

State aid and subsidy control for charities

Up to 31 December 2020 the UK followed the EU's 'state aid rules', which limit the ability of the state to provide financial assistance to economic operators. The EU state aid rules are outlined below in the section [The UK's state aid regime to 31 December 2020](#).

With effect from 1 January 2021, the EU's state aid regime no longer applies in the UK, except as specified in the UK/EU Withdrawal Agreement, for example, under the Northern Ireland Protocol (for which see below).

Instead the UK/EU Trade and Co-operation Agreement provides for the establishment of a new principles based subsidy control regime in the UK. The term 'state aid' has been replaced by 'subsidy control', though in practice there are many similarities between the two.

Subsidy control from 1 January 2021

The UK/EU Trade and Co-operation Agreement ('TCA') has been incorporated into UK law via the European Union (Future Relationship) Act 2020, which received royal assent on 31 December 2020. However the UK's subsidy control regime is not yet up and running, though the TCA does provide an outline how the regime will work. The UK government intends to consult on the design of the new regime.

Key differences include:

- There is a more generous de-minimis regime – subsidies where the total amount granted to a single economic actor is below approximately £343,000 over any period of three fiscal years are exempt from the regime. The actual amount is defined as 325,000 XDRs. Special Drawing Rights (referred to as XDRs) are a type of reserve currency operated by the IMF. The current exchange rate is 1 XDR = £1.0536. Under the EU state aid rules the de-minimis cap is €200,000 over 3 years
- There is an exemption for subsidies granted to compensate the damage caused by natural disasters or 'other exceptional non-economic occurrences', which may include the COVID-19 pandemic. Under the EU's COVID temporary framework there is a cap of €800,000 per undertaking
- There is no need for subsidies to be notified or pre-approved, however the UK must appoint an independent authority to oversee the regime, there is a Joint Committee on Trade which will oversee joint compliance, there will be a disputes process and there will be a right of appeal with potential remedies including requiring repayment of the subsidy, prohibition of the subsidy and awarding of damages

On 31 December 2020 the Department for Business Energy and Industrial Strategy (BEIS) announced that the UK government will publish a consultation in due course on how best to

design a bespoke approach to subsidy control that works for the UK economy. Subject to the outcomes of this consultation, the government may bring forward primary legislation.

The TCA subsidy control regime

The concept of 'state aid' is replaced by the concept of 'subsidy' which is defined as financial assistance which:

- (i) arises from the resources of the Parties (the UK and EU), including: a direct or contingent transfer of funds such as direct grants, loans or loan guarantees; the forgoing of revenue that is otherwise due; or the provision of goods or services, or the purchase of goods or services;
- (ii) confers an economic advantage on one or more economic actors;
- (iii) is specific insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services; and
- (iv) has, or could have, an effect on trade or investment between the Parties

The definition of subsidy now includes specific rules on when tax measures will be considered subsidies:

- (a) a tax measure shall not be considered as specific (for the purposes of rule (iii)) unless:
 - (i) certain economic actors obtain a reduction in the tax liability that they otherwise would have borne under the normal taxation regime; and
 - (ii) those economic actors are treated more advantageously than others in a comparable position within the normal taxation regime; for the purposes of this point, a normal taxation regime is defined by its internal objective, by its features (such as the tax base, the taxable person, the taxable event or the tax rate) and by an authority which is autonomous institutionally, procedurally, economically and financially and has the competence to design the features of the taxation regime.
- (b) a subsidy shall not be regarded as specific if it is justified by principles inherent to the design of the general system. In the case of tax measures, examples of such inherent principles are the need to fight fraud or tax evasion, administrative manageability, the avoidance of double taxation, the principle of tax neutrality, the progressive nature of income tax and its redistributive purpose, or the need to respect taxpayers' ability to pay.
- (c) special purpose levies shall not be regarded as specific if their design is required by non-economic public policy objectives, such as the need to limit the negative impacts of certain activities or products on the environment or human health, insofar as the public policy objectives are not discriminatory.

