

**From:** [REDACTED]  
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**Subject:** Response from Innovate UK (part of UKRI) to the OIM's "GUIDANCE ON THE OPERATION OF THE CMA'S UK INTERNAL MARKET FUNCTIONS"  
**Date:** 22 July 2021 13:05:08  
**Attachments:** [image001.png](#)

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## **Response from Innovate UK (part of UKRI) to the OIM's "GUIDANCE ON THE OPERATION OF THE CMA'S UK INTERNAL MARKET FUNCTIONS - CONSULTATION DOCUMENT"**

### **Context of this Response**

This response represents the views of the corporate leadership team of Innovate UK, which is the innovation funding agency of UK Research & Innovation. UKRI was established under the Higher Education & Research Act 2017 and operates under the Departmental sponsorship of BEIS.

Innovate UK's core business is the provision of grant and loans, to enterprises (typically companies), universities and research bodies for the purpose of incentivising and encouraging them to undertake research and development projects (typically in collaborative groups). Historically Innovate UK has operated one of the largest R,D & I notified schemes in the UK (since its establishment in 2007) awarding thousands of grants and loans per annum with an aggregate annual value in recent years in excess of £1 billion.

With the introduction to Parliament on 30 June of *The Subsidy Control Bill 2021*, the important roles and responsibilities of the CMA in helping protect the integrity of the UK internal market are set out clearly. The scope of the Office for the Internal Market (OIM) is part of this, alongside the Subsidy Advisory Unit (SAU) which is yet to be established and a range of other interactions and processes.

Innovate UK is taking this opportunity, in responding to this consultation process, to comment on both OIM scope and the wider CMA scope introduced in the recent Subsidy Control Bill.

### **Comments**

1. Innovate UK's Subsidy Compliance team would appreciate early engagement with OIM/CMA colleagues for clarification of certain phrases and practical detail around proposed processes, including the 5/6-week report period, cooling off etc., the publication of referral reports, extensions to timelines, content and form of support evidence to accompany referrals, defining characteristics of '*Subsidies of Interest*' and of '*Subsidies of Particular Interest*'.

It is of particular importance for us to discuss with the OIM, levels of risk (of market distortion) according to relative proximity to market is a key issue for recipients and provider of subsidy, notably in areas of Research, Development and Innovation. Innovate UK would expect early engagement for delivery organisations with OIM/CMA for clarification of judgements made in this area.

2. The Bill leaves undefined as yet, the characteristics of "certain subsidies and subsidy schemes" which will be subject to Mandatory Referral to the CMA. It is very important that such definitions are at least drafted informally in indicative terms, well-before the end of calendar year 2021, in order to allow Public Authorities time to make any necessary adjustments to their schemes, which typically have 3 to 6 month lead times.

Thank you for the opportunity to respond to your Guidance document - Innovate UK looks forward to working efficiently and effectively with the OIM and other parts of the CMA, to help ensure maintenance of the single internal UK market as well as compliance with the UK's various international trade commitments.

You can contact us at [REDACTED] on any aspects of this response to your consultation process, or any Subsidy Compliance matters. We would appreciate engaging with you at an early stage.



**Innovate UK – part of UK Research and Innovation**

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