
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations implement Commission Directive [2006/111/EC](#) of 16 November 2006 on the transparency of financial relations between Member States and public undertakings as well as on transparency within certain undertakings.

Regulation 3 requires a public undertaking to maintain records of any public funds which are made available to it either directly by a public authority, or by a public authority through another public undertaking or financial institution.

Regulation 6 requires certain undertakings to keep separate accounts showing the costs and revenues associated with different activities and full details of the methods by which costs and revenues are assigned or allocated to different activities.

Regulations 4 and 7 set out the period of time for which the records and accounts referred to in Regulations 3 and 6 should be retained.

Regulations 5 and 8 provide that public undertakings and undertakings required to maintain separate accounts shall upon request provide the Secretary of State with certain information.

Regulation 9 requires public undertakings operating in the manufacturing sector to provide the Secretary of State with certain information each financial year and with such further information as is requested. Regulation 10 provides that where information is required under regulation 9 it may be provided in consolidated form where two or more public undertakings are members of a group of public undertakings.

Regulation 11 requires public authorities who are party to a contract for compensation with a public undertaking to ensure that the relevant provisions of these Regulations are contained within that contract.

Regulation 12 inserts implied terms into contracts linking public authorities to public undertakings in respect of compensation.

A full Impact Assessment has been carried out and a copy has been placed in the libraries of both Houses of Parliament. Copies may be obtained from the State Aid Branch of the Department for Business, Innovation and Skills, 1 Victoria Street, London, SW1H 0ET.