Principles

The UK is required to have in place and maintain an effective system of subsidy control that ensures that the granting of a subsidy respects the following Principles:

- a) subsidies pursue a specific public policy objective to remedy an identified market failure or to address an equity rationale such as social difficulties or distributional concerns

- b) subsidies are proportionate and limited to what is necessary to achieve the objective;
- c) subsidies are designed to bring about a change of economic behaviour of the beneficiary that is conducive to achieving the objective and that would not be achieved in the absence of subsidies being provided;
- d) subsidies should not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy;
- e) subsidies are an appropriate policy instrument to achieve a public policy objective and that objective cannot be achieved through other less distortive means;
- f) subsidies' positive contributions to achieving the objective outweigh any negative effects, in particular the negative effects on trade or investment between the Parties.

It is for each Party to determine how these obligations are implemented in the design of its subsidy control system in its own domestic law, provided that each Party shall ensure that the obligations are implemented in its law in such a manner that the legality of an individual subsidy will be determined by the Principles. If a Party considers that a subsidy has been granted by the other Party or that there is clear evidence that the other Party intends to grant a subsidy and that the granting of the subsidy has or could have a negative effect on trade or investment between the Parties, it may request the other Party to provide an explanation of how the Principles have been respected with regard to that subsidy.

Exemptions

Various types of subsidy are exempt:

- **exceptional non-economic occurrences:** subsidies granted to compensate the damage caused by natural disasters or other exceptional non-economic occurrences
- **Social subsidies:** subsidies of a social character that are targeted at final consumers
- **De-minimis subsidies:** subsidies where the total amount granted to a single economic actor is below 325,000 Special Drawing Rights (approximately £343,000) over any period of three fiscal years
- **Public interest subsidies:** where the total compensation to an economic actor providing tasks in the public interest is below 750,000 Special Drawing Rights (approximately £791,000) over any period of three fiscal years, it is not subject to the Transparency requirements (see below)
- **Supranational funds:** subsidies financed by resources of the Parties at supranational level, for example subsidies provided by international treaty bodies such as the World Health Organisation.
- **Other subsidies:** these include subsidies related to the audio-visual sector

Prohibited and conditional subsidies

Some types of subsidy are prohibited or only permitted subject to conditions. These include:

- A prohibition on subsidies in the form of a guarantee of debts or liabilities of an economic actor without any limitation as to the amount of those debts and liabilities or the duration of that guarantee

- A prohibition on subsidies for restructuring an ailing or insolvent economic actor without the economic actor having prepared a credible restructuring plan. Other than in exceptional circumstances, subsidies for the rescue and restructuring of insolvent or ailing economic actors should only be allowed if they contribute to an objective of public interest by avoiding social hardship or preventing a severe market failure
- A prohibition on subsidies that are contingent upon export performance relating to goods or services or are contingent upon the use of domestic content

Transparency requirements

Each Party is required, within six months from the granting of the subsidy, to make publicly available, on an official website or a public database, the following information:

- (a) the legal basis and policy objective or purpose of the subsidy;
- (b) the name of the recipient of the subsidy when available;
- (c) the date of the grant of the subsidy, the duration of the subsidy and any other time limits attached to the subsidy; and
- (d) the amount of the subsidy or the amount budgeted for the subsidy.

For subsidies in the form of tax measures, the information shall be made public within one year from the date the tax declaration is due. The transparency obligations for subsidies in the form of tax measures concern the same information, except for the information required under point (d), which may be provided as a range.

Independent authority

Each Party shall establish or maintain an operationally independent authority or body with an appropriate role in its subsidy control regime. That independent authority or body shall have the necessary guarantees of independence in exercising its operational functions and shall act impartially.

