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**Subject: State Aid SA.58978 (2020/N) – France**  
**COVID-19: Amendment to the scheme SA.57754 – « Ajout d’un taux dérogatoire pour l’APLD et des secteurs bénéficiaires »**

Excellency,

**1. PROCEDURE**

- (1) Following pre-notification contacts, by electronic notification of 12 October 2020, France notified a modification to the State aid scheme SA.57754 *Dispositif d'activité partielle ad hoc* (“the ad hoc short-term work scheme”), which was approved by the Commission by its decision of 29 June 2020<sup>1</sup> (“the initial decision”) in the context of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, as amended (“the Temporary Framework”)<sup>2</sup>.

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<sup>1</sup> Commission Decision C(2020) 4512 final.

<sup>2</sup> 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, as amended by Communication from the Commission C(2020) 2215 final of 3 April 2020 on the Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 112I, 4.4.2020, p. 1, by Communication from the Commission C(2020) 3156 final of 8 May 2020 on the Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 164, 13.5.2020, p. 35, by Communication from the Commission C(2020) 4509 final of 29 June 2020 on the Third amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 218, 2.7.2020, p. 3, and by Communication from the Commission C(2020) 7127 final - 4<sup>th</sup> Amendment to the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak and amendment to the Annex to the Communication from the Commission to the Member States on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to short-term export-credit insurance, OJ C 340I/1, 13.10.2020, p. 1.

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- (2) The Commission has already approved three amendments to the ad hoc short-term work scheme by the following decisions: i) SA.58108 “*Amendment to the scheme SA.57754 – “Modification du dispositif d'activité partielle ad hoc”*” of 30 July 2020<sup>3</sup> (“the first amendment”) and ii) SA.58522 “*Amendment to the scheme SA.57754 – “Modification du dispositif d'activité partielle ad hoc – ajout des secteurs bénéficiaires”*” of 10 September 2020<sup>4</sup> (“the second amendment”), and iii) SA.58689 – “*Amendment to the scheme SA.57754 – “Prolongation et amendement du dispositif d'activité partielle ad hoc”*” (“the third amendment”). All three decisions are collectively referred to as “amending decisions”.
- (3) France 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,<sup>5</sup> and to have this Decision adopted and notified in English.

## **2. DESCRIPTION OF THE MEASURE**

### **2.1. Background and context of the measures**

- (4) France considers that the COVID-19 outbreak has affected the real economy and put at risk the jobs of workers and employees of undertakings that have suspended partially or entirely their activities due to the state of emergency and containment measures enforced by the national authorities. As a result, there is a risk of significant redundancies<sup>6</sup>. Thus, France has taken measures in order to preserve employment and protect employees, who would otherwise have been laid off due to the COVID-19 outbreak.
- (5) Against this backdrop, France has decided to make use of a pre-existing short-term work scheme applicable to employers in the private sector, already in force in national legislation before the COVID-19 outbreak (as described in recital (12) of the initial decision, the “pre-existing short-term work scheme”). This scheme offered wage compensation amounting to 70% of the employee’s gross salary. The compensation is paid by the employer to the employee and the former is reimbursed by the French authorities by an amount equal to the full amount of the subsidy.
- (6) The initial decision approved a modification to the pre-existing short-term work scheme, which included the reduction of the reimbursement amount from 70% to 60% of the employee’s gross salary for all sectors, while maintaining the percentage of 70% for certain sectors severely affected by the COVID-19

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<sup>3</sup> Commission Decision C(2020) 5347 final.

<sup>4</sup> Commission Decision C(2020) 6295 final.

<sup>5</sup> Regulation No 1 determining the languages to be used by the European Economic Community, OJ 17, 6.10.1958, p. 385.

<sup>6</sup> The French authorities submit that in June 2020 the economic activity in the country was 12 % lower than the situation at the beginning of the year. In addition, since 1 March until 15 June 2020, the French authorities have received approximately 1.402.000 applications of employers asking to be included in the existing subsidy mechanism for short-term work, involving 13.5 million employees and reflecting 5.9 billion hours of unemployment.

outbreak, as described in detail in recital (13) of the initial decision<sup>7</sup>. The professional activities covered by the initial decision were listed in Annexes 1 and 2 of the “Décret n° 2020-810 du 29 juin 2020”<sup>8</sup> (as described in recital (6) of the initial decision and hereinafter referred to as “June Decree”). The duration of the ad hoc short-term work scheme was defined as of 1 June 2020 until 30 September 2020, while the geographical scope included the entire territory of France, except for New Caledonia.

