

Glossary

Term	Definition
A	
the Act	The Subsidy Control Act 2022
Agreement on Subsidies and Countervailing Measures (ASCM)	A World Trade Organisation agreement governing subsidies and the actions countries can take to counter the adverse effects of subsidised imports.
Ailing or insolvent enterprises	An enterprise that (a) would almost certainly go out of business in the short to medium term without subsidies, (b) is unable to pay its debts as they fall due, or (c) the value of its assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities. See section 24 of the Act.
Assessment	The assessment by a public authority of whether a subsidy or scheme complies with the applicable subsidy control requirements, including the subsidy control principles, and the reasons supporting that conclusion.
B	
Beneficiary	Persons receiving a benefit or advantage (ie, from a subsidy).
C	
Competition Appeal Tribunal (the CAT)	A specialist judicial body with jurisdiction to hear and decide cases involving competition or economic regulatory issues within the UK. Under the Act, the CAT has been given the jurisdiction to review subsidy control decisions.
Competition and Markets Authority (the CMA)	The body responsible for ensuring that competition and markets work well for consumers.
Contracts for Difference	Long-term contracts (typically 15 years) with low-carbon electricity generators that stabilise revenues by guaranteeing a fixed 'strike price': generators receive payments when the market price falls below the strike-

	price, and pay back the difference when the market price exceeds it.
Cooling-off period	The 5-day period after the publication of the SAU's report which must elapse before the public authority is able to give the subsidy following a mandatory referral.
D	
DBT	Department for Business and Trade
DEFRA	Department for Environment, Food and Rural Affairs
DESNZ	Department for Energy Security and Net Zero
Devolved governments	The governments of Scotland, Wales and Northern Ireland.
E	
the Energy & Environment Principles	An additional set of statutory principles set out in Schedule 2 of the Act, against which subsidies and schemes relating to energy or the environmental policy must be assessed, alongside the general subsidy control principles in Schedule 1.
Economic Activities	Activities, for a purpose which is economic, where such activities consist of offering of goods or services on a market, regardless of the legal status of the entity carrying them out.
Enterprise	Any person, or groups of persons under common control, engaged in offering goods or services on a market.
Equity Objective/Rationale	These objectives aim to redistribute the benefits of economic activity between different groups in society or geographic areas.
EU State Aid	The subsidy control regime within the European Union.
Exemptions	Criteria set out under the Act which, if satisfied, disapply all or part of the subsidy control requirements in relation to a subsidy or scheme.
F	

Financial Assistance	Support provided from public resources, whether monetary or in kind, including grants, loans, guarantees, tax reliefs, equity investments and the provision of goods, services or assets on favourable terms.
I	
Interested party	A concept defined under the Act as any person whose interest may be affected by a subsidy decision.
L	
Legacy Subsidy or Scheme	A subsidy that was given or a scheme that was made before the Subsidy Control Act 2022 came into force; or a subsidy given in accordance with regulation (EC) No 1370/2007 of the European Parliament and of the Council on public passenger transport services by rail and by road or the Public Service Obligations in Transport Regulations 2023.
Local Authority	A local government body that may act as a public authority for the purposes of the Act.
M	
Making a referral	The process of requesting a report from the Subsidy Advice Unit evaluating the referring public authority's assessment.
Mandatory Referral	A referral made under section 52 of the Act, including referrals of SSoPIs and of subsidies called in by the Secretary of State under section 55 of the Act.
Market Failure	A situation in which market forces alone do not deliver an efficient outcome, potentially justifying public intervention including subsidy.
Minimal Financial Assistance (MFA)	Subsidies given under section 36 of the Subsidy Control Act. MFA allows public authorities to award subsidies to recipients without the need to comply with the majority of the subsidy control requirements provided the subsidy does not exceed the financial threshold of £315,000 over the applicable period.

