

Annex 2: Public authorities' assessment of how individual subsidies comply with UK-EU Trade and Cooperation Agreement principles

For subsidies in scope of the UK-EU Trade and Cooperation Agreement principles (within the subsidies chapter), public authorities should complete the table below and retain for their records. The information should record how the public authority has complied with the principles in designing their subsidy.

Principles	How does the subsidy comply with the principle?
The subsidy pursues a specific public policy objective to remedy an identified market failure or to address an equity rationale such as social difficulties or distributional concerns ("the objective").	
The subsidy is proportionate and limited to what is necessary to achieve the objective.	
The subsidy is designed to bring about a change of economic behaviour of the beneficiary that is conducive to achieving the objective and that would not be achieved in the absence of the subsidy being provided.	
The subsidy should not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy.	
The subsidy is an appropriate policy instrument to achieve a public policy objective and that objective cannot be achieved through other less distortive means.	

<p>The subsidies' positive contributions to achieving the objective outweigh any negative effects, in particular the material effect on trade or investment between the Parties.</p>	
<p>Where relevant, record consideration against Article 3.5 [Prohibited subsidies and subsidies subject to conditions], including consideration of whether that subsidy has or could have a material effect on trade or investment between the Parties.</p>	