

**Committee on Subsidies
and Countervailing Measures**

FORMAT FOR UPDATES OF NOTIFICATIONS
UNDER ARTICLE 8.3 OF THE AGREEMENT ON
SUBSIDIES AND COUNTERVAILING MEASURES

Adopted by the Committee on 23 October 1997

General Rules

1. For each programme notified under Article 8.3 of the Agreement on Subsidies and Countervailing Measures, provide all of the information identified below that applies.
2. To the extent that assistance under a notified programme is provided to specific products or sectors, organize the update notification by product or sector.
3. For any question for which no response is provided, explain the lack of response.
4. In answering questions concerning changes in a notified programme, the reference point should be the most recent notification/update of that programme.
5. If no changes of the type specified in a given question have been made during the relevant period, provide an affirmative statement to that effect in response to that question.
6. The due date for each yearly update notification shall be the anniversary date of the original notification.
7. Statistical information reported in each yearly update shall cover the most recent 12-month period for which data are available (the programme's fiscal year, e.g.), as of the due date for the notification. This period shall be known as the "current year".
8. All Articles referred to in this format are Articles of the Agreement on Subsidies and Countervailing Measures.
9. As provided in footnote 34 to Article 8.3, confidential information, including confidential business information, need not be submitted in notifications under Article 8.3. If necessary to protect confidentiality, information may be provided on a basis that does not permit the identification of the recipients of assistance.
10. Nothing in this format shall in any way prejudice the right of other Members to request, or affect the obligation of the notifying Member to provide, information about individual cases of subsidization under a notified programme, as provided for in Articles 8.3, 25.8 and 25.9.

11. As used in this format (i.e., in questions II.1(a), III.1(a) and IV.1(a)), the term "approved" means the time when, in the administrative process leading to the granting of a subsidy, a firm commitment is taken by the granting authority to pay out a subsidy.

12. Within two years of the receipt by the Committee on Subsidies and Countervailing Measures of the first notification of this type, the Committee shall initiate a review of this format with a view to making all necessary modifications in light of experience in using the format. Upon completion of the review, the Committee shall take a decision whether to continue or modify the format.

I. FOR ALL PROGRAMMES NOTIFIED UNDER ARTICLE 8.3

1. Identify the starting and ending dates of the annual period covered by the update (referred to in this questionnaire as the "update year"), and of the current year (as defined in item 7 of the general rules above), as well as the date of the original notification. With regard to all questions concerning changes in the programme (marked with an asterisk*), provide information for the update year.

For all other questions, concerning statistical programme data, information should relate to the current year.

2. Provide data on global expenditures under the programme during the current year.

3.* Provide details of any change in the policy objectives of the assistance, including, if applicable, any sectoral objectives.

4.* If there has been any change in the law, regulation and/or other legal instrument under which the assistance is provided (including the creation of any new law, regulation and/or legal instrument) provide a narrative explanation of the nature and purpose of the change. Also provide a copy of such law, regulation or other legal instrument, with a clear identification of the text that reflects the change. If these documents are not in a WTO language, provide a translation in English, French, or Spanish of (i) the relevant legal provisions reflecting the change, and (ii) the table of contents or relevant chapter headings of the law, regulation and/or other legal instrument.

5.* Provide details of any change in the level(s) of government involved in the provision of assistance under the notified programme, including any change in the institutional framework for the implementation of the programme and/or in the role of non-governmental entities, if applicable.

6.* Identify and explain in detail any change in the entities or types of entities as appropriate, industries, regions, etc. eligible for assistance under the programme, and/or in the eligibility requirements or application procedures under the programme. Provide all relevant documentation reflecting the change (e.g. brochures, application forms, etc.), including any newly-created documents, to the extent that such documentation is not already provided in response to question I.4.

7.* Provide details of any change in financing instruments, or in the incidence and/or duration of assistance under each instrument. ("Incidence" as used here means to whom and how the assistance is provided, i.e. whether to producers, users, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined.)

8.* Provide details of any change in the total amount of assistance budgeted under the programme, and/or in the termination date of the programme or the projects financed thereunder.

9.* Provide details of any change in the arrangements for monitoring, auditing and evaluation of the programme, including the creation of any such arrangements.

II. FOR NOTIFIED ASSISTANCE FOR RESEARCH ACTIVITIES

1. For the current year, identify and describe the research areas¹ covered by the programme (i.e. the research areas identified in the original notification under Article 8.3, as subsequently modified under the programme), and

(a) Provide for each research area:

- (1) the number of projects receiving assistance; and
- (2) the number of projects approved for receipt of assistance, but for which assistance has not yet been disbursed.

