



EUROPEAN COMMISSION

Brussels, 10.11.2025  
C(2025) 7685 final

**SENSITIVE (\*)**: *COMP Operations*

**Subject: State Aid SA.120534 (2025/N) – Estonia**  
**Amendments to State aid in favour of maritime transport**

Excellency,

**1. PROCEDURE**

- (1) On 1 October 2025, Estonia notified the prolongation of an existing aid scheme in favour of the maritime transport sector (“the existing aid scheme”), as approved by Commission decision of 16 December 2019 in case SA.53469 (2019/N) <sup>(1)</sup> – *State aid in favour of maritime transport* (“the original decision”).
- (2) Estonia exceptionally agrees to waive its rights deriving from Article 342 TFEU, in conjunction with Article 3 of Regulation 1/1958 <sup>(2)</sup> and to have this Decision adopted and notified in English.

**2. DESCRIPTION OF THE SCHEME**

**2.1. Background**

- (3) The existing aid scheme is set to expire on 30 June 2026.
- (4) Under the existing aid scheme, the maritime transport industry can benefit from a special taxation scheme for maritime transport activities carried out by ship operators and ship managers (“the tonnage tax scheme”) as well as a scheme partially reducing labour-related costs for seafarers and their employers involved in such maritime transport activities (“the seafarer scheme”).

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<sup>(1)</sup> OJ C 144, 30.4.2020, p. 9.

<sup>(2)</sup> Regulation No 1 determining the languages to be used by the European Economic Community, OJ 17, 6.10.1958, p. 385.

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- (5) The purpose of the existing aid scheme is to raise the international competitiveness of the European shipping industry and maritime sector as a key sector of the economy in the international market.

**2.2. Legal basis**

- (6) The national legal basis of the existing aid scheme is composed of the Income Tax Act, the Social Tax Act, the Funded Pensions Act, and the Unemployment Insurance Act.

**2.3. Budget and duration**

- (7) Estonia seeks to prolong the existing aid scheme for a further six years, (i.e., from 1 July 2026 to 30 June 2032) with a total estimated budget of EUR 18 million. This amount consists of an estimated EUR 6 million for the tonnage tax scheme and an estimated EUR 12 million for the seafarer scheme, compared to an estimated budget of EUR 2.3 million and EUR 177 million, respectively, for the 2020 to 2024 period.
- (8) Apart from the prolongation of the existing aid scheme until 30 June 2032 and the amended budget, Estonia confirms that no further amendments are proposed to the existing aid scheme and that all other conditions of that scheme remain unaltered.

**3. ASSESSMENT OF THE MEASURE**

**3.1. Existence of State aid within the meaning of Article 107(1) TFEU**

- (9) For a measure to be categorised as aid within the meaning of Article 107(1) TFEU, all the conditions set out in that provision must be fulfilled. First, the measure must be imputable to the State and financed through State resources. Second, it must confer an advantage on its recipients. Third, that advantage must be selective in nature. Fourth, the measure must distort or threaten to distort competition and be liable to affect trade between Member States.
- (10) The existing aid scheme constitutes State aid within the meaning of Article 107(1) TFEU for the reasons set out in recitals (59) to (64) and (127) to (129) of the original decision. The notified prolongation does not affect that conclusion, as the only amendments to the existing aid scheme concern its duration and budget. The Commission therefore refers to the respective assessment contained in the original decision and concludes that the existing aid scheme, as amended, constitutes State aid within the meaning of Article 107(1) TFEU

**3.2. Compatibility of the measure pursuant to Article 107(3), point (c) TFEU**

- (11) Pursuant to Article 107(3), point (c) TFEU, aid to facilitate the development of certain economic activities or of certain economic areas may be considered compatible with the internal market, where such aid does not adversely affect trading conditions to an extent contrary to the common interest.
- (12) The Commission has issued guidelines for the application of Article 107(3), point (c) TFEU with regard to State aid to maritime transport (“the Maritime

Guidelines”) (3). Aid in favour of the maritime sector must therefore be examined in the light of these guidelines.

- (13) The prolongation of the existing aid scheme until 30 June 2032 and the change in its budget do not alter the assessment of the Commission that the measure complies with the conditions of the Maritime Guidelines, as laid down in sections 3.1.3 and 3.2.3 of the original decision. Furthermore, the proposed amendments do not affect the proportionality of the measure.
- (14) On this basis, the Commission concludes that the proposed prolongation and change in budget do not affect the evaluation of the compatibility of the existing aid scheme with the internal market.

#### **4. CONCLUSION**

The Commission has accordingly decided not to raise objections to the aid on the grounds that it is compatible with the internal market pursuant to Article 107(3) point (c) of the Treaty on the Functioning of the European Union.

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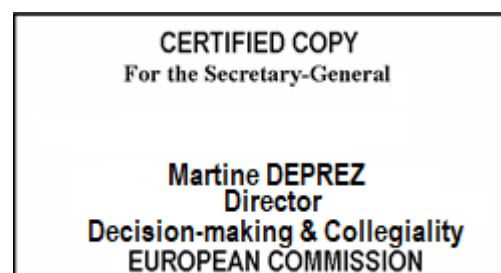
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Yours faithfully,

*For the Commission*

Teresa RIBERA  
*Executive Vice-President*



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(3) Commission Communication C (2004) 43 – Community Guidelines on State aid to maritime transport, OJ C 13, 17.01.2004, p. 3.