

POLICY AND STRATEGY

# Guidance on the UK government COVID-19 support scheme SA.56841

A UK scheme to support small and medium-sized enterprises (SMEs) and large enterprises in the UK affected by the coronavirus (COVID-19) outbreak.

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# Overview

The European Commission has approved a £50 billion (approximately €57 billion) "umbrella" UK scheme to support small and medium-sized enterprises (SMEs) and large enterprises in the United Kingdom affected by the coronavirus outbreak. The scheme was approved under the State aid Temporary Framework (TF) adopted by the Commission on 19 March 2020, and amended on 03 April 2020

The eligibility criteria for the use of the scheme are that:

- 1. There is to be a direct causal link between the aid and COVID-19
- 2. The aid to be strictly limited to compensating only for the damage caused, and
- 3. There is to be no cumulation with other aid for the same costs.
- 4. Aid is not to be granted to a firm in difficulty as at 31st December 2019

The maximum amount of award must be an amount equal to or less than the maximum of €800,000.

Press release of the scheme Copy of the initial approval letter Copy of the approval letter for the amendment Temporary Framework requirements

# What do you need to do?

In order to use this notified scheme you will need to undertake certain additional steps to ensure that the Welsh Government can meet the scheme's reporting requirements:

- 1. The grant recipients will be required to declare any other aid they have received under TF measure, similar to the approach used with de Minimis aid. Guidance attached (see Annex 1).
- Every scheme making use of the UK Government COVID-19 Support Scheme will need to inform BEIS immediately upon their first use of the scheme. This will be co-ordinated by the Welsh Government's State Aid Unit and you will need to provide them with the following details:
  - a. The date the aid scheme was started
  - b. The estimated scheme budget
  - c. A brief description of the scheme (e.g. purpose, aid recipient, etc.)
- 3. Every individual award of aid given under the UK Government COVID-19 Support Scheme is required to be reported on the Transparency Award Module (TAM) – not just those in excess of €500,000 as is normally the case for GBER Schemes. Given the volume of awards we are expecting, we would ask that you do not use the reporting portal on the Welsh Government Website but instead use the attached template (see Annex 2) to collate reports and submit them to our mailbox (transparency@gov.wales) in batches on a monthly basis so that we can do regular bulk uploads. This will minimise the impact on the workloads of the State Aid Unit and ensure that it does not negatively impact upon our other areas of work.
- 4. Summary returns of expenditure will need to be completed on a monthly basis, including certification that our use of the scheme has complied with the terms of our approval. All information required to be reported back to BEIS will be dealt with by the State aid team, please do not contact BEIS

directly as requested within the guidance notes (see attached Annex 1).

For aid that is awarded under this scheme there is a new template of text that will need to be inserted as the State Aid Schedule of the grant award letter (See Annex 3).

Should you need further assistance in using this scheme please contact the state aid unit direct via email to **State.Aid@gov.wales**.

# Annex 1

State aid: Guidance on the Covid-19 Temporary Framework for UK public authorities

# Annex 2

Transparency reporting template and definitions.

Data field	Input explanation	Example entry
Country	Country giving aid; this should be auto-filled as 'UK'	UK
BeneficiaryMs	Country where the beneficiary is located	UK
aidMeasure	Unique aid identifier number; this should be auto-filled as 'SA.56841'	SA.56841
beneficiaryName	Name of beneficiary	Acme Widgets Ltd
beneficiaryNationalID	Unique identification of beneficiary – applicable input types are; company reg. no.,	123456789

Data field	Input explanation	Example entry	
	VAT no. or HMRC unique Tax ref. no.		
beneficiaryNationalID	Type of beneficiary identifier input above i.e. Company reg. no., VAT no. or HMRC unique Tax ref. no.	UK VAT Number	
beneficiaryType	Company size – Small, Medium or Large enterprise	SME	
region	NUTS 3 code for where the beneficiary is located (see below)	UKL22	
sector	NACE code for sector being supported (see below)	D.35.1	
aidInstrument	Description of aid e.g.; grant, loan or guarantee	Grant	
aidInstrumentOther	This column should be blank; it is for internal Commission use.		
objective	As there are no sub-objectives to the cover this can be left blank		
grantedAmountFrom	Amount of aid received by beneficiary in GBP	1999.99	
grantedAmountTo	Amount of aid received by beneficiary in GBP	1999.99	
nominalAmountFrom	This column should be blank		
nominalAmountTo	This column should be blank		

