



## **Industry welcomes expected improvements to Foreign Subsidies Regulation Implementation**

**Brussels, 7 June 2023** – Our organisations, representing a broad array of businesses invested in the EU, have previously raised concerns about the broad scope of the draft Implementing Regulation ('draft IR') for the EU's Foreign Subsidies Regulation ('FSR'), which was published by the European Commission ('Commission') in February.

We commend the Commission for its constructive engagement with industry in finalising the draft IR, and we welcome its efforts to ensure that key aspects of the feedback submitted by a broad range of stakeholders in the public consultation have been given thorough consideration.

Media reports have indicated the direction the Commission is taking in refining the draft IR, and we understand that meaningful improvements are being made to reflect feedback from stakeholders.

In particular, we are encouraged that the Commission appears to be considering ways to limit the FSR's most onerous reporting obligations to the categories of subsidies that are most likely to cause distortions. We also support efforts to exempt certain categories of non-distortive financial contributions from notification – including the sale and purchase of goods and services on market terms – as well as certain non-selective tax measures and financial contributions falling below the threshold of EUR 1 million. We further appreciate the Commission's apparent efforts to address confidentiality concerns by allowing main suppliers and main subcontractors to separately notify their own activities.

Jointly, these positive changes would focus the FSR as a tool while minimising administrative burdens and reducing unnecessary red tape for companies investing in Europe. Adopting such improvements in the final text is essential for the FSR to be adequately implemented and to ensure a level playing field and future investment in Europe. We wish to express our support for the Commission in its endeavours.

**AIM – European Brands Association**

**Australian Business in Europe (Belgium)**

**British Chamber of Commerce | EU & Belgium**

**Computer & Communications Industry Association (CCIA Europe)**

**Confederation of Swedish Enterprise**

**European Australian Business Council**

**Invest Europe**

**Japan Business Council in Europe**

**Korea Business Association Europe**

**The Spanish Association for the Digital Economy (Adigital)**