partners, as well as by the economic counter measures taken so far by Russia.

(9) Finland confirms that the aid under the measure is not conditioned on the relocation of a production activity or of another activity of the beneficiary from another country within the EEA to the territory of the Member State granting the aid. This is irrespective of the number of job losses actually occurred in the initial establishment of the beneficiary in the EEA.

(10) The compatibility assessment of the measure is based on Article 107(3)(b) TFEU, in light of Sections 1 and 2.3 of the Temporary Crisis Framework.

2.1. The nature and form of aid

(11) The measure provides aid in the form of loans with subsidised interest rates.

2.2. Legal basis

(12) The legal basis for the measure is: i) the Act on the Municipal Guarantee Board (487/1996)[5], and ii) the Local Government Act (410/2015)[6], and especially Sections 1, 2 and 129 of the latter.

2.3. Administration of the measure and granting authorities

(13) The measure is administered by Munifin[7], the municipalities, and the Municipal Guarantee Board ("MGB")[8]. The MGB and Munifin are responsible for the execution and administration of the joint funding system of Finnish municipalities, as MGB guarantees the funding of Munifin[9]. Finland clarifies that the public tasks discharged by Munifin, as stipulated in Section 1 (a) of the Act on the MGB, are non-economic in nature[10].

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5 The Act on the Municipal Guarantee Board No. 487/1996, Issued on Helsinki on June 28, 1996, is available on https://kuntientakauskeskus.fi/en/municipal-guarantee-board/mgb-act/.

6 The Local Government Act No. 410/2015 is available on: https://www.finlex.fi/en/laki/kaannokset/2015/20150410.

7 Municipality Finance Plc (Munifin) is a credit institution in the form of a public limited liability company, as specified in Section 7, Chapter 1 of the Credit Institutions Act.

8 The MGB is an institution under public law established by the Act on the MGB (487/96) and its purpose is to safeguard and develop the joint funding of Finnish municipalities.

9 State Aid SA.16399 (N179/04) – Finland – Finnish municipal guarantees, C(2004) 2034 final, recitals 3-13.

10 See to that effect recital 24 of the 2004 Decision - State Aid SA.16399 (N179/04).

(14) According to Finland, the measure is an umbrella scheme, divided in three different sub-measures, which are granted by two different authorities, Munifin and the Finnish municipalities respectively. Specifically, aid under the measure may be granted with one of the following ways:

(a) Munifin will grant the loans to the beneficiaries directly. In this case, the municipality that owns or controls the beneficiary may grant up to 100% guarantee on the loan provided by Munifin. Finland submits that this guarantee, that forms part of a risk sharing system between Munifin, MGB, and the municipalities, will not, at any case, grant any advantage to the beneficiary of the measure ("sub-measure 1");

(b) Munifin will grant loans to the respective municipality, which will then grant the loans to the beneficiaries by using the funds provided by Munifin ("sub-measure 2");

(c) The municipality will grant the loans to the beneficiaries directly, without using funds provided by Munifin ("sub-measure 3").

(15) Under sub-measures 1 and 2, Munifin grants loans in accordance with the principles agreed with MGB and MGB supervises that these principles and the Act on the MGB are respected.

(16) Therefore, under sub-measure 1, the MGB has to approve the loan, according to Section 8 of the Act on the MGB. As regards sub-measure 2, the MGB only approves Munifin's loan to a municipality, but not further decisions taken by the municipality. Loans granted by a municipality to beneficiaries (sub-measures 2 and 3) are exclusively administered by the municipality, irrespective of whether it uses Munifin funds or other funds.

2.4. Budget and duration of the measure

(17) The total estimated budget of the measure is EUR 5 billion.

(18) The measure is financed by Munifin (sub-measures 1 and 2) and by the budget of the municipalities (sub-measure 3).

(19) Aid may be granted under the measure as from the notification of the Commission's decision approving the measure until no later than 31 December 2022.

2.5. Beneficiaries

(20) The beneficiaries of the measure (sub-measures 1, 2, and 3) are municipal electricity companies that produce or supply electricity, engage in hedging operations, and are affected by the crisis. According to Section 129 of the Local Government Act No. 410/2015, municipal companies are entities forming part of the local authority group or being under municipal control, or the joint control of municipalities and central government. Finland clarifies that the beneficiaries may also have private minority shareholders.

