



Subsidy Control Act 2022

2022 CHAPTER 23

PART 2

SUBSIDY CONTROL REQUIREMENTS

CHAPTER 2

PROHIBITIONS AND OTHER REQUIREMENTS

Ailing or insolvent enterprises

19 Rescuing

- (1) A subsidy for rescuing an ailing or insolvent enterprise is prohibited by this section unless the conditions in subsections (2) to (4) are met.
- (2) The condition in this subsection is that the subsidy is given during the preparation by the enterprise of a restructuring plan for the purposes of section 20(2).
- (3) The condition in this subsection is that the subsidy consists of temporary liquidity support in the form of a loan or loan guarantee.
- (4) The condition in this subsection is that the public authority giving the subsidy is satisfied that—
 - (a) the subsidy contributes to an objective of public interest by avoiding social hardship or preventing a severe market failure, in particular with regard to job losses or disruption of an important service that is difficult to replicate, or
 - (b) there are exceptional circumstances that justify the subsidy being given despite its not contributing as mentioned in paragraph (a).
- (5) This section does not apply to a subsidy for rescuing an ailing or insolvent enterprise that is a deposit taker or insurance company.

Changes to legislation: There are currently no known outstanding effects for the Subsidy Control Act 2022, Section 19. (See end of Document for details)

Commencement Information

- I1** S. 19 not in force at Royal Assent, see [s. 91](#)
I2 [S. 19](#) in force at 4.1.2023 by [S.I. 2022/1359](#), [reg. 2](#)

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