Consultation and disputes

If a Party considers that a subsidy has been granted by the other Party or that there is clear evidence that the other Party intends to grant a subsidy and that the granting of the subsidy has or could have a negative effect on trade or investment between the Parties, it may request the other Party to provide an explanation of how the Principles have been respected with regard to that subsidy.

If after receiving the information requested, the requesting Party still considers that the subsidy granted or intended to be granted by the other Party has or could have a negative effect on trade or investment between the Parties, the requesting Party may request consultations within the Trade Specialised Committee on the Level Playing Field. The request shall be in writing and shall include an explanation of the requesting Party's reasons for

requesting the consultation. The Trade Specialised Committee shall make every attempt to arrive at a mutually satisfactory resolution of the matter.

The role of courts and tribunals

Each Party shall ensure, in accordance with its general and constitutional laws and procedures, that its courts or tribunals are competent to:

- (a) review subsidy decisions taken by a granting authority or, where relevant, the independent authority or body for compliance with that Party's law implementing the Principles
- (b) review any other relevant decisions of the independent authority or body and any relevant failure to act;
- (c) impose remedies that are effective in relation to points a) or b), including suspension, prohibition or requirement of action by the granting authority, the award of damages, and recovery of subsidy from its beneficiary if and to the extent they are available under the respective laws on the date of entry into force of this Agreement;
- (d) hear claims from interested parties in respect of subsidies that are subject to this Chapter; where an interested party has standing to bring a claim in respect of a subsidy under that Party's law.

Each Party shall have the right to intervene with the permission, where required, of the court or tribunal concerned, and Each Party shall have in place an effective mechanism of recovery in respect of subsidies.

Joint declaration on subsidy control

The EU and the UK have endorsed a non-binding Political Declaration on Subsidy Control Policies. While it is not binding on the Participants, it may be taken into consideration in their respective systems of subsidy control.

SUBSIDIES FOR THE DEVELOPMENT OF DISADVANTAGED AREAS

Subsidies may be granted for the development of disadvantaged or deprived areas or regions. When determining the amount of subsidy, the following may be taken into account:

- the socio-economic situation of the disadvantaged area concerned;
- the size of the beneficiary; and
- the size of the investment project.

The beneficiary should provide its own substantial contribution to the investment costs. The subsidy should not have as its main purpose or effect to incentivise the beneficiary to transfer the same or a similar activity from the territory of one Party to the territory of the other Party.

RESEARCH AND DEVELOPMENT

Subsidies may be granted for research and development activities. This includes fundamental research, industrial research and experimental development, in particular the development of new and highly innovative technology which drives productivity growth and competitiveness, if they are necessary, proportionate, and do not have as their main purpose or effect the transfer or closure of such activities in the territory of the other Party. Subsidies may also be granted in connection with other initiatives, such as for new production processes, relevant infrastructure, innovation clusters and digital hubs. The amount of subsidy should reflect, amongst other factors, the risk and amount of technological innovation involved in the project, how close the project is to the market and the project's contribution to knowledge generation.

TRANSPORT

The joint declaration also includes a declaration on subsidies for airports, roads and ports.

The Northern Ireland Protocol

Under the Northern Ireland Protocol in the UK–EU Withdrawal Agreement, the EU's state aid regime continues to apply to the extent that any subsidy affects trade in goods between Northern Ireland and the EU.

Development of the UK subsidy control regime

On 31 December 2020 BEIS issued the following statement:

As announced in September 2020, the UK government will publish a consultation in due course on how best to design a bespoke approach to subsidy control that works for the UK economy. Subject to the outcomes of this consultation, the government may bring forward primary legislation to establish in domestic law a system of subsidy control which works throughout the UK and ensures effective implementation of our international obligations.

The UK's state aid regime to 31 December 2020

The EU's state aid rules aim to prevent distortions of competition between member states. While the provision of state aid is generally prohibited, there are several exemptions for permitted types of state aid and a de-minimis threshold, below which most forms of state aid are allowed. The state aid rules are overseen by the European Commission which has the power to approve aid schemes, to investigate and to order governments to recover aid that breaches the rules.

