

State Aid Information

State Aid is financial support that is provided by the State to business organisations.

State Aid rules exist to avoid public funded interventions distorting competition with the European Union. Business Rates Relief is State Aid. Generally State Aid is prohibited and unlawful. However there are a number of exemptions, which if they apply, render the State Aid lawful and permitted. The relevant exemption in respect of this application is De Minimis Aid. For your application to be successful it must fall within the 'de minimis' aid creation.

Under the de minimis' aid criteria there is a de minimis' aid threshold. Where an applicant, parent company or subsidiary receives aid, over a three year period that exceeds the threshold, they will not be entitled to de minimis' aid.

To decide whether your application is eligible for de minimis' aid we need to know if you or any company in your group of businesses have received State Aid or if you expect to receive any State Aid in the current financial year or the previous 2 financial years.

Please note that any business rates relief awarded is included in the 'de minimis' threshold.

Generally the de minimis' aid threshold is €200,000 (approximately £167,000) over the currently financial year and the two previous financial years. However, the threshold for undertakings involved in road transport is €100,000 (approximately £83,500). If some aid has been received by the undertaking in previous years but this does not exceed the de minimis' aid threshold then a partial business rate relief may be granted up to the De Minimis threshold level. The threshold applies to all aid received by a parent company/group of businesses rather than just a subsidiary.

For exchange rates purposes, the Commission's exchange rate should be used as it is or was on the day the aid was granted.

Where the de minimis' aid has been applied incorrectly, then recovery will be for the full amount of the aid regardless of whether only part of it exceeds the threshold.



'De minimis' aid cannot be given in certain circumstances, these include:

- Aid to enterprises in road haulage operations for the acquisition of road freight transport vehicles;
- Towards the same costs that are being supported under another clock exemption or notified scheme. It is unlawful to provide de minimis' aid for costs being funded under the State Aid Cover or an exemption or notified scheme, if it means the specific allowable aid intensity will be exceeded;
- Aid to enterprises in the agriculture sector (with the exception of those active in processing and marketing of agricultural products);
- Aid to enterprises active in coal sector;
- Aid to undertakings in difficulty;
- Aid for export-related activities, namely aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to other current expenditure linked to the export activity.

You also need to be aware that if the European Commission considers that you are not eligible for de minimis' aid, the amount of Aid awarded will be recoverable from you with interest. It is therefore important that you are confident that you meet the de minimis' aid criteria.

The following is not a comprehensive list of all possible forms of State Aid. However, it should give you an indication of common forms of State Aid which you may have been given over the past 3 years. If you are in any doubt as to whether previous assistance received would constitute State Aid, please raise your concerns with us as soon as possible.

- Business rates relief on properties elsewhere in England
 - State grants
 - Interest rate relief
 - Tax relief
 - Tax credits
 - State guarantees or holdings
 - Direct subsidies
 - Tax exemptions
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