



MAJANDUS- JA
KOMMUNIKATSIOONI-
MINISTEERIUM

REGULATION

29 April 2020 No. 12

Support for companies in the tourism sector for partial compensation for damage caused 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 company operating in the tourism sector whose economic activities have been negatively affected by the exceptional circumstances caused by the outbreak of the COVID-19 virus.
- (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, which will be granted on the basis of section 3.1 of said framework and to which the provisions of the COVID-19 Framework and § 341 of the Competition Act will be applied.
- (3) Aid 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.
- (4) The conditions set forth in the Government of the Republic Regulation established on the basis of subsection 812 (1) of the State Budget Act are also applied to the grant of support in addition to this Regulation.

§ 2. Purpose of support and expected outcome

- (1) The purpose of granting the support is to grant one-off non-repayable aid to companies in the tourism sector for partial compensation of crisis damage resulting from the outbreak of the coronavirus that causes the COVID-19 disease.
- (2) The expected outcome of granting the support is the sustainability of companies in the tourism sector in the provision of products and services after the end of the COVID-19 pandemic.
- (3) The support contributes to the achievement of the objectives of the Estonian National Tourism Development Plan 2014-2020.

§ 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) The terms used in this regulation have the following meaning:
 - 1) a tourism company means an accommodation company, food service company, travel company, tourist attraction and tourist service provider
 - 2) an accommodation company means a commercial undertaking registered in the Commercial Register as at 1 February 2020 which provides services subject to value added tax at the rate of 9% and is registered in the Classification of Economic Activities (EMTAK 2008) with the code I551, I552, I553 or Q86905
 - 3) a food service company means a commercial undertaking registered in the Commercial Register as at 1 February 2020 which is registered in the Classification of Economic Activities (EMTAK 2008) with the code I56, except for other food service I5629
 - 4) a travel company means a commercial undertaking registered in the Commercial Register as at 1 February 2020 whose principal activity is the provision or intermediation of travel services and which is registered in the Classification of Economic Activities (EMTAK 2008) with the code N79
 - 5) a tourism attraction means a visitor centre or museum where admission is based on a ticket, which provides services to visitors and whose owner is a private legal entity, sole trader, local government institution or a foundation or non-profit association established with the participation of a local government and which is registered in the Commercial Register as at 1 February 2020
 - 6) a tourism company means a private legal entity or sole trader registered in the Commercial Register as at 1 February 2020 which provides experience services to visitors in nature tourism or cultural tourism, or active holiday services, and which can be found in the Estonian tourist services database www.puhkaeestis.ee
 - 7) a tourism company of islands means an accommodation company, food service company, travel company and tourist service provider with a place of business on the island of Saaremaa, Hiiumaa, Vormsi, Ruhnu, Kihnu, Muhu or Manija whose physical location is on said islands
 - 8) e-service means a portal on the website of Enterprise Estonia where the applicant can submit the required documents to Enterprise Estonia
- (2) The existence of a place of business in the region specified in subsection (1) 7) is proven with an extract from the Employment Register according to which the address of the workplace of at least one employee of said tourism company is in said region as at 1 March 2020.

§ 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 and amount of support

§ 6. Types of support

The following support arising from the outbreak of the virus that causes the COVID-19 illness will be paid on the basis of the Regulation:

- 1) support for partial compensation of the decrease in turnover of an accommodation company
- 2) support for partial compensation of the decrease in turnover of a food service company
- 3) support for partial compensation of the decrease in turnover of a travel company
- 4) support for partial compensation of the decrease in turnover of a tourist attraction
- 5) support for partial compensation of the decrease in turnover of a tourist service provider

§ 7. Conditions of support and amount of support

(1) An accommodation company eligible to apply for support for partial compensation of decrease in turnover is an accommodation company whose turnover subject to 9% value added tax in March or April 2020 according to the Tax and Customs Board decreased by at least 40% in comparison with turnover subject to 9% value added tax in the same month in 2019 and whose turnover subject to 9% value added tax in 2019 was up to 3,000,000 euros. If the accommodation company has provided its services for less than a year, the decrease in its turnover subject to 9% value added tax in March or April 2020 according to the data of the Tax and Customs Board in comparison with the average monthly turnover of the service subject to 9% value added tax during the time the company provided the service must be at least 40%. 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 company to the Tax and Customs Board by its due date.

(2) The amount of the support payable to an accommodation company set forth in subsection (1) is 100% of the labour taxes paid by the company for 2019, but no more than 60,000 euros. If the accommodation company has provided services for less than a year, the amount of support will be 100% of the labour taxes paid for the time the service was provided, but no more than 60,000 euros. No support is paid if the calculated amount of the support is less than 2000 euros.

(3) A food service company eligible to apply for support for partial compensation of decrease in turnover is a food service company whose turnover in March or April 2020 according to the Tax and Customs Board decreased by at least 40% in comparison with turnover in the same month in 2019 and that paid labour taxes for 2019 in a total amount of at least 10,000 euros. If the food service company 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 company during its operations must be at least 40%. 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 company to the Tax and Customs Board by its due date.

