

Rt Hon Boris Johnson MP  
10 Downing Street  
London  
SW1A 2AA

18 September 2020

Dear Prime Minister

**UK State Aid Law Association: subsidy control in the UK after the expiry of the Transition Period**

We write in respect of the Government's announcement on 9 September 2020 that the UK will follow World Trade Organisation subsidy rules, i.e. those set out within the WTO Agreement on Subsidies and Countervailing Measures ("WTO subsidy rules") after the end of the Transition Period. We note that such plans are subject to any free trade agreement obligations which may be agreed in the meantime.

We are members of the UK State Aid Law Association and other professionals with expertise in State aid and subsidy law.

It is our view that:

- 1) the new approach to subsidy control that the Government wants, is achievable and can provide significant benefits to the UK internal market while ensuring no return to the 1970s approach of trying to run the economy or bailing out unsustainable companies.
- 2) However, to get the most out of such a regime, the UK will need to build on the WTO subsidy rules. They are not of themselves enough – for example they do not cover services or control subsidy races between the nations of the UK.
- 3) Building a new domestic subsidy regime built on WTO subsidy rules and separate from the EU State aid rules is an exciting opportunity. Not just for our country but as a model for others.

We would like to offer the British Government our help to set up such a regime in whatever way you deem most useful. In particular being available to prepare proposals, discuss implications with Ministers and their advisers, as well as establishing a UK Subsidy Control Advisory Group to massively accelerate the design, consultation and drafting of this critical policy.

Subsidy control has never been so pivotal or high profile. We hope you will consider this offer to help you deliver this vital policy for our country as quickly as possible.

Yours

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Shearman & Sterling

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Co-signatories

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cc: Alok Sharma, Secretary of State for Business, Energy and Industrial Strategy