

State Aid: European Commission Approves Italian Schemes to Support Labour Costs of Companies in Context of Russia's War Against Ukraine

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On 19 June 2023, the European Commission announced it had approved, under EU State aid rules, two Italian schemes aimed at supporting labour costs of companies in the context of the Russia's war against Ukraine (case numbers SA.106008 and SA.106009). The scheme was found compatible with the State aid Temporary Crisis and Transition Framework adopted by the European Commission on 9 March 2023 (for details, see [State Aid: European Commission Adopts Temporary Crisis and Transition Framework to Further Support Transition Towards Net-zero Economy \(10 March 2023\)](#)).

Under both schemes, the aid takes the form of an exemption from the payment of social security contributions for qualifying employment contracts of women and of individuals that are 35 years old or younger concluded between 1 July 2022 and 31 December 2023, up to a maximum of EUR 8,000 per contract and subject to certain conditions.

The European Commission found that the Italian schemes are in line with the conditions of the Temporary Crisis and Transition Framework. In particular, the aid:

- will not exceed EUR 250,000 per beneficiary active in the primary production of agricultural products, EUR 300,000 per beneficiary active in the fishery and aquaculture sectors and EUR 2 million per beneficiary active in all other sectors; and
- will be granted no later than 31 December 2023.

The European Commission concluded that the Italian schemes are necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a EU Member State, in line with article 107(3)(b) of the [Treaty on the Functioning of the European Union \(TFEU\)](#) and the conditions set out in the Temporary Crisis and Transition Framework.