



Support for partial compensation for damage of small enterprises negatively affected by the outbreak of the coronavirus that causes the COVID-19 disease

The Regulation is established on the basis of subsection 53¹ (1) of the State Budget Act.

Chapter 1 General provisions

§ 1. Scope of application

(1) The target group of the support is a small enterprise whose economic activities have been negatively affected by the exceptional circumstances caused by the outbreak of the coronavirus that causes the COVID-19 disease.

(2) State aid is granted on the basis of this Regulation within the meaning of the Communication from the Commission Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (OJ C 91 I, 20 March 2020, pp 1-9, hereinafter the COVID-19 Framework) dated 19 March 2020 on the basis of section 3.1 of the COVID-19 Framework and the provisions of the COVID-19 Framework and § 34¹ of the Competition Act.

(3) The Regulation will not be applied to a commercial undertaking whose principal activity belongs to one of the following areas of activity stipulated in Annex 16 Estonian Classification of Economic Activities (EMTAK) (hereinafter referred to as the EMTAK) Minister of Justice Regulation No. 59 of 28 December 2005 Procedure for Submission of Documents to Court:

1) agriculture, forestry and fishery (EMTAK division A) and processing and preserving of fish, crustaceans and molluscs (EMTAK division C 102)

2) accommodation and food service (EMTAK division I 551, 552, 553, 56, excluding 5629)

3) activities of travel agencies and tour operators, reservation and related activities (EMTAK division N 79)

(4) The Government of the Republic Regulation established on the basis of subsection 81² (1) of the State Budget Act is also applied to the granting of support in addition to this Regulation.

(5) Support will be granted on the basis of the Regulation as of the adoption of the decision authorising State aid by the European Commission until 31 December 2020.

§ 2. Purpose and result of granting assistance

- (1) The purpose of granting the support is to grant one-off non-repayable aid to small enterprises for partial compensation of the crisis damage resulting from the outbreak of COVID-19.
- (2) The expected outcome of granting the support is the sustainability of small enterprises in the provision of products and services after the end of the COVID-19 pandemic.

§ 3. Implementation of support

- (1) The support applications will be processed, the payouts will be made and the supervision will be exercised by Enterprise Estonia.
- (2) The receipt of support in the case of business support measures with limited funds are decided according to the order in which eligible applications are received.

§ 4. Definitions

- (1) For the purposes of the regulation the following terms have the following meanings:
 - 1) small enterprise means a sole trader or commercial undertaking whose number of employees converted into full-time equivalents according to the Employment Register as at 1 March 2020 was 1 to 49
 - 2) e-service means a portal on the website of Enterprise Estonia where the applicant and Enterprise Estonia can exchange information and documents
 - 3) a small enterprise of islands means a small enterprise with a place of business on the island of Saaremaa, Hiiumaa, Vormsi, Ruhnu, Kohnu, Muhu or Manija, which in the case of commercial undertakings can be proven with an extract from the Employment Register, which indicates that at least one workplace is located in said region as at 1 March 2020
 - 4) a small enterprise of Ida-Viru County means a small enterprise with a place of business in Ida-Viru County, which in the case of commercial undertakings can be proven with an extract from the Employment Register, which indicates that at least one workplace is located in said region as at 1 March 2020
- (2) In the case of small enterprises belonging to a group within the meaning of § 6 of the Commercial Code, the numbers of employees of small enterprises in the group are summed up according to the data of the annual report indicated in the Commercial Register in order to find the number of employees specified in clause (1) 1).

§ 5. Submission of challenges

- (1) A challenge may be filed against a decision or an action of Enterprise Estonia to the Ministry of Economic Affairs and Communications via Enterprise Estonia within 30 days of the day the person became or should have become aware of the disputer decision or action, before a complaint is filed with an administrative court.
- (2) The Ministry of Economic Affairs and Communications will resolve the challenge pursuant to the procedure set forth in the Administrative Procedure Act.
- (3) The information, documents and decision related to the challenge will be delivered to the person filing the challenge electronically.

