

FNGCIMM: European Commission extends Temporary State Aid Framework

The European Commission has extended until December 31, 2021 and expanded the Temporary State Aid Framework to support European economies in the context of the coronavirus pandemic, informs the National Credit Guarantee Fund for SMEs (FNGCIMM), an institution that contributes to the relaunch of the Romanian economy through the National Investment and Economic Recovery Plan with four programmes.

"The European Commission has announced the extension until December 31, 2021 of the Temporary State Aid Framework, adopted on March 19, 2020, to support the European economy and companies, in the context of the persistence of the crisis generated by the pandemic. The new amendment of the Temporary Framework provides both for the extension and expansion of the state aid ceilings. Thus, the new values provide for state aid of up to: 225,000 euros per company active in the primary production of agricultural products (previously 100,000 euros), 270,000 euros per company active in the fisheries sector and aquaculture (previously 120,000 euros); 1.8 million euros per company active in all other sectors (previously 800,000 euros)," the FNGCIMM informs in a release.

According to the same source, through the same amendment, the European Commission allowed the introduction of the possibility to convert repayable instruments, such as guarantees, loans, bridge loans, into direct grants, which can be granted until the end of 2021.

The European Commission announces that state aid will continue to be aimed at supporting the Recovery and Resilience Mechanism, as the European economy emerges from the crisis phase and takes steps towards economic recovery.

The institution mentions that, in this sense, the Romanian Government has launched the National Investment and Economic Recovery Plan, an unprecedented investment plan, which aims to replace the subsidy measures with those of investment stimulation.

The FNGCIMM contributes to the relaunch of the Romanian economy through the National Investment and Economic Recovery Plan with four programs, which received approval based on the Temporary State Aid Framework: SME Invest Romania, AGRO SME Invest - Subprogramme for supporting small and medium-sized enterprises and small enterprises with average market capitalization in the field of agriculture, fisheries, aquaculture and food sector, SME Leasing of equipment and machinery and SME Factor.