(21) The beneficiaries will need to demonstrate that high collateral requirements on the electricity derivatives markets have created liquidity needs – which need to be quantified through self-certification – and thus need to be covered with public support in order to ensure the security of supply. The measure will cover collateral payments for derivatives exchanges (such as Nasdaq OMX Commodities), spot trading (NordPool Spot), imbalance settlement (eSETT) and bilateral trading (over-the-counter trading). Aid to cover collateral requirements for proprietary trading is excluded under this measure. Finland clarifies that for the purpose of this aid scheme, proprietary trading is understood as the use of derivatives which is not related to the sale of production of municipal electricity companies or the fulfilment of their customer contracts.

(22) For sub-measure 1, Munifin will verify compliance with the eligibility criteria and select the beneficiaries. For sub-measures 2 and 3, the respective municipality that grants the loan will verify compliance with the eligibility criteria and select the beneficiaries.

(23) Credit institutions or other financial institutions are excluded as eligible final beneficiaries.

(24) Finland confirms that the aid under the measure is not granted to undertakings under sanctions adopted by the EU, including but not limited to: (i) persons, entities or bodies specifically named in the legal acts imposing those sanctions; (ii) undertakings owned or controlled by persons, entities or bodies targeted by sanctions adopted by the EU; or (iii) undertakings active in industries targeted by sanctions adopted by the EU, insofar as the aid would undermine the objectives of the relevant sanctions.

(25) Finland confirms that the measure may not in any way be used to undermine the intended effects of sanctions imposed by the EU or its international partners and will be in full compliance with the anti-circumvention rules of the applicable regulations[11]. In particular, natural persons or entities subject to the sanctions will not benefit directly or indirectly from the measure.

2.6. Sectoral and regional scope of the measure

(26) The measure is open to all municipal electricity companies producing or supplying electricity and engaging in hedging operations, and applies to the whole territory of Finland.

2.7. Basic elements of the measure

(27) The measure (sub-measures 1, 2, and 3) provides liquidity support in the form of subsidised loans granted in line with all the conditions under Section 2.3 of the Temporary Crisis Framework. More specifically:

(a) the loans relate to working capital needs;

[11] For example, Article 12 of Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine (OJ L 229, 31.7.2014, p. 1).

(b) the loans are not granted to credit institutions or other financial institutions;

(c) the loans will be granted to the beneficiaries at reduced interest rates, which are at least equal to the base rate (one-year IBOR or equivalent as published by the European Commission)[12] available on 1 February 2022 plus the credit risk margins as set-out in the table below:

Type of recipient	Credit risk margin for 1st year	Credit risk margin for 2nd - 3rd year
SMEs	25bps[13]	50bps[14]
Large enterprises	50bps	100bps

(d) the duration of the loans related to working capital needs shall not exceed three years, considering the activities and the life cycle of the working capital needs of the beneficiary;

(e) the overall amount of the loans per beneficiary shall not exceed:

(i) 15% of the beneficiary's average total annual turnover over the last three closed accounting periods. When the beneficiaries of the measure are newly established enterprises that do not hold three closed annual accounts, the applicable cap provided by point 50(e)(i) of the Temporary Crisis Framework will be calculated based on the undertaking's duration of existence at the moment of the aid application by the undertaking or;

(ii) the liquidity needs derived from the need to provide financial collaterals for trading activities on energy markets for the coming 12 months. As analysed above (recitals (3) to (6)), the municipal electricity companies of Finland that produce or supply electricity and engage in hedging operations are facing liquidity issues caused by the current and future increase in collateral requirements for the future delivery of electricity, and thus are in need of the public support provided by the measure. The beneficiaries are required to submit documentary evidence of their liquidity needs that will be verified by the granting authority (Munifin or the respective municipality) before granting the aid.

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12 Base rates calculated in accordance with the Commission's Communication on the revision of the method for setting the reference and discount rates (OJ C 14, 19.1.2008, p. 6).