What is state aid?

State aid is:

- assistance granted through the state or state resources
- that favours certain undertakings or the production of certain goods
- which distorts or threatens to distort competition, and
- which affects trade between member states

An undertaking is an entity engaged in economic activity which means putting goods or services on a market. It is not necessary to make a profit to be engaged in economic activity: if others in the market offer the same good or service, it is an economic activity. Though this definition of economic activity has similarities to the definition of economic activity for VAT purposes, the two are not the same.

State aid can take the form of grants, subsidies, loans, loan guarantees, use of state assets and tax measures, however state aid excludes:

- Aid that does not support an economic activity or undertaking
- General measures available to all undertakings in the same situation in all parts of the member state. This includes general tax exemptions and reliefs
- Goods and services sold at full market value. This includes supplies made following open competitive tender following EU public procurement rules
- Support for general infrastructure projects which are not commercially exploitable and do not benefit specific users
- Aid to individuals which does not advantage or relieve an undertaking of a burden
- Some local activities carried out by small businesses are considered unlikely to affect trade between member states. These include: construction; sale maintenance and repair of motor vehicles; the sale of automotive fuel; retail trade; repair of personal and household goods; hotels and restaurants; health and social work; other community social and personal service activities; and social services.

Exemptions

The key exemptions are:

- 1 **Services of General Economic Interest (SGEI)** SGEIs tend to be public services such as public service broadcasting and public transport, that the market does not provide or does not provide to the extent or at the quality which the state requires and are services in the general public interest.
- 2 **General Block Exemption** Certain types of aid are automatically exempt under the EU's General Block Exemption Regulation (**GBER**). There are block exemptions for: regional aid; aid for SMEs; environmental protection; research, development & innovation; training; recruitment and employment; disadvantaged workers and workers with disabilities; natural disasters (but excluding the COVID-19 pandemic); public transport; broadband infrastructure; culture and heritage conservation; sport and recreation infrastructure; and local infrastructure. Each block exemption is subject to its own set of rules and funding caps.
- 3 **Notified aid** This is state aid that has been notified to, and approved by, the European Commission. This aid is exempt provided its provision adheres to any approved conditions and funding caps.
- 4 **COVID-19 temporary framework** Aid provided under the EU's temporary framework for COVID-19 is exempt. The temporary framework allows state aid of up to €800,000 per undertaking. See below for more on the temporary framework.
- 5 **De-minimis state aid** State aid which does not qualify for exemption as any of the above may nevertheless qualify for exemption as de-minimis state aid if the total of all de-minimis state aid received does not exceed €200,000 over 3 years. See below for more on de-minimis state aid.

State aid responsibilities

State funders are expected to notify recipients if the aid is state aid and subject to a funding cap, for example as de-minimis aid or under the COVID-19 temporary framework. If this is the case funders must ask the recipient to confirm the funding cap will not be exceeded. If aid is received in excess of any applicable cap then it is likely to be repayable, though confirmation should be obtained from the funder in the first instance.

State aid statuses of common types of state assistance

Type of assistance	State aid type	Notes
General tax measures		
Statutory charity tax reliefs: Corporation Tax, Income Tax, Capital Gains Tax, VAT, SDLT, Customs Duty, Business Rates etc.	Not state aid	Not usually seen as state aid