- (7) The first amendment of the ad hoc short-term work scheme applied solely in the regions of Mayotte and Guyane. It consisted of an extension of the scope of beneficiaries, namely it ensured a wage subsidy of 70% of the employee’s gross salary for all economic activities of the private sector. It also included an extension in the temporal scope, namely until the termination of the state of emergency in Mayotte and Guyane, which will take place on 30 October 2020 at the latest.
- (8) The second amendment applied in the rest of the French territory, namely except for Mayotte and Guyane, to which the first amendment continues to apply until 30 October 2020. The second amendment consisted of an extension of the sectoral scope of the ad hoc short-term work scheme, in particular the addition of certain professional activities, which belong to the wider economy sectors covered by the initial decision (i.e. tourism, culture, arts and sports), but were not specifically identified in that decision, nor in the Annexes 1 and 2 of the June Decree (see recital (8) of the decision SA.58522).
- (9) The third amendment introduced a prolongation of the ad hoc short-term work scheme. In particular, the scheme was prolonged until 31 December 2020, but according to the following rules:
  - (a) From 1 October until 30 October 2020, the ad hoc short-term work scheme is applying to the entire French territory, with the exceptions of Mayotte and Guyane, as approved and amended by the decisions SA.57754 (initial decision) and SA.58522 (the second amendment), without any further modification. It is clarified that, as regards Mayotte and Guyane, decision SA.58108 (the first amendment) continues to apply until 30 October 2020.
  - (b) From 1 November until 31 December 2020, the ad hoc short-term work scheme will apply uniformly to the entire French territory. While maintaining the structure of the scheme, the third amendment introduced a higher level of flexibility for the national authorities, by allowing them to define by means of national legislative acts:

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<sup>7</sup> The sectors caught by the initial decision are: i) catering and restauration, hotel industry and accommodation, tourism, passenger transport, arts, culture, sports; ii) upstream and downstream sectors linked with those above, provided that they have sustained a loss of 80% in their total revenue in the period of 15.03.2020 – 15.05.2020; iii) all other sectors, which involve services provided to the public and whose activities were mandatorily interrupted by the spread of COVID-19.

<sup>8</sup> <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000042056541&categorieLien=id>

- i. the list of professional activities which will be able to benefit from the scheme, provided that they remain within the limits of the wide economy sectors identified in that decision<sup>9</sup> (see recital (11) of the decision SA.58689);
- ii. the percentage of wage subsidy reimbursed to the employer, provided that it remains below the upper limit of 70% and 80% of the employee's gross salary<sup>10</sup>.

## **2.2. The Measures introduced by the present amendment**

- (10) By the notification in question, France intends to further modify the ad hoc short-term work scheme by adding two economy sectors in its scope and prolonging it until 31 May 2021 (“Measure A”), as well as to introduce a new preferential wage subsidy regime within the “long-term work scheme” (“activité partielle de longue durée”, or “APLD”) (“Measure B”).

### *2.2.1. Measure A – Addition of two economic sectors in the scope and prolongation until 31 May 2021 for the ad hoc short-term work scheme*

- (11) Measure A adds two new economic sectors to the privileged sectors under the ad hoc short-term work scheme, namely the sectors of cleaning services and security services. The French authorities consider that these sectors, due to the fact that they are closely linked to the already covered sectors of tourism and organisation of events, have sustained a significant reduction in their business activities and therefore should be included in the scope of the ad hoc short-term work scheme.
- (12) In general, the sectors of cleaning and security provide to a very large extent services to the hotel industry and the organisation of events (e.g. cleaning and security of accommodation facilities, airports, casinos, event and exhibition venues, museums, concert halls etc). These services constitute a principal and stable source of revenue for cleaning and security businesses, given that they mainly include the provision of services on a long-term basis, to large facilities and buildings. Therefore, the disruption in the business activity of tourism and organisation of events due to the ongoing health crisis has also severely affected cleaning and security services, which have reduced or even completely ceased the provision of services in such facilities. Hence, according to the French authorities, cleaning and security services are considered as equally affected by the COVID-19 outbreak and they should be included in the economy sectors covered by the ad hoc short-term work scheme.

