

# Changes to the subsidy control statutory guidance August 2025: What public authorities need to know

12 August 2025  Angelica Hymers

The Department for Business and Trade has updated the statutory guidance which accompanies the Subsidy Control Act 2022 (SCA 2022).

The latest version of the [guidance](#), published in August 2025, introduces several amendments which public authorities will need to be aware of.

One of the most significant changes includes the adjustment of the Subsidies and Schemes of Interest or Particular Interest (SSoPI) threshold for subsidies granted into non sensitive sectors.

Previously set at £10m, the threshold has been increased to £25m as per the Subsidy Control (Subsidies and Schemes of Interest or Particular Interest) (Amendment) Regulations 2025. This change means that the threshold above which a subsidy is considered to be a SSoPI is now significantly higher, and so fewer subsidies will require mandatory referral to the Competition and Markets' Authority's Subsidy Advice Unit before they can be awarded.

Although the change means that [public authorities](#) will be able to implement many large subsidies more swiftly, it will also mean that fewer subsidies are subject to additional scrutiny by the CMA, and may impact upon the quality and consistency of reviews carried out by public authorities in relation to large subsidies which fall below the SSoPI threshold.

## Detailed documentation

In an effort to improve transparency and decision-making, the guidance now recommends (Chapter 2) that public authorities maintain detailed documentation of their assessments under the four-limbed subsidy test, particularly:

- in cases of ambiguity or uncertainty, or;
- where a public authority has determined that the assistance does not constitute a subsidy and is awarding the assistance in a highly competitive market with known challengers.

This is clearly good advice, and public authorities should ensure that appropriate justification, both for the decision that an intervention is or is not a subsidy, and for any assessment of compliance with the subsidy principles, is maintained.

## Further guidance on market entry barriers

Chapter 3 has also been updated, to provide public authorities with further guidance on the issue of market entry barriers that may result from asymmetric or imperfect information.

This is relevant to authorities carrying out an assessment of the subsidy principles and seeking to ensure that the policy objective for their subsidy is aligned with the guidance. This additional clarity is helpful, as the concept of market failure, to which this issue is relevant, is complex and so further guidance is welcome.

However, many public authorities, particularly those without specialist economic teams, are still likely to find analysis of whether a particular situation amounts to a market failure difficult. Additionally, changes to Chapter 5 offer enhanced clarification on the prohibition of rescue and restructuring subsidies for ailing or insolvent enterprises, including a new process diagram to aid understanding.

# Further guidance on entries to the transparency database

Finally, Chapter 12, which provides guidance on the duties to make entries on the transparency database, has been updated to align with the Subsidy Control (Subsidy Database Information Requirements) (Amendment) Regulations 2025. These regulations reduce the reporting requirements for in-scheme awards.

Lastly, the guidance provides additional clarity on how indirect beneficiaries should be represented on the transparency database, as outlined in Annex 1 and Annex 4.

Public authorities are encouraged to inform indirect recipients of subsidies about the value of the subsidy they receive. However, there are exceptions if notifying them would be disproportionate or if their details are already published in the subsidy award description on the transparency database or a linked website.

## Developing landscape of subsidy control

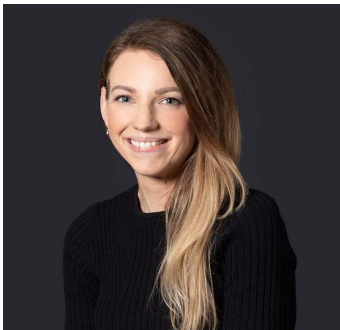
This is the fourth time the guidance has been updated since its publication in November 2022, which reflects the developing nature of the regime.

As well as ensuring that they familiarise themselves with these changes and apply them when managing subsidies, public authorities should ensure that they remain alert to updates to the guidance and developments in case law.

We have recently commented recently on a flurry of subsidy control cases, including the [recent judgment in Weis v Greater Manchester Combined Authority](#), which may have significant impacts upon subsidy control law.

Should you wish to discuss any updates with a member of our subsidy control team, [please get in touch](#).

## Contact



Angelica Hymers

Principal Associate

[angelica.hymers@brownejacobson.com](mailto:angelica.hymers@brownejacobson.com)

+44 (0)115 976 6092

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