



Brussels, 18.4.2018  
COM(2018) 196 final

ANNEX 8

**ANNEX**

*to the*

**Proposal for a Council Decision**

**on the conclusion of the Free Trade Agreement between the European Union and the  
Republic of Singapore**

**PRINCIPLES APPLICABLE TO OTHER SUBSIDIES**

1. In principle, other subsidies related to trade in goods and the supply of services, which are not covered by Article 11.7 (Prohibited Subsidies), should not be granted by a Party when they affect, or are likely to affect, the trade of either Party.
2. Notwithstanding paragraph 1, the following subsidies may be granted by a Party when they are necessary to achieve an objective of public interest, and when the amounts of the subsidies involved are limited to the minimum needed to achieve this objective and their effect on trade of the other Party is limited:
  - (a) subsidies having a social character, granted to individual consumers, provided that such subsidies are granted without discrimination related to the origin of the products concerned;
  - (b) subsidies to make good the damage caused by natural disasters or exceptional occurrences;
  - (c) subsidies to promote the economic development of areas where the standard of living is abnormally low or where there is serious underemployment;

- (d) subsidies to remedy a serious disturbance in the economy of one of the Parties;
- (e) subsidies to facilitate the development of certain economic activities or of certain economic areas, where such aid does not affect conditions of trade of either Party and competition between the Parties<sup>1</sup>;
- (f) subsidies to companies entrusted with the operation of clearly defined services of general economic interest, provided the subsidies are limited to the costs of providing such services;
- (g) subsidies to promote culture and heritage conservation where these subsidies do not affect conditions of trade of either Party and competition between the Parties; or
- (h) subsidies to promote the execution of an important project of regional or bilateral interest.

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<sup>1</sup> This category may include but is not limited to, subsidies for clearly defined research, development and innovation purposes, subsidies for training or for the creation of employment, subsidies for environmental purposes, and subsidies in favour of small and medium-sized companies, defined as companies employing fewer than 250 persons.