Chapter 2

Grounds for granting support, amount of support and basis of calculation

§ 6. Grounds, amount and calculation of granting support

- (1) The amount of the support per small enterprise, whose turnover for the 2019 financial year, or in the case of a small enterprise that has operated for less than a year, the turnover for its operating period, was more than 20,000 and less than 40,000 euros, is 3000 euros.
- (2) The amount of the support per small enterprise, whose turnover for the 2019 financial year was more than or equal to 40,000 and less than 100,000 euros and whose turnover in March or April 2020 decreased by at least 30% in comparison with the turnover in the same month in 2019, is 5,000 euros.
- (3) If the small enterprise specified in subsection (2) has operated for less than a year, the decrease in its turnover in March or April 2020 according to the data of the Tax and Customs Board in comparison with the average monthly turnover of the small enterprise during its operations must be at least 30%.
- (4) The decrease in turnover is calculated for 2020 on the basis of the data in the value added tax return for the last month submitted by the small enterprise to the Tax and Customs Board by its due date.
- (5) A separate budget will be set up for supporting small enterprises of islands and Ida-Viru County within the scope of the measure.
- (6) The minister responsible for the area decides the size of the budget.

Chapter 3

Applying for support and requirements for applicants and applications

§ 7. Applying for support

- (1) Applications for support can be submitted until and no later than 15 December 2020.
- (2) It is possible to apply for support once.
- (3) Enterprise Estonia will publish information on the start, termination and suspension of the acceptance of applications on its website and in its e-service.
- (4) An application can be submitted to Enterprise Estonia via the e-service with the digital signature of the applicant's legal representative.
- (5) Enterprise Estonia will terminate the acceptance of applications if the remaining budget for funding the measure becomes equal to the volume of the applications that are being processed but have not been decided yet.
- (6) Applications will be processed in chronological order of their submission from the moment the amount of the requested support becomes equal to the available balance of the budget for funding the applications.

§ 8. Requirements for applicant

- (1) A small enterprise in the Estonian Commercial Register is eligible to apply for the support if:
 - 1) the company's economic activities have been negatively affected by the exceptional circumstances caused by the COVID-19 outbreak;

- 2) its principal activity does not belong among the exclusions specified in subsection 1 (3);
 - 3) its turnover for the 2019 financial year, or in the case of an applicant that has operated for less than a year, the turnover for its time of operations, was more than 20,000 and less than 100,000;
 - 4) the aid granted to the applicant on the basis of the COVID-19 Framework with the support applied for on the basis of this Regulation does not exceed 800,000 euros.
- (2) An applicant must comply with the following requirements:
- 1) the applicant was not an undertaking in difficulty pursuant to Commission Regulation (EU) No. 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26 June 2014, pp 1-78), (amended with Commission Regulation (EU) 2017/1084 (OJ L 156, 20 June 2017, pp 1-18) within the meaning of Article 2(18) as at 31 December 2019
 - 2) the applicant has no national tax arrears as at 12 March 2020 or they have been deferred
 - 3) the applicant has no overdue tax returns and annual reports at the time they apply for the support
 - 4) no compulsory dissolution, liquidation or bankruptcy proceedings have been initiated against the applicant or the person who controls the applicant
 - 5) if the applicant has already received support subject to repayment, the repayments must have been made in the required amount by the moment the application is submitted if their due dates have arrived
 - 6) the applicant has not received support on the basis of the Minister of Foreign Trade and Information Technology Regulation “Support for partial compensation for the damage caused by the outbreak of the coronavirus that causes the COVID-19 disease to companies in the tourism sector”
 - 7) if the applicant has received support from a local government, other state budget funds or other measures on account of the funds to be allocated on the basis of the 2020 Supplementary State Budget Act due to the crisis resulting from the spread of the coronavirus that causes the COVID-19 disease, the applicant must inform Enterprise Estonia of the receipt thereof on the application form.

§ 9. Requirements for applications

An application must include the following information:

- 1) business name, Commercial Register code, telephone number, e-mail address, website and postal address of the applicant
- 2) name of application
- 3) place of business of the small enterprise
- 4) brief description of the impact of the outbreak of the coronavirus that causes the COVID-19 disease on the applicant’s economic activities
- 5) amount of the requested support
- 6) scheme of group members if the group is not shown in the Commercial Register
- 7) confirmation of the applicant of their compliance with the requirements set forth in § 8

8) income statement and balance sheet as at 31 December 2019 and if the applicant belongs to a group, the income statement and balance sheet of the group must be submitted, and if the applicant is a sole trader, the natural person's income tax return for 2019 must be submitted

9) an extract from the Employment Register as at 1 March 2020 in the case of a small enterprise of islands or Ida-Viru County

10) income statement and balance sheet as at 29 February 2020 in the case of a small enterprise that has operated for less than a year

Chapter 4

Processing of applications and payment of support

§ 10. Processing of applications

(1) The processing of applications entails:

- 1) review of the applications;
- 2) requesting explanations and additional information if necessary;
- 3) verification of the eligibility of the applicant and the application and declaration of these eligible or ineligible;
- 4) assessment of compliance with the rules of state aid;
- 5) granting or rejection of the application.