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<sup>9</sup> The third amendment identified the following wide economy sectors: i) tourism (hotel industry, restauration, passenger transport, gambling and betting) and activities related to events (culture, sports, organisation of expositions or shows, booking services), ii) sectors which are directly linked to the sectors identified above, namely: production and trade of agricultural and fish products, manufacture of drinks and beverages, wholesale and retail trade, laundry services, retail trade of fuel, provided that the potential beneficiaries have sustained a loss amounting to 80% of their total revenue during the period from 15.03.2020 – 15.05.2020, iii) activities relating to services provided to the public, which were administratively forced to interrupt their activities due to the COVID-19 outbreak.

<sup>10</sup> The upper limit of 70% applies to the categories i) and ii) described in footnote 9, while the upper limit of 80% applies to the category iii) of the same footnote.

- (13) The French authorities clarify that these two sectors will be added to the category of “sectors which are directly linked to tourism and organisation of events, provided that they have sustained a loss amounting to 80% of their revenue during the period from 15 March 2020 – 15 May 2020”, as described in recital (11)(b) second indent of the decision SA.58689. All other definitions, conditions and commitments stipulated in that decision (third amendment), will continue to apply without any further modification. Indicatively, the professions falling under these categories, which will be eligible for the scheme, will be identified by the national authorities and the upper limit of wage subsidy granted to the employer will remain below the upper limit of 70% of the employee’s gross salary.
- (14) Apart from the addition of those two economic sectors by virtue of Measure A, the content, characteristics, conditions and commitments pertaining to the ad hoc short-term work scheme, including the cumulation and reporting commitments, as approved by the initial and the amending decisions, continue to apply in full.
- (15) This amendment will be put into effect as of 1 November 2020.
- (16) In view of the latest amendment of the Temporary Framework, the French authorities also intend to prolong the ad hoc short-term work scheme until 31 May 2021 at the latest. They submit that they may decide to cease the preferential wage subsidy regime earlier than that date. This decision will depend on the development of the COVID-19 outbreak and its consequences on the national health and economic situation.

*2.2.2. Measure B – Introduction of a preferential regime within the long-term work scheme)*

- (17) The long-term work scheme (“activité partielle de longue durée”, or “APLD”) provides for a wage compensation system which is largely similar to the short-term work scheme, but is conditional upon the existence of a collective agreement between employers and employees. In this case it permits the employer to reduce the working hours of its employees by up to 40% while offering them a reduced salary payment, amounting to 70% of their gross salary. The employer is reimbursed by the French authorities at a rate of 60% of the gross salary. This wage compensation scheme can concern wages for a total period of 2 years within a period of 3 years. It is clarified that the gross salary is defined in the same way as for the short-term work scheme, as described in recital (14) of the initial decision<sup>11</sup>.
- (18) The long-term work scheme is available to employers active in all economic sectors but is conditional upon the existence of a collective agreement between employers and employees (or their respective representatives, e.g. trade unions), which can take place either at the level of an economy sector (“branche”) or at the level of an enterprise. In the case of enterprises belonging to an economic sector which has concluded such a collective agreement, the enterprise is covered by

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<sup>11</sup> The gross salary is defined as the amount economically borne by the employer, excluding the employer’s social security contributions but including “Contribution Sociale Généralisée” (CSG, amounting to 6.2%) and the “Contribution au Remboursement de la Dette Sociale” (CRDS, amounting to 0.5%). These two levies are imposed on the income of individuals and aim at funding social security and unemployment benefits, as well as absorbing the social security debt, respectively.

that agreement and can benefit from the long-term work scheme without needing to conclude a separate agreement. In both cases, however, the employer is required to draft a document, which will include the detailed provisions of the long-term work scheme for its employees (i.e. the exact reduction rate of working hours, the starting date etc). This document is then submitted to the pertinent administrative authorities (regional authorities for enterprises, competition, consumers and employment, “DIRECCTE”<sup>12</sup>) for approval.