13 The minimum all-in interest rate (base rate plus the credit risk margins) should be at least 10 bps per year.

14 The minimum all-in interest rate (base rate plus the credit risk margins) should be at least 10 bps per year.

(28) The minimum requirements described above will be applied by all granting authorities of the measure (Munifin and municipalities). For sub-measures 2 and 3, the Finnish authorities submit that the municipality which grants the loan is free to set terms that respect the above minimum requirements and thus are compliant with all the conditions under Section 2.3 of the Temporary Crisis Framework that this decision contains.

2.8. Cumulation

(29) The aid ceilings and cumulation maxima fixed under the measure will apply regardless of whether the support for the aided project is financed entirely from State resources or partly financed by the European Structural and Investment Funds ("ESIF").

(30) The Finnish authorities confirm that aid granted under the measure may be cumulated with aid under de minimis Regulations[15] or the General Block Exemption Regulation[16] provided the provisions and cumulation rules of those Regulations are respected.

(31) The Finnish authorities confirm that aid under the measure may be cumulated with aid under cases SA. 57059 and SA. 56995 that were approved by the Commission under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak[17] ("COVID-19 Temporary Framework") and the aid under the notified measure may be cumulated with those measures provided the respective cumulation rules are respected.

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[15] Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (OJ L 352, 24.12.2013, p. 1), Commission Regulation (EU) No 1408/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the agriculture sector (OJ L 352, 24.12.2013 p. 9), Commission Regulation (EU) No 717/2014 of 27 June 2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the fishery and aquaculture sector (OJ L 190, 28.6.2014, p. 45) and Commission Regulation (EU) No 360/2012 of 25 April 2012 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid granted to undertakings providing services of general economic interest (OJ L 114, 26.4.2012, p. 8).

[16] 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), Commission Regulation (EC) No 702/2014 of 25 June 2014 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (OJ L 193, 1.7.2014, p. 1) and 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 on the Functioning of the European Union (OJ L 369, 24.12.2014, p. 37).

[17] Communication from the Commission - Temporary framework for State aid measures to support the economy in the current COVID-19 outbreak (OJ C 91I, 20.3.2020, p. 1), as amended by Commission Communications C(2020) 2215 (OJ C 112I, 4.4.2020, p. 1), C(2020) 3156 (OJ C 164, 13.5.2020, p. 3), C(2020) 4509 (OJ C 218, 2.7.2020, p. 3), C(2020) 7127 (OJ C 340I, 13.10.2020, p. 1), C(2021) 564 (OJ C 34, 1.2.2021, p. 6), and C(2021) 8442 (OJ C 473, 24.11.2021, p. 1).

(32) The Finnish authorities confirm that aid granted under the measure may be cumulated with aid granted under other measures approved by the Commission under other Sections of the Temporary Crisis Framework provided the provisions in those specific Sections are respected.

(33) The Finnish authorities confirm that for the same underlying loan principal aid granted under Section 2.3 of the Temporary Crisis Framework will not be cumulated with aid granted under Section 2.2 of that framework and vice versa. For different loans, aid granted under Section 2.3 may be cumulated with aid granted under Section 2.2 provided the overall amount of loans per beneficiary does not exceed the ceilings set out in point 47(e) and point 50(e) of the Temporary Crisis Framework.

(34) The Finnish authorities confirm that when the overall amount of the loan is calculated on the basis of liquidity needs of the beneficiary (point 50(e)(iii) of the Temporary Crisis Framework), the same beneficiary cannot cover with loans under the notified aid measure the liquidity needs already covered by aid measures approved by the Commission under the COVID-19 Temporary Framework.

(35) A beneficiary may benefit in parallel from multiple schemes under Section 2.3 provided the overall amount of loans per beneficiary does not exceed the ceilings set out in point 50(e) of the Temporary Crisis Framework.

2.9. Monitoring and reporting

(36) The Finnish authorities confirm that they will respect the monitoring and reporting obligations laid down in Section 3 of the Temporary Crisis Framework (including the obligation to publish relevant information on each individual aid above EUR 100 000 granted under the measure on the comprehensive national State aid website or Commission's IT tool within 12 months from the moment of granting[18]).