(2) The deadline for processing the application is up to 15 days from its submission. The application date is the date the applicant submits the application in the e-service. Enterprise Estonia may extend the time of processing the application by up to 10 working days in justified cases and the applicant will be informed of this.

(3) If deficiencies are found in the application, the applicant will be informed of this immediately and given a deadline of up to 10 working days to eliminate the deficiencies, by which the deadline for processing the application will also increase.

§ 11. Satisfaction or refusal of application

(1) Enterprise Estonia makes the decision to grant the application in the case of an eligible applicant and application. An applicant is declared eligible if all the requirements set for the applicant in § 8 are met. An application is declared eligible if all the requirements set for the application in § 9 are met.

(2) The decision to reject an application is made if the applicant or the application does not comply with the terms and conditions of the Regulation or if the monetary volume of the application exceeds the available balance of the budget allocated for funding the applications.

(3) Enterprise Estonia makes the decision to grant or reject an application and submits it to the applicant via the e-service.

§ 12. Terms and conditions for payment of support

The support will be paid out to the recipient in up to 10 working days after the decision to grant the application was made.

Chapter 5

Rights and obligations of support recipients and Enterprise Estonia

§ 13. Rights and obligations of support recipient

- (1) The support recipient has the right to receive information and explanations from Enterprise Estonia that concern legal requirements and the obligations of the support recipient.
- (2) The support recipient is obliged to:
 - 1) submit information at the request of Enterprise Estonia in the required manner and by the required time;
 - 2) allow Enterprise Estonia, the European Commission, the European Anti-Fraud Office and the European Court of Auditors to carry out one-site inspections and monitor the documents related to the support;
 - 3) preserve the documents and materials related to the application for seven years after the payout of the support;
 - 4) immediately inform Enterprise Estonia in writing of any changes in the submitted data or any circumstances that may affect the performance of the support recipient's obligation;
 - 5) repay the support in part or in full if it becomes evident that the support recipient is in breach of the terms and conditions of the Regulation or otherwise deviates from the provisions of the application or the decision to grant the application.

§ 14. Rights and obligations of Enterprise Estonia

- (1) Enterprise Estonia has the right to:
 - 1) carry out on-site inspections;
 - 2) request submission of additional data and documents on the content of the application;
 - 3) claw back the support in part or in full if the support recipient breaches the terms and conditions of the Regulation or otherwise deviates from the provisions of the application or the decision to grant the application.
- (2) Enterprise Estonia is obliged to:
 - 1) advise the applicants in issues related to the application;
 - 2) make the application form and the relevant guidelines accessible on its website;
 - 3) when clawing back the support, stipulate the grounds of the clawback, the amount clawed back, the deadline for compliance with the decision and other important information related to the decision;
 - 4) not disclose the information or documents received about applicants and applications during the proceedings;
 - 5) preserve the documents related to granting the support for 10 years as of the last granting of support;
 - 6) after the decision to grant the application, make the name of the support recipient and the amount of the support accessible on its website.

§ 15. Repayment of support

- (1) Enterprise Estonia may make the decision to claw back the support in part or in full if:
- 1) the support recipient has submitted false information or failed to submit information upon application;
 - 2) the support recipient has failed to perform an obligation specified in this Regulation in part or in full;
 - 3) a circumstance appears in the case of which the application would not have been granted.
- (2) The decision to claw back the support may be made within one year after complete performance of the last obligation of the applicant, unless otherwise provided for in legislation regulating the granting of state aid.
- (3) The support recipient must repay the clawed back support within 60 calendar days of the day the decision enters into force.
- (4) If the support is not paid back by the due date of repayment, the support recipient must pay default interest at the rate of 0.1 per cent for each calendar day of delay in repayment.

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