(19) The long-term work scheme was introduced in French legislation by article 53 of the law of 17 June 2020<sup>13</sup> and by the Decree of 28 July 2020<sup>14</sup>, as a more specific category of the wider measure of “activité partielle”, which is stipulated in article L-5122-1 of the French Labour Code (Code du Travail). It has already been in effect pursuant to the Decree of 28 July 2020. By the present modification, the French authorities intend to modify it so as to mirror the preferential treatment provided by the ad hoc short-term work scheme, i.e. the higher wage subsidy rates for certain sectors. In particular, the employers:

- (a) which are already benefitting or are eligible to benefit from the long-term work scheme, based on the criteria of national legislation, as described in recitals (17) and (18) and
- (b) which belong to the economic sectors of:
  - i. tourism (hotel industry, restauration, passenger transport, gambling and betting) and activities related to organisation of events (culture, sports, organisation of expositions or shows, booking services),
  - ii. sectors which are directly linked to the sectors identified above, namely: production and trade of agricultural and fish products, manufacture of drinks and beverages, wholesale and retail trade, laundry services, retail trade of fuel, cleaning and security services, provided that the potential beneficiaries have sustained a loss amounting to 80% of their total revenue during the period from 15 March 2020 to 15 May 2020,

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<sup>12</sup> DIRECCTE = Directions régionales des entreprises, de la concurrence, de la consommation, du travail et de l’emploi, They are responsible for verifying the substantial requirements and the conditions for entry into the long-term work scheme. Upon approval of this document, the scheme can be put into effect by the employer. The administrative authority will keep the employers’ files under review and, if it notices that the conditions of the scheme are not respected, it will make sure that reimbursement payments are suspended.

<sup>13</sup> « Loi No 2020-734 du 17 juin 2020 relative à diverses dispositions liées à la crise sanitaire, à d’autres mesures urgentes ainsi qu’au retrait du Royaume-Uni de l’Union européenne », <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000042007059>.

<sup>14</sup> « Décret no 2020-926 du 28 juillet 2020 relatif au dispositif spécifique d’activité partielle en cas de réduction d’activité durable », [https://www.legifrance.gouv.fr/download/pdf?id=IhV8YBj8ff6F2ICX931-zSL\\_Io1YsmDK6sXM7d5GJdk=](https://www.legifrance.gouv.fr/download/pdf?id=IhV8YBj8ff6F2ICX931-zSL_Io1YsmDK6sXM7d5GJdk=).

will be able to benefit from a reimbursement amount of maximum 70% instead of 60 % of the employee's gross salary.<sup>15</sup>

- (20) The precise reimbursement rate, as well as the list of professions which will be covered by this scheme will be identified by national legislative acts by the French authorities, in accordance with the procedure and the commitments described in recital (13) of decision SA.58689: the wage subsidy rate may only be adapted downwards and under no circumstances will the wage subsidy rate surpass the limit of 70% of the employee's gross salary, over the entire duration of the long-term work scheme. In addition, the professions to be covered by the measure will always belong to the economic sectors identified in recital (19)(b). The French authorities consider that the economy sectors in recital (19) are heavily affected by the COVID-19 outbreak and therefore in need of support under the long-term work scheme.
- (21) Apart from the details of the long-term work scheme described in recitals (17) to (20), all other characteristics of this scheme are mirroring those of the ad hoc short-term work scheme. In particular, the eligibility conditions for the beneficiaries ensure that the scheme is available to employers, who have sustained a reduction in their business activities; the wage subsidy is granted under the condition that the employees will remain in constant employment during the period for which the aid is received; the purpose of the measure is to avoid lay-offs and to maintain the personnel in continuous employment for the period during which the aid is granted. In addition, the French authorities confirm that all cumulation and reporting obligations, to which they have committed in the initial and amending decisions, continue to apply for Measure B.
- (22) The modification in the long-term work scheme, as described in this section, will apply as of 1 November 2020 and will stay in place until 31 May 2021 at the latest. The French authorities submit that they may decide to cease the preferential wage subsidy regime earlier than that date depending on the development of the COVID-19 outbreak and its consequences on the national health and economic situation.

### **2.3. Legal basis**

- (23) As regards Measure A, the legal basis is the Decree which will be issued following the adoption of the present decision and will bear the title "Décret portant modification du taux de l'allocation d'activité partielle".
- (24) As regards Measure B, the legal basis is:
  - (a) The law no 2020-734 of 17 June 2020, which introduced the long-term work scheme.
  - (b) The Decree no 2020-926 of 28 July 2020, which introduced the details for the application of the long-term work scheme.

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<sup>15</sup> As stated in the initial decision, the French authorities consider that the economy sectors of tourism and organisation of events have sustained a severe impact on their activities in view of the ongoing restrictions in traveling and large gatherings. The sectors directly linked to the afore-mentioned have equally sustained significant losses in their revenue and disruption in their activities, since they mainly relate to the provision and supply of goods and services to tourism and event organisation.

