

## **Support granted to sole entrepreneurs for stabilisation of the financial situation, which has been temporarily weakened as a result of the COVID-19 epidemic**

### **Decision**

The Director of Economic Development decided to grant support to the sole entrepreneurs mentioned in appendix 1, for stabilisation of the financial situation of sole entrepreneurs. The support granted is 2,000 euros per sole entrepreneur. The support is granted according to the Government's decree on discretionary government transfer to municipalities intended for supporting sole entrepreneurs (199/2020).

This decision creates an agreement between the City of Helsinki and the recipient of the support in accordance with Section 7 (3) in the Act on Discretionary Government Transfers (688/2001), to which the conditions mentioned in the support application are applied.

The total expenses of the support are paid from budget item 140 01, project number 1801058 the appropriation allocated to the new enterprises unit at the city executive office's economic development.

### **Grounds for the decision**

#### **Background**

The municipalities grant support to sole entrepreneurs for the stabilisation of operations disrupted by the COVID-19 epidemic. The Government decree on discretionary government transfers to municipalities intended for supporting sole entrepreneurs was given on 8 April 2020 (199/2020). According to the decree, municipalities may apply for their calculated share of the discretionary government transfers from the Ministry of Economic Affairs and Employment.

The Chief Financial Officer has applied on 14 April 2020, Section 21 for discretionary government transfers from the Ministry of Economic Affairs and Employment to the City of Helsinki to cover costs caused by the support granted to sole entrepreneurs for stabilisation of the financial situation, which has been temporarily weakened as a result of the COVID-19 epidemic. Ministry of Economic Affairs and Employment decided on 27 April 2020 to grant a maximum of EUR 43,494,000 to be used for the stabilisation of the temporarily weakened financial situation of Helsinki-based sole entrepreneurs.

The support can be applied for in the domicile (municipality) of the company. Helsinki-based sole entrepreneurs have been able to apply electronically ([asiointi.hel.fi](https://asiointi.hel.fi)) or using a paper form in Finnish, Swedish and English as of 20 April 2020. The one-off support can be granted for the period 16 March–31 August 2020. The support can also be applied for retrospectively.

#### **Processing of the applications**

The task of the Economic Development of the Helsinki City Executive Office is to grant the support to sole entrepreneurs in accordance with the instructions of the Ministry of Economic Affairs and Employment. The processing has been made in the order in which the applications were received.

#### **Support**

The support can be granted to *a sole entrepreneur*. In the Government decree concerning support to sole entrepreneurs (199/2020), sole entrepreneur means a full-time entrepreneur in Finland, who engages in economic activity alone, regardless of the legal form of activity or source of financing, who does not have employees on the payroll and who is insured under the self-employed persons' pension insurance (YEL) or can present an annual entrepreneurial income or invoicing of at least 20,000 euros.

The support to sole entrepreneurs is granted to individual entrepreneurs. If the sole entrepreneur has several companies in which they are the sole employee, support will be granted to the company in which the entrepreneur works full-time.

The support to sole entrepreneurs is a lump-sum payment of EUR 2,000, which is intended to cover costs arising from the entrepreneur's business activities such as costs of premises and equipment purchased for business purposes, as well as accounting and other office expenses. The support may be used for any other costs except not to cover the entrepreneur's own salary.

According to the Government decree (199/2020), Section 5, discretionary government transfers can be used for the stabilisation of the financial situation of sole entrepreneurs, provided that

- 1) the municipality makes an agreement concerning the support with the sole entrepreneur, in accordance with Section 7 (3) in the Act on Discretionary Government Transfers.
- 2) the sole entrepreneur's financial situation and turnover have deteriorated after 16 March 2020 due to the coronavirus outbreak;
- 3) it is deemed that the sole entrepreneur has the potential for profitable business; and
- 4) the support that the sole entrepreneur receives is de minimis aid as per the commission regulation (EU) No 1407/2013 given on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid.

The sole entrepreneurs mentioned in appendix 1 to the decision meet the conditions for the support.

## **Conditions**

When the municipality grants this support, an agreement between the recipient and the municipality is established in accordance with Section 7 (3) in the Act on Discretionary Government Transfers (688/2001), to which the conditions in the support application are applied. The recipient of the support has agreed to the following conditions in their application:

The support may be used for stabilising the sole entrepreneur's financial situation during the coronavirus epidemic and after it. The support may be used only for this purpose. The support may not be transferred to be used by another party or person.

The amount of the support is 2,000 euros. The support is de minimis aid as per the commission regulation (EU) No 1407/2013 given on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid.

The municipality pays the support to the bank account stated in the application.

The recipient of the support must pay back excess support or support that they have received erroneously or unfoundedly. In cases of misappropriation, the municipality may recover the support that has been disbursed.

If needed, the recipient commits to providing the municipality that has granted the support with the necessary information to ensure that the support has not been used contrary to the conditions.

If the support is paid prior to non-appealability, then the recipient commits to refund the support that has already been transferred, were the decision to be revised due to an appeal and/or due to the fact that the preconditions for the support have not been met.

#### **Evaluation of discretionary government transfers**

The support granted includes 2,000 euros worth of de minimis support. Based on the Commission Regulation (EU) No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (Official Journal of the European Union L 352, 24 December 2013), the total amount of de minimis aid granted to a single undertaking shall not exceed 200,000 euros (the total amount of de minimis aid granted to a single undertaking performing road freight transport for hire or reward shall not exceed 100,000 euros) in the fiscal year concerned and during the previous two fiscal years needs to be taken into account.

The recipient of the support is responsible for ensuring that the total amount of de minimis aid granted by different entities (e.g. ministries, authorities under the ministries, Business Finland, Finnvera Ltd, municipalities, regional councils) does not exceed this amount. The recipient of the support has declared to the municipality the amounts and dates of all the de minimis aid that they have been granted.