3. ASSESSMENT

3.1. Lawfulness of the measure

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

3.2. Existence of State aid

(38) 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.

[18] Referring to information required in Annex III to Commission Regulation (EU) No 651/2014 and Annex III to Commission Regulation (EU) No 702/2014 and Annex III to Commission Regulation (EU) No 1388/2014. [Depending on the form of aid also include or adapt this sentence: For loans, the nominal value of the underlying instrument shall be inserted per beneficiary. For tax and payment advantages, the aid amount of the individual aid may be indicated in ranges.

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.

(39) As analysed above (recitals (13) to (16)), sub-measure 1 is granted by Municipality Finance Plc (Munifin), a credit institution in the form of a public limited liability company, and sub-measures 2 and 3 are granted by the municipalities. In addition, sub-measures 1 and 2 are financed by Munifin and sub-measure 3 is financed by the budget of the municipalities (recital (18)).

(40) According to Finland, the funding of Munifin is guaranteed by MGB, the latter supervising the lending activities of Munifin. Loans granted by Munifin directly to the beneficiary (sub-measure 1) and loans granted by Munifin to a municipality (sub-measure 2), are controlled by MGB, which is an entity governed by public law and supervised by the Ministry of Finance. According to Section 3 of the Act on the MGB, the operations of the MGB are monitored by a Guarantee Board Auditor, appointed by the Ministry of Finance, and according to Section 5 of the same Act, the right to make decisions of the MGB shall be exercised by the Council, the members of which are appointed by the Ministry of Finance.

(41) Given the above, sub-measures 1 and 2 are imputable to the State and are financed by public funds. Sub-measure 3 is also imputable to the State, as it is granted by municipalities, and is financed by the budget of the municipalities which, as Finland clarifies, includes proceeds from local taxation.

(42) The measure confers an advantage on its beneficiaries in the form of subsidised loans (recital (27)). The measure thus relieves those beneficiaries of costs which they would have had to bear under normal market conditions.

(43) The advantage granted by the measure is selective, since it is awarded only to certain undertakings, in particular municipal electricity companies producing or supplying electricity and engaging in hedging operations, excluding companies that engage in proprietary trading and the financial sector (recital (20)).

(44) 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.

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

3.3. Compatibility

(46) 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.

(47) 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*".

(48) By adopting the Temporary Crisis Framework on 23 March 2022, the Commission acknowledged (in Section 1) that the military aggression against Ukraine by Russia, the sanctions imposed the EU or its international partners and the counter measures taken, for example by Russia have created significant economic uncertainties, disrupted trade flows and supply chains and led to exceptionally large and unexpected price increases, especially in natural gas and electricity, but also in numerous other input and raw materials and primary goods. Those effects taken together have caused a serious disturbance of the economy in all Member States, including in the economy of Finland. 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 if it serves to remedy the liquidity shortage faced by undertakings that are directly or indirectly affected by the serious disturbance of the economy caused by the Russian military aggression against Ukraine, the sanctions imposed by the EU or by its international partners, as well as the economic counter measures taken so far, for example by Russia.

(49) The measure aims at facilitating the access of undertakings to external finance at a time when a wide range of economic sectors are affected, the normal functioning of markets is severely disturbed leading to severe disturbances of the real economy of Member States, including in the economy of Finland.

(50) The measure is one of a series of measures conceived at national level by the Finnish authorities to remedy a serious disturbance in their economy. The importance of the measure to compensate for the severe increase in natural gas and electricity prices is widely accepted by economic commentators. In addition, the need of enterprises to provide high financial collaterals for trading activities of energy markets in widely recognized. In this context, the municipal electricity companies of Finland that produce or supply electricity face liquidity issues caused by the current and future increase in collateral requirements for the future delivery of electricity, are in need of the public support provided by the measure (recitals (3) to (6)). Furthermore, the measure has been designed to meet the requirements of a specific category of aid ("Liquidity support in the form of subsidised loans") described in Section 2.3 of the Temporary Crisis Framework.

