



COVID-19 KEY EU DEVELOPMENTS POLICY & REGULATORY UPDATE

No. 27 | 18 November 2020

This regular alert covers key regulatory EU developments related to the COVID-19 situation. It does not purport to provide an exhaustive overview of developments and contains no analysis or opinion.

LATEST KEY DEVELOPMENTS

Competition & State Aid

- EU approves new and amended Member State measures to support the economy
- European Commission Executive Vice-President Margrethe Vestager speech on COVID-19 State aid measures

Trade / Export Controls

- European Commission introduces surveillance of bioethanol imports
- Commission expands Guidance on COVID-19-related humanitarian aid in sanctioned environments

Medicines, Medical Devices, and Personal Protective Equipment

- European Commission issues Communication on Building a European Health Union: Reinforcing the EU's resilience for cross-border health threats
- European Commission enters into fifth vaccine contract with CureVac for supply of a potential COVID-19 vaccine

Cybersecurity, Privacy & Data Protection

- *No noteworthy developments for this issue.*

COMPETITION & STATE AID

State Aid

EU approves new and amended Member State measures to support the economy (see [here](#))

Since the onset of the coronavirus outbreak, the European Commission has adopted a significant number of State aid measures under Article 107(2)b, Article 107(3)b and under the Temporary Framework.

The most recent measures adopted to support the economy and companies affected by coronavirus outbreak include:

- €6.5 million Dutch loan to drugmaker InnoGenerics to support the production of generic medicines at the Apotex Leiden production plant in the context of the coronavirus pandemic
- €110 million Czech rent compensation scheme to support businesses affected by the coronavirus outbreak
- €1.5 billion Dutch scheme to compensate public transport companies for damages suffered due to the coronavirus outbreak
- €3.1 billion Hungarian budget increase and modifications to several existing Hungarian State aid schemes to support the economy in the context of the coronavirus outbreak.
- €110 million Czech scheme to compensate farmers and food producers for drop in total earnings as a result of the coronavirus outbreak
- €484 million Italian scheme for companies affected by the coronavirus outbreak to grant exemptions from social security contributions for up to four months
- €142 million budget increase to Danish scheme to support suppliers of companies prohibited from operating as well as suppliers of private events that were cancelled because of the coronavirus outbreak
- €665 million Greek scheme to protect primary residences of vulnerable borrowers affected by the coronavirus outbreak
- €7.5 million Czech scheme to support companies in the city of Pilsen affected by the coronavirus outbreak
- €264 million Polish scheme to support companies affected by the coronavirus outbreak
- €40 million Polish scheme to cover liquidity needs of chrysanthemum growing businesses during the coronavirus outbreak
- €5 million Lithuanian scheme to cover liquidity needs of companies in the fur-farming sector affected by the coronavirus outbreak
- €175 million Italian scheme granting exemptions from some social security contributions for the tourism and thermal-bath sector to prevent job losses
- €20 million Italian schemes to support small book publishers and the music recording industry in the context of the coronavirus outbreak

- €5 million Slovenian scheme to support airlines affected by the coronavirus outbreak

European Commission Executive Vice-President Margrethe Vestager speech on COVID-19 State aid measures (see [here](#))

On 30 October 2020, Executive VP and Competition Commissioner Vestager spoke before the Berlin Round Table on European State Aid Law (Berliner Gesprächskreis), focusing on State aid's key role in responding to COVID-19's economic impact. The Commission's rapidly adopted Temporary State Aid rules have led to over 320 decisions approving over 380 national measures since March 2020.

Commissioner Vestager warned, however, against asymmetric recovery and further divergences in the Single Market, given differences in the ability of Member State budgets to respond to the crisis. According to the Commission's data, the four largest Member States represented over 90% of total State aid disbursed in the EU between March and end-June.

An initial assessment made by the Commission also suggests a wide gap between the amount of aid approved and what has been paid out to date. Out of the €2.3 trillion in aid approved, only some €346 billion was spent by end-June 2020, based on information from 24 Member States. The Commission believes this gap may reflect various reasons (e.g. companies applying for less aid than anticipated, or slow take-up and implementation of the schemes, or simply incomplete Member State data). Greater clarity is expected in the coming months under State aid transparency rules.

By end-2021, a review of key State aid rules should be completed. In her speech, Commissioner Vestager emphasized that such rules must support ongoing green and digital transitions. For example, specific aid provisions to develop networks of electric car charging stations will be added to the measures available to Member States.

TRADE / EXPORT CONTROLS

European Commission introduces surveillance of bioethanol imports (see [here](#))

On 4 November 2020, the Commission introduced the surveillance of imports of bioethanol, given a substantial increase in low-priced imports to the EU of this renewable fuel since the COVID-19 crisis.

France recently requested surveillance on behalf of the European bioethanol industry. The industry has provided evidence of a recent and significant rise in low-priced imports and that a further increase would cause economic injury to the sector.

Surveillance, in itself, is not a measure that restricts imports. Rather, it enables the monitoring of imports of specific products from all countries of origin for a one-year period. On the basis of the data collected, the Commission can then assess whether to take further action.

The Commission also indicated that it remains open to examining surveillance requests from other EU industries that may be facing similar difficulties due to the pandemic.

Commission expands Guidance on COVID-19-related humanitarian aid in sanctioned

The European Commission has expanded its [Guidance Note](#) on how COVID-19-related humanitarian aid can be provided to countries around the world that are subject to EU sanctions (see *Jones Day Updates No. 8 and No. 24 of 15 May 2020* and *12 October 2020*). Specifically, the Guidance now contains a

environments (see [here](#)) specific chapter on Nicaragua, building on its previous chapters on Syria, Iran and Venezuela.

To recall, the Guidance Note informs competent authorities of EU Member States, as well as public and private operators involved in humanitarian activities, on how to comply with EU sanctions when providing humanitarian aid to fight the coronavirus pandemic.

MEDICINES, MEDICAL DEVICES, AND PERSONAL PROTECTIVE EQUIPMENT

European Commission issues Communication on Building a European Health Union: Reinforcing the EU's resilience for cross-border health threats (see [here](#))

On 11 November 2020, the European Commission adopted a Communication putting forward a set of proposals to strengthen the EU's health security framework. The goal is to ensure stronger preparedness and coordination at EU level to tackle current and future health crises.

The Communication foresees the adoption of four different legislative proposals to:

- Revise the framework on serious cross-border threats to health and enhance the joint procurement framework for medical countermeasures envisaged in [Decision No 1082/2013/EU](#);
- Reinforce the European Centre for Disease Prevention and Control (ECDC)'s mandate to enhance its support of the Commission and Member States in areas such as epidemiological surveillance, preparedness and response planning;
- Strengthen the role of the European Medicines Agency (EMA), particularly in relation to addressing shortages of critical medicines;
- Establish a new EU authority (Health Emergency Response Authority (HERA)), dedicated to tackling health emergencies, by the end of 2021.

European Commission enters into fifth vaccine contract with CureVac for supply of a potential COVID-19 vaccine (see [here](#))

On 16 November 2020, the Commission announced its agreement with European-based CureVac for the purchase of up to 405 million doses of a potential COVID-19 vaccine in the context of Advanced Purchase Agreements (see *Jones Day Update No. 13 of 19 June 2020*).

This is the Commission's fifth agreement with a pharmaceutical company in building its COVID-19 vaccine portfolio. As stated by Commission President von der Leyen, a broad portfolio of vaccines based on very different technologies is essential, as the safety and efficacy of vaccines remains under assessment.

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