Data field	Input explanation	Example entry
currency	Payment currency	GBP
language	Language country granting aid	EN
dateGranted	This is the date the support was awarded, NOT the date the funding was paid out	01/04/2020
grantingAuthority	Govt dept in whose authority aid was granted e.g. Welsh Government	Welsh Government
entrustedEntity	This column should be blank	
financialIntermediaries	This column should be blank	

#### NACE codes

A list of NACE codes can be found on the Commission's website here.

#### List of Welsh NUTS 3 codes

- Isle of Anglesey (UKL11)
- Gwynedd (UKL12)
- Conwy and Denbighshire (UKL13)
- South West Wales (UKL14)
- Central Valleys (UKL15)
- Gwent Valleys (UKL16)
- Bridgend and Neath Port Talbot (UKL17)
- Swansea (UKL18)
- UKL2 East Wales includes:
  - Monmouthshire and Newport (UKL21)

- Cardiff and Vale of Glamorgan (UKL22)
- Flintshire and Wrexham (UKL23)
- Powys (UKL24)
- Full list of NUTS 2 regions

# Annex 3: Award Letter State Aid Schedule mandatory text

#### For Direct award to the Beneficiary the text is as follows:

Of the Financial Support [insert amount] has been awarded as compatible aid in accordance with Commission approval SA.56841 – United Kingdom - COVID-19 Temporary Framework for UK authorities to support the economy in the current COVID-19 outbreak of 19 March 2020.

\*Where the support is in the form of a grant or loan guarantee\*

The value of the Temporary Framework aid to you is estimated to be [insert amount here – this must be an amount equal to or less than the maximum of €800,000]. You will need to declare this Temporary Framework aid to any other aid awarding body who requests information from you on how much Temporary Framework aid you have received. This award of aid has been registered with the European Commission via the Transparency Award Module.

# For Third Party Awards to the Beneficiaries the text is as follows:

Of the Financial Support [insert amount] has been awarded on the basis that you operate a scheme in accordance with Commission approval SA.56841 – United Kingdom - COVID-19 Temporary Framework for UK authorities to support the economy in the current COVID-19 outbreak of 19 March 2020.

# Temporary framework for state aid measures to support the economy in the current COVID-19 outbreak

In particular, you must ensure that where:

- Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (TF COVID-19) aid is to be offered that, before making an offer of assistance, the Notified scheme threshold will not be breached
- must inform any beneficiary receiving a service/ Financial Support (delete as appropriate) under the scheme that they are in receipt of Temporary Framework Notified aid in compliance with the COVID-19 Temporary Framework, directing them to a full version of the Regulation
- must ensure that any beneficiary receiving Temporary Framework aid keeps a record of the Temporary Framework aid and declares the amount to any aid awarding body who requests information on how much Temporary Framework aid they have received
- must inform any beneficiary benefiting from the activities of the Operation that they are in receipt of aid in line with Commission approval SA.56841 – United Kingdom - COVID-19 Temporary Framework for UK authorities to support the economy in the current COVID-19 outbreak of 19 March 2020
- are required to inform the Welsh Government State Aid Unit of your use of the Temporary Framework Notified scheme;
- are required to register every award with the European Commission via the Transparency Award Module.
- must maintain records relating to the award of aid for 10 years from the date on which the last individual aid is granted under the scheme.

#### About this document

This document is a copy of the web page **Guidance on the UK government COVID-19 support scheme SA.56841** downloaded.

Go to https://gov.wales/uk-government-covid-19-support-scheme-html for the latest version.

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