(51) 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 relevant conditions of the Temporary Crisis Framework. In particular:

- Loans under the measure granted in response to the current crisis will not be granted to credit institutions or other financial institutions (recital (20)). The measure therefore complies with point 50(a) of the Temporary Crisis Framework.

- The applicable interest rates for loans granted under the measure are equal to the base rate (1 year IBOR or equivalent as published by the Commission)[19]

[19] Base rates calculated in accordance with the Commission's Communication on the revision of the method for setting the reference and discount rates (OJ C 14, 19.1.2008, p. 6).

available on 1 February 2022 plus a credit margin of 0.25% to 0.5% for SMEs, and 0.5% to 1% for large enterprises (recital (27)). The measure therefore complies with point 50(b) of the Temporary Crisis Framework.

- The loan contracts are signed by 31 December 2022 at the latest and are limited to a maximum of 3 years (recital (27)). The measure therefore complies with point 50(d) of the Temporary Crisis Framework.

- The maximum loan amount per beneficiary granted under the measure is limited in line with point 50(e) of the Temporary Crisis Framework (recital (27)). As the measure is directed to municipal electricity companies that are particularly affected by direct or indirect effects of the aggression, including sanctions imposed by the EU, its international partners, as well as counter measures taken, for example by Russia, and thus need to provide high financial collaterals for trading activities on energy markets, the exception of point 50(e)(iii) applies. The Finnish authorities confirm that the same beneficiary cannot cover with loans under the measure the liquidity needs already covered by aid measures approved by the Commission under the COVID-19 Temporary Framework (recitals (31), (32), (33)). The measure therefore complies with point 50(e) of the Temporary Crisis Framework.

- Loans granted under the measure relate to working capital needs (recital (27)). The measure therefore complies with point 50(f) of the Temporary Crisis Framework.

- The cumulation rules set out in point 49 of the Temporary Crisis Framework are respected (recitals (29) to (35)).

(52) The Finnish authorities confirm that, pursuant to point 32 of the Temporary Crisis Framework, the aid under the measure is not conditioned on the relocation of a production activity or of another activity of the beneficiary from another country within the EEA to the territory of the Member State granting the aid. This is irrespective of the number of job losses actually occurred in the initial establishment of the beneficiary in the EEA (recital (9)).

(53) The Finnish authorities confirm that, pursuant to point 33 of the Temporary Crisis Framework, the aid under the measure will not be granted to undertakings under sanctions adopted by the EU, including but not limited to: a) persons, entities or bodies specifically named in the legal acts imposing those sanctions; b) undertakings owned or controlled by persons, entities or bodies targeted by sanctions adopted by the EU; or c) undertakings active in industries targeted by sanctions adopted by the EU, insofar as the aid would undermine the objectives of the relevant sanctions (recital (24)).

(54) The Finnish authorities confirm that the monitoring and reporting rules laid down in Section 3 of the Temporary Crisis Framework will be respected (recital (36)). The Finnish authorities further confirm that the aid under the measure may only be cumulated with other aid, provided the specific provisions in the Sections of the Temporary Crisis Framework, the COVID-19 Temporary Framework and the cumulation rules of the relevant Regulations are respected (recital (32)).

(55) The Finnish authorities also confirm that the rules under the European Regional Development Fund (“ERDF”), European Social Fund (“ESF”), Cohesion Fund (“CF”), European Agricultural Fund for Rural Development (“EAFRD”), European Maritime and Fisheries Fund (“EMFF”), European Union Solidarity Fund (“EUSF”) or the Coronavirus Response Investment Initiative (“CRII”) will be respected, in case that such funds will be used for the measure

(56) The Commission therefore considers that the measure is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State pursuant to Article 107(3)(b) TFEU since it meets all the relevant conditions of the Temporary Crisis Framework.

4. 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.

The decision is based on non-confidential information and is therefore published in full on the Internet site: http://ec.europa.eu/competition/elojade/isef/index.cfm.

Yours faithfully,

For the Commission

Margrethe VESTAGER
Executive Vice-President

CERTIFIED COPY
For the Secretary-General

Martine DEPREZ
Director
Decision-making & Collegiality
EUROPEAN COMMISSION