



COVID-19 KEY EU DEVELOPMENTS POLICY & REGULATORY UPDATE

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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
- EU prolongs and expands the State Aid Temporary Framework

Trade / Export Controls

- EU27 agri-food trade continues to grow despite the COVID-19 crisis

Medicines, Medical Devices, and Personal Protective Equipment

- Memorandum of Understanding (MoU) with Member States on regulatory flexibility for COVID-19 vaccines
- Commission adopts Communication on Preparedness for COVID-19 vaccination strategies and vaccine deployment

Cybersecurity, Privacy & Data Protection

- *No noteworthy developments for this issue*

COMPETITION & STATE AID

State Aid

EU prolongs and expands the State Aid Temporary Framework (see [here](#) and [here](#))

On 13 October 2020, the European Commission decided to prolong and extend the scope of the State Aid Temporary Framework as follows:

- **Extension of Temporary Framework:** All sections of the Temporary Framework are prolonged for six months until 30 June 2021, except the section that enables recapitalization support, which is prolonged for three months until 30 September 2021 (originally due to expire on 30 June 2021). Before 30 June 2021, the European Commission will review the Temporary Framework and assess the need for further extensions or adjustments.
- **Support for uncovered fixed costs:** Member States may now contribute to the uncovered fixed costs (i.e. fixed costs not covered by profit contribution) of companies whose turnover declines by at least 30% during the eligible period, as compared to the same period in 2019, with a maximum amount of €3 million per company. This additional form of support to companies seeks to avert the erosion of their capital, maintain their business activity, and afford them with reinforced footing to recover.
- **Recapitalization measures and exit of the State from previously State-owned companies:** Member States may now exit from the equity of companies where they were an existing shareholder prior to the recapitalization. Such exit is permitted through an independent valuation, while restoring the Member State's previous shareholding and maintaining safeguards to uphold effective competition in the Internal Market.
- **Extension of temporary removal of all countries from the list of "marketable risk" countries:** A general lack of sufficient private capacity persists in relation to covering all economically justifiable risks for exports to countries listed as "marketable risk" countries under the Short-term export-credit insurance Communication. Given such shortfall, the temporary removal of all countries from the list of "marketable risk" countries is extended until 30 June 2021.

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:

- Two Swedish schemes to support companies affected by the coronavirus outbreak and related restrictive measures implemented to limit its spread
- Danish wage compensation scheme to support companies prohibited from operating due to the coronavirus outbreak
- €8.5 million Italian tax scheme to support agricultural cooperatives affected by the coronavirus outbreak
- €1.5 million Slovenian scheme to support farmers and SMEs active in the agri-food sector affected by the coronavirus outbreak

- €103 million Romanian guarantee scheme to support trade credit insurance market in the coronavirus outbreak
- €12 million Lithuanian scheme to support companies active in poultry production and processing sectors affected by the coronavirus outbreak

TRADE / EXPORT CONTROLS

EU27 agri-food trade continues to grow despite the COVID-19 crisis (see [here](#))

The European Commission's monthly trade report for January-June 2020 indicates continued growth in EU27 agri-food trade in the first six months of 2020, despite economic uncertainties related to the COVID-19 crisis.

This follows the European Commission's earlier trade monitoring report for January-May 2020, which indicated that despite the coronavirus pandemic and Brexit challenges, EU27 agri-trade slightly increased as compared to the same period in 2019 (see *Jones Day COVID-19 Update No. 22 of 22 Sept 2020*).

For the January-June 2020 report, some key findings included the following:

- Between January and June, the total value of EU27 agri-food exports amounted to €90.2 billion (rising almost 3% compared to the same period in 2019), while the value of imports increased to €62.7 billion (rising nearly 2.5%, but note below a decrease since March 2020).
- Also between January and June, the EU's agri-food trade surplus amounted to €27.4 billion (rising 3% compared to 2019).
- The monthly values of EU-27 exports picked up in June after a fall in May. However, the monthly value of EU imports have continued a downward trend since March 2020, notably reflecting Brexit's major impact on the value of imports from the UK, which fell by €863 million.

MEDICINES, MEDICAL DEVICES, AND PERSONAL PROTECTIVE EQUIPMENT

Memorandum of Understanding (MoU) with Member States on regulatory flexibility for COVID-19 vaccines (see [here](#))

On 16 October 2020, the European Commission published a Memorandum of Understanding (MoU) with Member States on regulatory flexibility for COVID-19 vaccines.

The MoU, adopted in the context of the EU Vaccines Strategy, aims at facilitating the accelerated deployment of COVID-19 vaccines by easing labelling and packaging requirements.

Regarding the authorization of COVID-19 vaccines, the MoU provides that the Commission intends, *inter alia*, to temporarily:

- streamline certain language and packaging information requirements envisaged by the EU legislation on medicinal products, and in particular, by limiting information on outer packaging to one EU official language, preferably English.; and
- accept multi-dose presentations (e.g. 5 or 10-dose vials) for COVID-19 vaccines to avoid waste.

Specific guidance on flexibilities for labelling and packaging requirements for COVID-19 vaccines will be developed, as needed, by the European Medicines Agency (EMA) and the Heads of Medicines Agencies (HMA).

European Commission adopts Communication on Preparedness for COVID-19 vaccination strategies and vaccine deployment (see [here](#))

On 15 September 2020, the European Commission issued a Communication on “Preparedness for COVID-19 vaccination strategies and vaccine deployment”.

The Communication emphasizes that the availability of a safe vaccine remains a top priority, along with safeguarding the important continuation of other essential healthcare services and programs. Proposed actions for Member States and national competent authorities are also set out, in view of boosting vaccination programmes, ensuring a shared approach to fighting the spread of the pandemic, and aligning vaccination campaigns.

The Communication also provides examples of priority groups to be considered by Member States once COVID-19 vaccines become available, including:

- healthcare and long-term care facility workers and essential workers;
- persons over 60 years of age;
- persons whose state of health makes them particularly at risk;
- disadvantaged socio-economic groups of individuals.

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