N	
Net Zero	The UK's commitment to be carbon neutral by 2050.
P	
Public Authority Portal (PAP)	A dedicated, auditable communication channel that allows two-way communications between the SAU and public authorities in relation to referrals.
Post-Award Referral	A referral made under section 60 of the Act by the Secretary of State after a subsidy has been given
the Principles	The Subsidy Control Principles set out in the Act (and, for relevant subsidies, the Energy and Environment Principles).
Pre-referral discussion	A voluntary discussion with the SAU requested by the public authority about the assessment that it intends to submit for referral, that takes place once a public authority has produced an advanced draft of its assessment.
Prohibitions	Provisions under the Act that prevent specified categories of subsidies or subsidy schemes from being granted under the subsidy control regime.
Public Authority	A person or body exercising functions of a public nature, including central government, devolved governments, local authorities and bodies exercising public functions, that is capable of granting financial assistance from public resources under the UK subsidy control regime.
R	
RD&I	Research, development and innovation.
S	
Secretary of State	The Secretary of State for the Department for Business and Trade.
SIC Codes	Standard Industrial Classification of economic activities (SIC) – a means of classifying a particular economic

	activity for statistical purposes, published by the Office for National Statistics.
Services of Public Economic Interest (SPEI)	Economic services that a public authority considers necessary to deliver a public policy objective where the market would not otherwise provide those services adequately. Section 29 of the Subsidy Control Act defines SPEI for the purposes of the subsidy control regime.
SPEI Assistance (SPEI Assistance)	Subsidies given under section 38 of the Subsidy Control Act. Allows public authorities to award SPEI Assistance without the need to comply with the majority of the subsidy control requirements provided the subsidy does not exceed the financial threshold of £725,000 over the applicable period.
Subsidies and Schemes of Interest (SSoI)	Subsidies and Schemes of Interest, as defined in regulations made by the Secretary of State under section 11 of the Act.
Subsidies and Schemes of Particular Interest (SSoPI)	Subsidies and Schemes of Particular Interest, as defined in regulations made by the Secretary of State under section 11 of the Act.
Subsidies or Schemes of Interest (SSoI) and of Particular Interest (SSoPI)	Subsidies or schemes falling within categories specified under regulations made under section 11 of the Act as carrying elevated risks of distortion to competition, investment or trade. Public authorities may refer SSols voluntarily to the SAU for review prior to award, while referral of SSoPIs is mandatory.
Statutory Guidance	The guidance issued by the Department for Business and Trade under section 79 of the Act on the practical application of certain aspects of the regime. See https://www.gov.uk/government/publications/uk-subsidy-control-statutory-guidance
Streamlined route	A type of subsidy scheme made by the UK Government for the use of any public authority in the UK, without need for further assessment. Also known as a Streamlined Subsidy Scheme.
Subsidy	Financial assistance that constitutes a subsidy within the meaning of section 2 of the Act.

Subsidy Advice Unit (SAU)	The unit within the Competition and Markets Authority with responsibility for giving advice on certain subsidies
SAU Guidance	Guidance on the operation of the subsidy control functions of the Subsidy Advice Unit, explaining how the Subsidy Advice Unit exercises its functions under the Act in relation to Subsidies or Schemes of Interest and of Particular Interest. See https://www.gov.uk/government/publications/guidance-on-the-operation-of-the-subsidy-control-functions-of-the-subsidy-advice-unit
Subsidy Control Principles	The Subsidy Control Principles as set out in Schedule 1 to the Act.
Subsidy Control Requirements	The requirements under Chapters 1 and 2 of Part 2 of the Act, including the obligation to consider whether a subsidy complies with the Subsidy Control Principles (and the Energy & Environment Principles, where applicable), as well as the prohibitions and other requirements as set out in Chapter 2 of Part 2. See the Act and Statutory Guidance for more detail.
Subsidy database	The database provided for in Chapter 3 of Part 2 of the Act, on which public authorities are required to enter certain information about subsidies they give. The subsidy database is operated by the Department for Business and Trade.
Subsidy scheme	A framework or arrangement under which a public authority can award multiple subsidies to one or more beneficiaries in pursuit of the same policy objective on the basis of common terms, conditions or criteria.
T	
Trade and Cooperation Agreement (TCA)	The United Kingdom's free trade agreement with the European Union.
U	
UK government	The central government of the United Kingdom, including departments and bodies that may act as public authorities for the purposes of the Act.

V	
Voluntary Referral	The referral of an Subsidy or Scheme of Interest made under section 56 of the Act.
W	
Windsor Framework	The Windsor Framework to the EU–UK Withdrawal Agreement, regarding Northern Ireland (formerly the Northern Ireland Protocol), which determines among other things, the application of State aid rules to some types of subsidy in Northern Ireland and, in particular circumstances, Great Britain.
World Trade Organization (WTO)	The international body dealing with the rules of trade between nations.