- (c) The Decree which will be issued following the adoption of the present decision and will bear the title “Décret portant modification du dispositif d’activité partielle et du dispositif d’activité partielle spécifique”.

#### **2.4. Budget and duration of the measures**

- (25) The estimated budget of both measures is around EUR 10.6 billion. Out of this amount, EUR 3.8 billion is estimated to cover the budget for both measures for the months of November and December 2020. The rest EUR 6.8 billion is estimated as the maximum cost of the measures on the national budget in case they remain in place until the maximum duration, i.e. as of 1 January until 31 May 2021.
- (26) Aid may be granted under the measures as from 1 November until no later than 31 May 2021.

#### **2.5. Beneficiaries**

- (27) As regards Measure A, the final beneficiaries of the measure are employers in the private sector, who belong to the economic sectors identified in recital (11) of the decision SA.58689, with the addition of cleaning and security services in the scope of recital (11)(b) second indent. The precise business activities to be covered by the measure will be indicated by the national authorities by means of national legislative acts and in compliance with recital (20) of the decision SA.58689.
- (28) As regards Measure B, the final beneficiaries are employers in the private sector, who belong to the economic sectors indicated in recital (19)(b) and, in particular, to the business activities which will be indicated by the French authorities by legislative acts by following the procedure described in recital (20) of the decision SA.58689. Moreover, the eligible employers must conclude a collective agreement providing for the long-term work scheme in accordance with the applicable legal framework (see recital (17), (18)) with their employees, or be covered by a relevant collective agreement at the level of their economic sector. Eligible employers must follow the procedure described in the Decree of 28 July 2020, namely submit a document indicating the details of the long-term scheme agreement to the DIRECCTE. Upon approval by the latter, eligible employers can put the long-term work agreements into effect.

#### **2.6. Regional scope of the measures**

- (29) Both Measures apply to the entire territory of France, except for New Caledonia.

#### **2.7. Cumulation and reporting**

- (30) As regards Measure A and B, all cumulation and reporting commitments provided in the initial and the amending decisions continue to apply (recital (14), (21)).
- (31) In particular, the French authorities confirm that aid granted under Measure B may be combined with aid granted under other generally available measures or with aid schemes in the form of employment support measures duly authorised by the Commission, provided the total amount of combined aid does not lead to overcompensation of the wage costs of the personnel concerned.



- (32) However, the French authorities clarify that, according to national law<sup>16</sup> the wage subsidies granted under the long-term work scheme cannot be cumulated with those granted under the short-term work scheme for the same employee and for the same period of time. An employer can benefit from one type of wage subsidies for some of its employees, while at the same time benefitting from the other type of wage subsidies for other of its employees.
- (33) The French authorities confirm 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, etc.).

### **3. ASSESSMENT**

#### **3.1. Lawfulness of the measures**

- (34) The national legal basis for both measures will be issued and the measures will be implemented following the adoption of the present decision. In particular, for Measure B, the legal basis by virtue of which the preferential regime will be put into effect is the Decree mentioned in recital (24)(c). Therefore, in both cases, by notifying the measures before putting them into effect, the French authorities have respected their obligations under Article 108(3) TFEU.

#### **3.2. Existence of State aid**

- (35) The Commission refers to its examination of the existence of State aid in the initial decision (recitals (23) – (28) of the initial decision), as well as in recitals (27) and (28) of the decision SA.58689. In view of the numerous similarities between the long-term work scheme and the ad hoc short-term work scheme, the Commission notes that the above-mentioned recitals apply to both Measures.
- (36) With respect to selectivity, Measure A is selective since it continues to benefit employers active in certain sectors of the economy by ensuring them a higher subsidy rate, despite the extension of the scope of beneficiaries: employers active in the sectors of cleaning and security services (see recital (11)).
- (37) Similarly, Measure B is selective since it benefits with a wage subsidy rate the employers active in the sectors identified in recital (19)(b), which have been severely affected by the COVID -19 outbreak.
- (38) In view of the above, the Commission concludes that the measures constitutes aid within the meaning of Article 107(1) TFEU. The French authorities do not contest that conclusion.

#### **3.3. Compatibility**

- (39) Since the measures involve aid within the meaning of Article 107(1) TFEU, it is necessary to consider whether that aid is compatible with the internal market.

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<sup>16</sup> Article 9 of the Decree of 28 July 2020.