Type of assistance	State aid type	Notes
Theatrical Productions Tax Relief (TTR)	GBER	total theatre tax credits for each undertaking must not exceed €75m per year. https://www.gov.uk/hmrc-internal-manuals/theatre-tax-relief/ttr40050
Museums and Galleries Exhibitions Tax Relief (MGETR)	GBER	total exhibition tax credits for each undertaking must not exceed €75m per year. https://www.gov.uk/hmrc-internal-manuals/museums-and-galleries-exhibition-tax-relief/mgetr50050
Orchestra Tax Relief (OTR)	GBER	the total amount of any orchestra tax credits for each undertaking must not exceed €75m per year. https://www.gov.uk/hmrc-internal-manuals/orchestra-tax-relief/otr50050
Employment allowance (EA)	De-minimis	Employment Allowance counts towards the total de-minimis state aid if the recipient is an undertaking (provides goods or services on a market) https://www.gov.uk/claim-employment-allowance/eligibility
Social Investment Tax Relief (SITR)	GBER or de-minimis	Investments under SITR may qualify as GBER state aid or de minimis state aid. If you receive investment under GBER, you can raise any amount of investment up to the lifetime limit. If you receive investment under de minimis, the maximum amount of investment you can get is €344,827 (or the equivalent amount in pound sterling) over a 3 year period. This includes any other de-minimis state aid received in the three years up to and including the date of the investment. If it has been less than seven years since your first commercial sale, you'll receive investment under GBER state aid. If it has been more than seven years since your first commercial sale, you'll receive investment under GBER state aid if both of the following apply: <ul style="list-style-type: none"> • you used SITR within 7 years of your first commercial sale

Type of assistance	State aid type	Notes
		<ul style="list-style-type: none"> you want to use SITR again to raise money for the same trading activity <p>You'll receive investment under de-minimis state aid if either:</p> <ul style="list-style-type: none"> you've never used SITR you received GBER or de-minimis state aid through SITR within seven years of your first commercial sale and now you want to raise money for a different activity <p>https://www.gov.uk/guidance/venture-capital-schemes-apply-to-use-social-investment-tax-relief</p>
Enterprise Investment Scheme (EIS), Corporate Venturing Scheme (CVS) and Venture Capital Trusts Scheme (VCT)	Notified aid	https://ec.europa.eu/competition/state_aid/cases/225734/225734_965427_42_2.pdf
Seed Enterprise Investment Scheme (SEIS)	De-minimis	<p>You can receive a maximum of £150,000 through SEIS investments. This will include any other de-minimis state aid received in the three years up to and including the date of the investment.</p> <p>https://www.gov.uk/guidance/venture-capital-schemes-apply-to-use-the-seed-enterprise-investment-scheme</p>
R&D Tax Credits SME scheme	Notified state aid	<p>The SME scheme is notifiable state aid, and a business can't get the SME relief if is receiving any other notifiable state aid for the same R&D project.</p> <p>http://www.hmrc.gov.uk/gds/cird/attachments/rd-simpleguide.pdf</p>
COVID-19 related measures		
Coronavirus Job Retention Scheme (CJRS)	Not state aid	Not seen as state aid as available to all businesses on equal terms.
Self-Employment Income Support Scheme (SEISS)	COVID-19 temporary framework	<p>SEISS is a state aid granted under the COVID-19 temporary framework.</p> <p>https://www.gov.uk/guidance/how-different-circumstances-affect-the-self-employment-income-support-scheme#state-aid</p>
VAT and Income Tax deferral	Not state aid	Not seen as state aid as available to all businesses on equal terms

