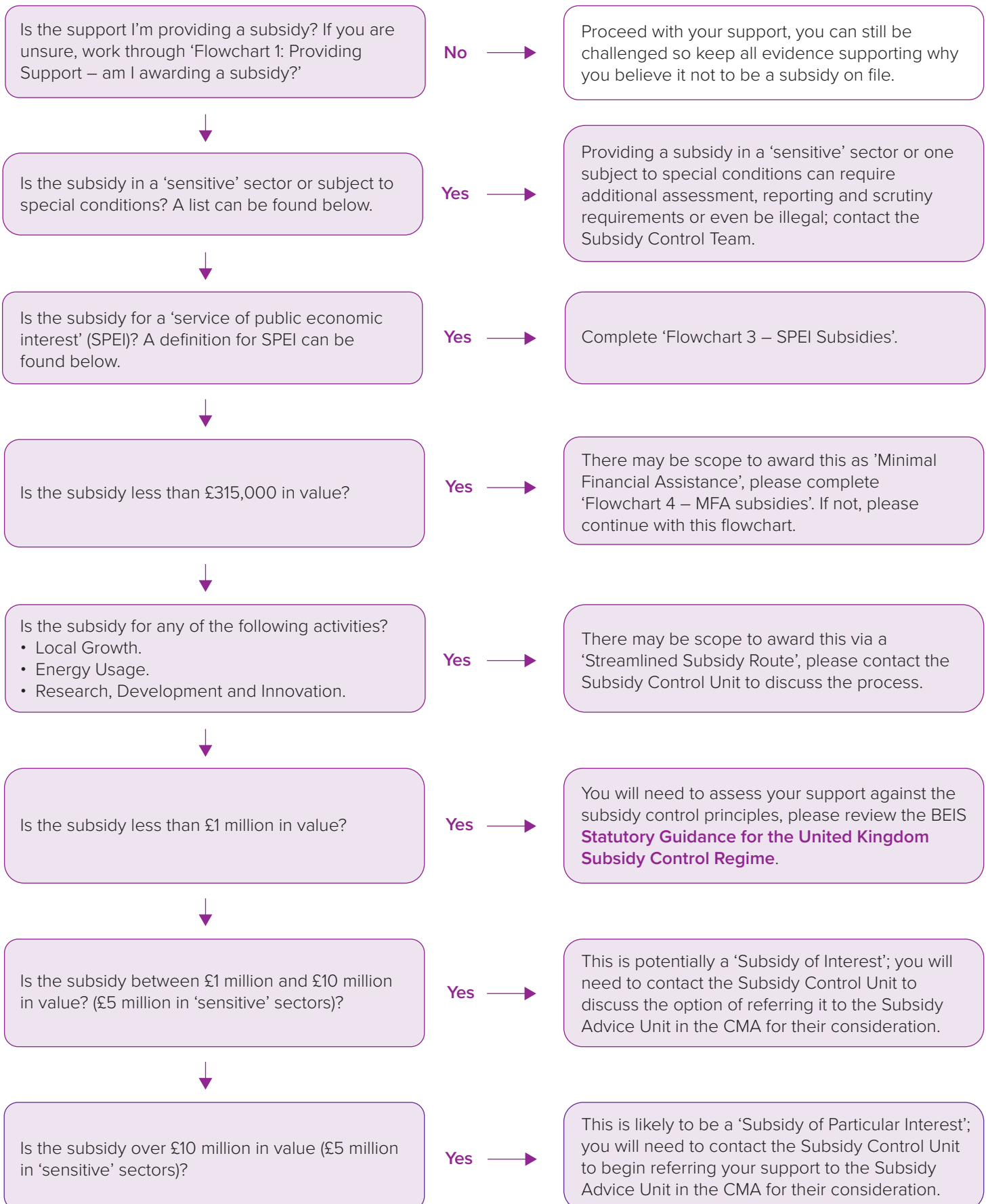


Flowchart 2: **Subsidies – am I awarding compliantly?**

If you are providing a subsidy to an enterprise it is vital that you ensure it complies with the UK's subsidy control rules. This flowchart will help determine the best option for compliancy for you.



Remember; if in doubt, contact the Subsidy Control Unit as they will be able to help you with your assessments.

Information about SPEI definition and sensitive sectors on following page.

SPEI definition

Support for services provided for the benefit of the public that would not normally be provided, or not provided on the terms required, under normal market conditions may be a SPEI.

Sensitive sectors

The following activities are sensitive or subject to additional conditionality, if you are looking to provide support in any of these instances you should contact the Subsidy Control Unit.

The following activities are prohibited and cannot be supported:

- Unlimited guarantees
- Support based on export performance
- Support requiring the use of domestic goods/ services i.e. 'local content subsidies'

Support for relocating from one area of the UK to another is also prohibited except in very specific circumstances.

Support related to energy & the environment must also be assessed against additional bespoke principles.

The following sectors are 'sensitive':

- manufacture of basic iron & steel and of ferro-alloys (SIC code 24.10)
- aluminium production (SIC code 24.42)
- copper production (SIC code 24.44)
- manufacture of motor vehicles (SIC code 29.10)
- building of ships and floating structures (SIC code 30.11)
- manufacture of motorcycles (SIC code 30.91)
- manufacture of air and spacecraft and related machinery (SIC code 30.30)
- production of electricity (SIC code 35.11).

Support for rescue or restructuring of 'Ailing or Insolvent Enterprises' is also subject to special conditions.

Remember: if in doubt contact the Subsidy Control Unit as they will be able to help with your assessments.