(4) The amount of the support payable to a food service company set forth in subsection (3) is 20% of the labour taxes paid by the company for 2019, but no more than 30,000 euros. If a food service company has operated for less than a year, the amount of support will be 20% of the labour taxes paid for the time of its operations, but no more than 30,000 euros. No support is paid if the calculated amount of the support is less than 2000 euros.

(5) A travel company eligible to apply for support for partial compensation of damage is a travel company that according to the Tax and Customs Board paid labour taxes for 2019 in a total amount of at least 10,000 euros.

(6) The amount of the support payable to a travel company set forth in subsection (5) is 95% of the labour taxes paid by the company for 2019, but no more than 60,000 euros. If a travel company has operated for less than a year, the amount of support will be 95% of the labour taxes paid for the time of its operations, but no more than 60,000 euros. No support is paid if the calculated amount of the support is less than 2000 euros.

(7) A tourist attraction eligible to apply for support for partial compensation of decrease in turnover is a tourist attraction whose turnover in March or April 2020 decreased by at least 40% in comparison with turnover in the same month in 2019. If the tourist attraction has provided services for less than a year, the decline in its turnover in March or April 2020 in comparison with the average monthly turnover of the tourist attraction during the time it provided its services must be at least 40%. 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 tourist attraction to the Tax and Customs Board by its due date.

(8) The amount of the support payable to a tourist attraction set forth in subsection (7) is 50% of the total turnover of the tourist attraction in March, April, May and June 2019, but no more than 50,000 euros. If a tourist attraction has provided services for less than a year, the amount of support will be 50% of the calculated average turnover of the months when the tourist attraction provided its services to the extent of four months, but no more than 50,000 euros. No support is paid if the calculated amount of the support is less than 2000 euros.

(9) A tourist service provider that is eligible to apply for support for partial compensation of decrease in turnover is a tourist service provider whose turnover for 2019 on the basis of the annual report or the income statement or whose income in 2019 on the basis of a natural person's income tax return was 20,000 to 40,000 euros.

(10) The amount of the support payable to a tourist service provider set forth in subsection (9) is 3000 euros.

(11) A separate budget will be established for supporting tourism companies of islands within the scope of the measure and a separate account will be kept for the aid granted to tourism companies of the islands within the scope of the Regulation. The minister responsible for the area decides the size of the budget.

Chapter 3

Applying for support and requirements for applicants and applications

§ 8. Applying for support

(1) Applications for support can be submitted until 15 December 2020.

- (2) A tourism company can apply for one of the types of support specified in § 6.
- (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 suspend the acceptance of applications if the remaining budget for funding the application 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.

§ 9. Requirements for the applicant

An applicant must comply with the following requirements:

- 1) an applicant is 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 aid granted to the applicant on the basis of the COVID-19 framework may not exceed 800,000 euros
- 3) the applicant has no non-deferred national tax arrears as at 12 March 2020
- 4) the applicant has no overdue tax returns and annual reports at the time they apply for the support
- 5) no compulsory dissolution, liquidation or bankruptcy proceedings have been initiated against the applicant or the person who controls the applicant
- 6) if the applicant has already received support subject to repayment and the due date of the repayment has arrived, the repayments must have been made in the required amount by the moment the application is submitted
- 7) the applicant has not received support on the basis of the Minister of Foreign Trade and Information Technology Regulation "Support for partial compensation of damage sustained by small entrepreneurs negatively affected by the outbreak of the coronavirus that causes the COVID-19 disease" or within the scope of the COVID-19 aid package established by the Minister of Culture for the area of culture
- 8) 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 of such support on the application form.

§ 10. 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, current account number of the applicant
- 2) name of application
- 3) place of business of tourism company; in the case of a tourist attraction, the physical location of the tourist attraction
- 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) confirmation of the applicant of their compliance with the requirements set forth in § 9
- 7) scheme of group members if the group is not shown in the Commercial Register
- 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

Chapter 4

Processing of applications and payment of support

§ 11. Processing of applications

- (1) The processing of applications entails:
 - 1) registration of the application;
 - 2) requesting explanations and additional information if necessary;
 - 3) verification of the eligibility of the applicant and the application;
 - 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.

§ 12. Granting application, partial granting or rejection of application

- (1) Enterprise Estonia makes the decision to grant the application or grant the application in part in the case of an eligible applicant and application.
- (2) The decision to grant an application partially is made in the case of an eligible applicant and application if granting the application in full is not possible because the budgetary funds for granting the application have run out or if the requested amount does not comply with the provisions of § 7.

(3) 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.

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

§ 13. 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

§ 14. 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.

§ 15. 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 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.

(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 concerning the decision;

- 4) not disclose the information or documents received about applicants and applications during the proceedings;
- 5) after the decision to grant the application, make the name of the support recipient, the name of the support measure and the amount of the support accessible on its website;
- 6) preserve the documents related to granting the support for 10 years as of granting the support.

§ 16. 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.

(digitally signed)

Raul Siem
Minister of Foreign Trade and Information Technology

(digitally signed)
Ando Leppiman
Secretary General