Type of assistance	State aid type	Notes
Coronavirus Statutory Sick Pay Rebate Scheme (CSSPRS)	COVID-19 temporary framework	Aid granted under the COVID-19 temporary framework. https://www.gov.uk/guidance/claim-back-statutory-sick-pay-paid-to-employees-due-to-coronavirus-covid-19
Business rates relief for retail, leisure and hospitality	Not state aid	The government's assessment is that, given the impact of COVID-19 in the sectors receiving the relief, the business rates expanded retail, leisure and hospitality discount 2020-21 is not a state aid. The government has considered this matter in discussions with the European Commission and is content with this analysis following those discussions. Local Authorities should apply the relief to all eligible properties. https://www.gov.uk/government/publications/business-rates-retail-discount-guidance/expanded-retail-discount-2020-to-2021-coronavirus-response-local-authority-guidance
Eat out to Help Out Scheme	Not state aid	No mention of state aid in the government's guidance on the scheme.
VAT reduced rate for hospitality and leisure	Not state aid	No mention of state aid in the government's guidance on the VAT reduced rating reliefs.
Coronavirus Business Interruption Loans scheme (CBILS)	COVID-19 temporary framework	For Government-backed loans the amount to be considered as state aid is calculated as the part of the loan amount guaranteed by the Government, plus the Business Interruption Grant that is paid by the Government to cover the first year of interest. Applicants must not have been classed as a business in difficulty, if applying to borrow £30,000 or more. https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils-2/cbils-faqs-for-smes/ https://www.british-business-CLBILS bank.co.uk/ourpartners/coronavirus-business-interruption-loan-schemes/clbils/faqs-for-businesses/#f51
Bounce Back Loans (BBLs)	COVID-19 temporary framework	Businesses are required to self-declare that, since 19 March 2020, they (including any business in their group and any business under common control) have not received more than £711,200 in

Type of assistance	State aid type	Notes
		<p>state aid under the state aid temporary framework (or £106,680 in the case of fisheries and aquaculture businesses, or £88,900 for agriculture businesses). This is the case for both the initial Bounce Back Loan Scheme application and any top-up application. If the business has received aid under another temporary framework scheme they will have been informed as to the amount in their scheme documentation. If the business self-declares as being a “business in difficulty” on 31 December 2019, then additional de minimis state aid restrictions apply.</p> <p>https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-schemes/bounce-back-loans/fags-for-small-businesses/#f28</p>
Future Fund	Not state aid	Not seen as state aid as the funds are provided on market terms.
Small Business Grants Fund (SBGF) and Retail, Hospitality and Leisure Grant Fund (RHLGF)	De-minimis or COVID-19 temporary framework	<p>Payments made under SBGF can be provided under the existing de-minimis rules, provided doing so does not exceed the €200,000 threshold. Payments made under the RHLGF (or SBGF where the de-minimis threshold has been reached) should be paid under the COVID-19 temporary framework for UK Authorities</p> <p>https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/907955/business-support-grants-funding-schemes-local-authorities-guidance-v6.pdf</p>
Local Authority Discretionary Grants Fund	De-minimis or COVID-19 temporary framework	<p>Payments of £10,000 or less count towards the total de-minimis state aid you’re allowed to get over a three year period – €200,000. If you have reached that threshold, you may still be eligible for funding under the COVID-19 temporary framework. Payments of £25,000 count as state aid under the COVID-19 temporary framework. The limit for the framework is €800,000. Your local council will ask you to complete a declaration confirming that:</p> <ul style="list-style-type: none"> ● you will not exceed the relevant state aid threshold

Type of assistance	State aid type	Notes
		<ul style="list-style-type: none"> you were not an ‘undertaking in difficulty’ on 31 December 2019. This applies only to the COVID-19 temporary framework. https://www.gov.uk/guidance/apply-for-the-coronavirus-local-authority-discretionary-grants-fund

De-minimis state aid

The EU’s de-minimis regulation allows Member States to give small amounts of aid for almost any purpose, as long as it meets all of the conditions set out in the regulation. Prior notification and approval are not necessary.

The maximum de-minimis funding any single recipient can receive is:

Sector	De minimis state aid cap
Agriculture products sector	€20,000
Fisheries and aquaculture sector	€30,000
Road freight transport sector	€100,000
Other sectors	€200,000

The cap applies over a rolling three fiscal year period. For most forms of state aid this means the financial year the award is granted plus the previous two financial years, though for the Employment Allowance, it means the current and previous two tax years (6 April to 5 April next).

The sterling equivalent is calculated using the European Commission exchange rate applicable on the date of offer of the de-minimis funding (see Further Information below). For the Employment Allowance, the exchange rate for a tax year is the European Commission exchange rate on 30 March of the previous tax year.

