

Big boost for UK economy as subsidy control system comes into force from January

- New UK subsidy regime comes fully into force on 4 January 2023
- regime will enable public authorities to deliver subsidies that are tailored to local needs and to drive economic growth
- new flexible approach to subsidies available due to the unique opportunity presented by Brexit

The new system to regulate subsidies to business will come into force from 4 January, Business Minister Dean Russell announced today (Thursday 20 October), providing a big boost for businesses and further impetus behind the government's plans to supercharge economic growth.

Under the new rules, the devolved administrations and local authorities will be able to deliver subsidies that are tailored to local needs, with the new regime providing the flexibility needed to ensure that support quickly gets to where it is most needed.

Public authorities will be able to support viable businesses across their region quickly and simply, delivering good value for the British taxpayer while ensuring Britain's businesses can help deliver economic growth.

The introduction of the new rules from January marks a major move away from the prescriptive EU aid regime that could stymie elected governments in Belfast, Cardiff and Edinburgh from delivering funds to businesses that needed it.

Business Minister Dean Russell said:

Our subsidy control regime is built to meet the needs of modern Britain, freeing UK authorities from the restrictive shackles of European bureaucracy and longwinded approval processes.

Our new rules are robust yet flexible, empowering public authorities to deliver money quickly, fairly and simply, to businesses that need it the most.

Under the EU system, all subsidies except those under a 'Block Exemption Regulation' had to undergo a lengthy bureaucratic process of being notified to and approved by the European Commission in advance, delaying vital funds from reaching viable businesses in good time.

The implementation of this regime comes after a full, extensive consultation on the proposed approach, with views gathered from stakeholders across the

UK.

The new rules will help bolster the government's plans to drive a vibrant free market economy, by banning unlimited government guarantees to businesses as well as subsidies granted to 'ailing or insolvent' enterprises where there is no credible restructuring plan.

The UK's new regime will also contribute to meeting the UK's international commitments on subsidy control, including its international commitments at the World Trade Organization (WTO) and in Free Trade Agreements.

BEIS is holding a series of events for public authorities to explain the main features and principles of the new regime.

In-person events are being held in:

Multiple [online events](#) are taking place too.