### *3.3.1. As regards Measure A*

- (40) The Commission refers to its analysis of compatibility as set out in recitals (29) – (36) of the initial decision, as well as in recitals (33), (34) and (37) of the decision SA.58689. However, the following additional remarks should be taken into account.
- (41) As required by point 43(b) of the Temporary Framework, aid is granted in the form of a scheme to undertakings in the specific sectors that are particularly affected by the COVID-19 outbreak. The sectors of cleaning and security services are considered as equally affected by the health and economic crisis, since they heavily rely on the principally perturbed sectors of tourism and organisation of events. In addition, the eligible beneficiaries will have to prove that they have sustained a loss amounting at 80% of their revenue in the period from 15 March 2020 to 15 May 2020 (recitals (12) and (13)).
- (42) As required by point 43(c) of the Temporary Framework, aid will be granted for a period of no more than twelve months, namely for a maximum of twelve months in total (starting from 1 June 2020 until 31 May 2021, recital (16)) and subject to the condition that the benefitting personnel is maintained in continuous employment for the entire period for which the aid is granted (see recital (21)).

### *3.3.2. As regards Measure B*

- (43) Measure B is part of a series of measures conceived at national level by the French authorities to remedy a serious disturbance in their economy. The importance of the measure to preserve employment and economic continuity is widely accepted by economic commentators and the measure is of a scale, which can be reasonably anticipated to produce effects across the economy of the French territory.
- (44) In view of the similarities in the content, structure and application of the long-term work scheme with the ad hoc short-term work scheme, the Commission notes that Measure B aims at preserving employment and avoiding redundancies during the COVID-19 outbreak. In particular, the measure aims at supporting employees and avoiding lay-offs in sectors of the economy, which have been severely affected by the current health crisis, by ensuring liquidity for a large number of employees, while also discharging the employers of the usual costs relating to the short-term work scheme.
- (45) 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:
  - (a) As required by point 43(a) of the Temporary Framework, the aid granted under Measure B aims at preserving employment and avoiding redundancies during the COVID-19 outbreak. In this case, the measure translates into employment security and main income support for employees occupied in severely affected sectors of the economy, who would run a high risk of being laid off in the near future, in view of the reduced economic activity of their employers (recitals (17), (20)).

- (b) As required by point 43(b) of the Temporary Framework, aid is granted in the form of a scheme to undertakings in the specific sectors that are particularly affected by the COVID-19 outbreak, namely: i) tourism (hotel industry, restauration, passenger transport, gambling and betting) and activities related to events (culture, sports, organisation of expositions or shows, booking services), ii) sectors which are directly linked to the sectors identified above, namely: production and trade of agricultural and fish products, manufacture of drinks and beverages, wholesale and retail trade, laundry services, retail trade of fuel, cleaning and security services, provided that the potential beneficiaries have sustained a loss amounting to 80% of their total revenue during the period from 15 March 2020 to 15 May 2020 (recital (19)).
  - (c) As required by point 43(c) of the Temporary Framework, the wage subsidy is granted under the measure: (i) over a period of not more than twelve months, namely 7 months in total in total (recital (22)), (ii) for employees that would otherwise have been made redundant as a consequence of the suspension or reduction of business activities due to the COVID-19 outbreak (recital (20)) and (iii) subject to the condition that the benefitting personnel is maintained in continuous employment for the entire period for which the aid is granted (recital (21)).
  - (d) As required by point 43(d) of the Temporary Framework, the monthly wage subsidy will not exceed 80% of the monthly gross salary (including the employer's social security contributions) of the benefitting personnel (recitals (19), (20)).
  - (e) As required by point 43(e) of the Temporary Framework, the French authorities confirm that if wage subsidies granted under the measure are combined with other generally available or selective employment support measures, overcompensation of the wage costs of the personnel concerned will be excluded (recital (31)).
  - (f) As required by points 20bis and 43bis of the Temporary framework, the measure does not exclusively target employees from the financial sector (recital (19)).
- (46) The French authorities confirm that the monitoring and reporting rules laid down in section 4 of the Temporary Framework will be respected (recitals (30), (33)). The French 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 Framework are respected and the cumulation rules of the relevant Regulations are respected (recital (30)).
- (47) The Commission therefore considers that both Measures are necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State pursuant to Article 107(3)(b) TFEU since they meet all the relevant conditions of the Temporary 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