The de-minimis state aid cap applies to the total amount of de-minimis state aid provided to a single recipient and to all connected entities, and from all sources of de-minimis state aid. Connected entities include subsidiaries, parent entities and entities under common control.

De-minimis aid cannot be given towards the same costs that are being supported under another block exemption or notified scheme if it means that the total aid would exceed what is allowed under the block exemption or notified scheme. De-minimis aid could be given for separate costs however.

COVID-19 temporary framework

On 19 March 2020 the European Commission adopted a COVID-19 temporary framework for state aid, with amendments added on 3 April, 8 May, 29 June and 13 October. The temporary framework enables Member States to support businesses affected by the COVID-19, and proposals are subject to fast track approval by the European Commission.

The Commission has approved a UK wide ‘umbrella scheme’ under the COVID-19 temporary framework. Provisions of the UK-wide scheme include:

- Aid meeting all of three of the following criteria will be approved: (1) direct causal link between COVID-19 and the scheme; (2) Aid strictly limited to compensating only for the damages caused; (3) No accumulation with other aid for the same costs.
- The aid should not exceed €800,000 per undertaking in the form of direct grants, repayable advances, tax or payments advantages before any deduction of tax or other charge and may not be granted to undertakings that were in difficulty on 31 December 2019. Awards must be made no later than 31 December 2020. (SA.58078 published 31/07/20 amended the UK umbrella scheme to allow aid to small and micro enterprises that were already in difficulty on 31 December 2019).
- Aid not exceeding €100,000 may be granted to undertakings active in the processing and marketing of agricultural products and is conditional on not being partly or entirely passed on to primary producers and is not fixed on the basis of the price or quantity of products purchased from primary producers or put on the market by the undertakings concerned.
- Aid not exceeding €120,000 per undertaking may be granted to undertakings active in the fishery and aquaculture sector.

The ‘umbrella’ scheme also provides for:

- direct grants, repayable advances, and tax advantages of up to €800,000 to individual companies
- aid in the form of guarantees on loans
- aid in the form of subsidised interest rates on loans
- aid in the form of guarantees and loans channelled through credit institutions or other financial institutions
- short-term export credit insurance
- aid for COVID-19 relevant research and development
- aid for testing and upgrading infrastructures
- investment aid for the production of COVID-19 relevant products.

Further information

The UK's subsidy control regime

The UK EU Trade and Co-operation Agreement [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:22020A1231\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:22020A1231(01)&from=EN)

The Joint declaration on subsidy control

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/948105/EU-UK_Declarations_24.12.2020.pdf

BEIS guidance <https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities/technical-guidance-on-the-uks-international-subsidy-control-commitments>

The EU state aid regime

European Commission guide to state aid

https://ec.europa.eu/competition/state_aid/overview/index_en.html

European Commission currency converter

https://ec.europa.eu/info/funding-tenders/how-eu-funding-works/information-contractors-and-beneficiaries/exchange-rate-infoeuro_en

UK Department for Business, Energy & Industrial Strategy basic guide to state aid (2015)

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/443686/BIS-15-417-state-aid-the-basics-guide.pdf

UK Department for Business, Energy & Industrial Strategy state aid manual (2015)

<https://www.gov.uk/government/publications/state-aid-manual>

General Block Exemption Regulation

<https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:02008R0800-20131201&from=EN>

De-minimis regulation

<https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:02013R1407-20200727&from=EN>

COVID-19 temporary framework

https://ec.europa.eu/competition/state_aid/what_is_new/TF_consolidated_version_amended_3_april_8_may_29_june_and_13_oct_2020_en.pdf

Meaning of entity in difficulty

https://ec.europa.eu/competition/state_aid/legislation/rescue_resstructuring_communication_en.pdf

<https://www.british-business-bank.co.uk/british-business-bank-confirms-changes-to-undertaking-in-difficulty-guidance/>