

Subsidy control regime: new Bill working its way through Parliament

2022 is the year in which the UK's new post-Brexit subsidy control regime will take effect. The new Subsidy Control Bill will form the backbone of the UK's new subsidy control regime. The new Bill will replace the EU's state aid rules, which applied until the end of the Brexit transition period.

03 March 2022

2022 is the year in which the UK's new post-Brexit subsidy control regime will take effect. The new Subsidy Control Bill, currently working its way through Parliament, will form the backbone of the UK's new subsidy control regime. The new Bill will replace the EU's state aid rules, which applied until the end of the Brexit transition period. The Bill aims to:

- empower local authorities, public bodies and central and devolved governments to design subsidies that deliver strong benefits for the UK taxpayer;
- enable authorities to deliver subsidies that are tailored and bespoke to local needs in order to support UK Government priorities such as levelling up, achieving net zero and increasing UK research and development investment;
- provide certainty and confidence to businesses investing in the UK; and
- contribute towards meeting the UK's international commitments on subsidy control.

These are ambitious objectives and require the new regime to manage a difficult balancing act between several competing interests. They will be of particular interest to larger multi academy trusts whose trading arms will be subject to the regime — in particular the funding of these entities.

At this stage, the Bill is passing through the Houses of Parliament; however, we expect imminently that secondary legislation will provide greater detail about the new regime and enable greater planning in anticipation of the introduction of legislation later in the year.

If you would like to know more about the regime, subsidy control experts [Alex Kynoch](#) and [Angelica Hymers](#) will be hosting an online webinar on the 30 March. The session will explore the practicalities of complying with the new Subsidy Control Bill and consider the impact of illustrative guidance and policy statements recently published by the Government. [Click here to register](#).

Alex also explores the principles, prohibited subsidies restrictions and exemptions laid down in the Bill in his article [New Year, New Subsidy Control Regime Part 1](#). While Angelica considers streamlined subsidy schemes, transparency, the role of the Competition and Markets Authority and the enforcement provisions in [Part 2: Schemes, enforcement and transparency under the Subsidy Control Bill](#).

Contact

Alex Kynoch

Partner



alex.kynoch@brownejacobson.com

+44 (0)115 976 6511

Related expertise

Services

Subsidy control