

According to Article 5 paragraph 3 and Article 7 paragraph 4 of the State aid Control Act („Official Gazette of the RoS“, No. 73/19) and Article 42 paragraph 1 of the Government Act („Official Gazette of the RoS“, No. 55/05, 71/05 - Correction, 101/07, 65/08, 16/11, 68/12 - CC, 72/12, 7/14 - CC, 44/14 and 30/18 - another statute),

The Government renders,

REGULATION  
ON CONDITIONS AND CRITERIA OF COMPLIANCE OF STATE AID FOR THE REMEDY OF HARMFUL  
EFFECTS CAUSED BY EPIDEMIC OF COVID-19

Subject

Article 1

This Regulation closely sets the conditions and criteria for compliance of State aid in order to eliminate the damage caused by epidemic of COVID-19.

Article 2

State aid granted to eliminate the damage caused by the epidemic of COVID - 19 under the conditions and criteria of this Regulation represents a compatible State aid within the meaning of Article 5, paragraph 1 of the Act on State Aid Control.

Compliance criteria

Article 3

The eligible costs of granting State aid to eliminate the damage caused by the epidemic of COVID-19 represents the actual loss incurred as a direct consequence of the epidemic of COVID-19.

The eligible costs are reduced by the amount of the advance payment by the State aid grantor, business insurance or other compensation (on the cases won at arbitrations, disputes, procedures, etc. regarding the epidemic of COVID-19).

State aid is granted up to a maximum of 100% of the costs made by the undertaking to cover eligible costs, or up to 100% of the eligible costs.

The State aid beneficiary is obliged to repay the amount exceeding the estimated value of the eligible costs, regardless of the reasons for the excessive State aid.

If the beneficiary does not repay the amount of excessive State aid, the last grantor is obliged to order a refund in excess of the estimated value of the eligible costs.

The decision on the justification and need for State aid to eliminate the damage caused by the epidemic of COVID-19 is made by the grantor.

State aid compliance requirements

Article 4

State aid to eliminate the damage caused by the epidemic of COVID-19 may be granted to those undertakings who clearly and unequivocally prove the causal link between the actual loss and epidemic of COVID-19, where:

- 1) the total amount of aid does not exceed the amount necessary to cover the eligible costs;
- 2) if State aid is granted on the basis of the scheme, the period of validity of the measure, the total budget, the aid instrument, the intensity and the beneficiaries are determined (estimated number of beneficiaries, sector of the economy and other relevant information);
- 3) the actual loss did not occur as a result of non-compliance with the positive regulations during the epidemic of COVID-19, i.e. such costs would occur regardless of the epidemic of COVID-19;

- 4) the beneficiary is not directly responsible for the occurrence, i.e. it has not contributed to the actual loss, by gross negligence or consciously.

Before granting State aid, the grantor is obliged to request from the beneficiary to provide:

- 1) an independent appraiser's report, which must contain the estimated amount and types of costs, the link to the epidemic of COVID - 19, the reference period for the actual loss from the report, and other information relevant to the appraiser's assessment;
- 2) information on the existence of business or dispute insurance and other procedures that may be relevant for the determination of the eligible costs;
- 3) a statement whether and on what basis he has already been granted State aid for the same purpose (advance payment, debt relief, etc.);
- 4) a statement of the obligation to repay excessive State aid.

In the event that the beneficiary is not able to submit the report referred to in paragraph 2 item 1) of this Article based on justified reasons (e.g., expiration of application deadline, inability to calculate total but only current actual loss, etc.), the grantor shall act with due care in verifying the eligible costs on the basis of the information available and shall decide on the need to grant this State aid.

#### Cumulation

##### Article 5

State aid referred to in Article 2 of this Regulation shall not be cumulated with other types of State aid.

#### Record-keeping

##### Article 6

Grantor of the State aid for elimination of damages caused by the epidemic of the disease COVID-19 keeps record of State aid granted and submits a State aid report to the Commission for State aid control, which must contain the beneficiary's name and the amount of funds allocated, no later than June 1, 2021 or within one year as of the the date of granting State aid.

#### Final provision

##### Article 7

This Regulation shall enter into force on the day of its publication in the "Official Gazette of the Republic of Serbia", and shall be valid until July 1, 2021.

05 No: 53-3112/2020

Belgrade, April 10, 2020

#### THE GOVERNMENT OF THE REPUBLIC OF SERBIA

Transcript accuracy verified by  
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