

New Year, new-ish state aid rules

From 1 January 2021 the state aid principles set out in the Trade and Co-Operation Agreement are incorporated into law by the EU (Future Relationship) Act 2020.

 31 December 2020

From 1 January 2021 the state aid principles set out in the Trade and Co-Operation Agreement are incorporated into law by the EU (Future Relationship) Act 2020. Without regulations in place that flesh out the details, it's a mess. We know that there must be an independent authority and rights to challenge breaches and that the de minimis threshold is roughly doubled. Beyond that, many of the familiar principles will apply but will need to be developed to apply specifically to the UK (Northern Ireland apart).

Unless regulations pop up from nowhere, a sensible approach would be for Government guidance stating that the existing regime will broadly continue until a new, more streamlined one is developed. So, treat awards in line with General Block Exemption Regulation (GBER) as a safe harbour, for example. It would be a bold grant funding authority that says state aid bets are off until a statutory instrument is in place.

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