



United Kingdom Internal Market Act 2020

2020 CHAPTER 27

PART 7

SUBSIDY CONTROL

52 Regulation of distortive or harmful subsidies

- (1) In Part 2 of Schedule 5 to the Scotland Act 1998 (specific reservations), under Head C (trade and industry), at the end insert—

“Distortive or harmful subsidies

- C16. Regulation of the provision of subsidies which are or may be distortive or harmful by a public authority to persons supplying goods or services in the course of a business.

Interpretation

“Public authority” means a person who exercises functions of a public nature.

“Subsidy” includes assistance provided to a person directly or indirectly by way of income or price support, grant, loan, guarantee, indemnity, the provision of goods or services and any other kind of assistance, whether financial or otherwise and whether actual or contingent.

A subsidy is provided “by a public authority” if it is provided by that authority directly or indirectly.

A subsidy is “distortive or harmful” if it distorts competition between, or otherwise causes harm or injury to, persons supplying goods or services in the course of a business, whether or not those persons are established in the United Kingdom.”

- (2) In Schedule 2 to the Northern Ireland Act 1998 (excepted matters), after paragraph 16 insert—

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“16A Regulation of the provision of subsidies which are or may be distortive or harmful by a public authority to persons supplying goods or services in the course of a business.

In this paragraph—

“Public authority” means a person who exercises functions of a public nature.

“Subsidy” includes assistance provided to a person directly or indirectly by way of income or price support, grant, loan, guarantee, indemnity, the provision of goods or services and any other kind of assistance, whether financial or otherwise and whether actual or contingent.

A subsidy is provided “by a public authority” if it is provided by that authority directly or indirectly.

A subsidy is “distortive or harmful” if it distorts competition between, or otherwise causes harm or injury to, persons supplying goods or services in the course of a business, whether or not those persons are established in the United Kingdom.”

(3) In Part 2 of Schedule 7A to the Government of Wales Act 2006 (specific reservations), under Head C (trade and industry), at the end insert—

“Distortive or harmful subsidies

C18. Regulation of the provision of subsidies which are or may be distortive or harmful by a public authority to persons supplying goods or services in the course of a business.

Interpretation

“Public authority” means a person who exercises functions of a public nature.

“Subsidy” includes assistance provided to a person directly or indirectly by way of income or price support, grant, loan, guarantee, indemnity, the provision of goods or services and any other kind of assistance, whether financial or otherwise and whether actual or contingent.

A subsidy is provided “by a public authority” if it is provided by that authority directly or indirectly.

A subsidy is “distortive or harmful” if it distorts competition between, or otherwise causes harm or injury to, persons supplying goods or services in the course of a business, whether or not those persons are established in the United Kingdom.”

53 UK subsidy control consultation: engagement with the devolved authorities on the Government response

(1) For the purposes of this section—

- (a) “the UK subsidy control consultation” is the consultation announced by the Secretary of State for Business, Energy and Industrial Strategy in a written Ministerial statement made in the House of Commons on 9 September 2020 (consultation on whether the United Kingdom should go further than its

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- existing international commitments in relation to subsidy control, including whether legislation is necessary);
- (b) a “relevant report” is a report containing the whole or part of the Government’s response to that consultation (and for this purpose “response” includes any conclusions and proposals, resulting from that consultation, as to arrangements in the United Kingdom for controlling the provision by public authorities of subsidies which are or may be distortive or harmful);
 - (c) subsidies are “distortive or harmful” if they distort competition between, or otherwise cause harm or injury to, persons supplying goods or services in the course of a business, whether or not established in the United Kingdom;
 - (d) the “devolved authorities” are the Scottish Ministers, the Welsh Ministers and the Department for the Economy in Northern Ireland.
- (2) The Secretary of State must, before publishing any relevant report relating to the UK subsidy control consultation—
- (a) provide a draft of the proposed Government response to each devolved authority, inviting it to make representations about the proposed response within a period specified by the Secretary of State, and
 - (b) consider any representations duly made by any of the devolved authorities in response to that invitation and determine whether to alter the report in the light of that consideration.
- (3) The Secretary of State need not consult the devolved authorities further if the draft is altered as mentioned in subsection (2)(b) (but is free to do so if the Secretary of State thinks fit).
- (4) The consultation required by subsection (2) is in addition to any engagement with the devolved authorities in the course of the UK subsidy control consultation.