(b) For both the above categories and for each research area, also provide:

- (1) the average per-project amount of assistance. Identify and list the five projects with the highest amounts of assistance, and for each of these projects provide the amount of assistance and the level of aid intensity. If these five projects account for less than 25% of total expenditure in the category or research area concerned, provide the same information for the projects with the next highest amounts of assistance until the 25% threshold is reached, up to a maximum of five additional projects.
- (2) the average per-project aid intensity i.e. the assistance expressed as a percentage of eligible costs. Identify the five projects with the highest level of aid intensity and list them, giving the aid intensity and the amount of assistance for each.

With regard to (b)(1) and (b)(2) above, separate sets of data should be given for (a) industrial research; (b) pre-competitive development activity; (c) other categories which should be specified, including activities that span industrial research and pre-competitive development.

2.* Provide details of any change in the contractual arrangements, if relevant, under which the research is conducted.

3.* Provide a detailed description and explanation of any change in the programme's structure and/or operation, to include in particular:

- (a) any change in the technical description of the specific goals of the research, in how these activities fall within the definitions of "industrial research" and "pre-competitive development activity" in footnotes 28 and 29 to Article 8.2(a), and/or in the end result of the industrial research;
- (b) in the case of industrial research, any change in the new knowledge being sought and/or in the new products, processes, or services, or improvements thereto, that are intended to be developed using such new knowledge;

¹If there is no more than one research area within the notified programme, the data concerned should be provided for the programme as a whole.

- (c) in the case of pre-competitive development activity, any change in the end result of such activity and/or in the way in which existing products, production lines, manufacturing processes, services or other on-going operations will be affected as a result of such activity;
- (d) in the case of a prototype, any change in how the prototype will be developed and/or in the modifications that would be required to make the prototype capable of commercial use;
- (e) any change in the amounts of assistance permitted under the programme for (1) industrial research and (2) pre-competitive development and/or in the methodology used to calculate the costs of such research/activity;
- (f) any change in the specific types of costs covered by the assistance, in the methodology used to calculate these costs, and/or in the means by which it is ensured that the assistance is limited exclusively to the costs identified in items (i)-(v) of Article 8.2(a);
- (g) any change in the means by which it is ensured that the assistance does not cover more than 75% of the costs of industrial research, 50% of the costs of pre-competitive development activity or, in situations referred to in footnote 30 to Article 8.2(a), 62.5% of the sum of these costs.

III. FOR NOTIFIED ASSISTANCE TO DISADVANTAGED REGIONS WITHIN THE TERRITORY OF A MEMBER

1. List the regions receiving assistance during the current year, and any change in such regions since the most recent notification/update, and

- (a) Provide, for each region:
 - (1) the number of projects receiving assistance;
 - (2) the number of projects approved for receipt of assistance, but for which assistance has not yet been disbursed.
- (b) For both the above categories and for each region, also provide:
 - (1) the aid ceiling(s) for each region, expressed in terms of investment costs or costs of job creation;
 - (2) the average per-project amount of assistance. Identify and list the three projects with the highest amounts of assistance, and for each of these projects provide the amount of assistance (expressed in terms of assistance for investment costs or costs of job creation). If these three projects account for less than 25% of total expenditure in the category or region concerned, provide the same information for the projects with the next highest amounts of assistance until the 25% threshold is reached, up to a maximum of three additional projects;
 - (3) the average per-project aid intensity, i.e. the assistance expressed as a percentage of the actual or anticipated investment costs (as defined in the original notification, or as subsequently modified under the programme) or as an amount per actual or anticipated

job created, and the levels of aid intensity for the three projects having the highest levels of aid intensity.

2.* Provide a detailed description and explanation of any change in the programme's structure and/or operation, to include in particular:

- (a) any change in the ceilings, expressed in terms of investment costs or costs of job creation, applicable to the amount of assistance that can be provided to individual projects;
- (b) any change in the methodology used to calculate the investment costs and costs of job creation for purposes of applying such ceilings;
- (c) any change in the means by which such ceilings have been differentiated according to the different levels of development of the assisted regions;
- (d) any change in the ceilings applicable to different eligible regions, as a result of changes in relative levels of development of the assisted regions (relate any such changes to the criteria in force and the statistical data given in paragraph 5);
- (e) any change in the geographic boundaries and/or administrative identity of any eligible region;
- (f) any change in any provisions that may exist to avoid the predominant use of a subsidy by, or the granting of disproportionately large amounts of subsidy to, certain enterprises as provided for in Article 2;
- (g) any change in the means by which it is ensured that the amount of assistance does not exceed the applicable ceilings.

3.* Provide details of any change in the general framework of regional development pursuant to which the assistance is granted.

4.* Provide details of any change in the criteria on the basis of which the assisted regions were designated as disadvantaged, including any change in the relevant law(s)/regulation(s), in the measurement(s) of economic development used in those criteria and/or in the methodology for calculating such measurement(s).

5. Provide the three most recent years' statistical data on the relevant economic criteria that were used in determining that each region receiving assistance under the programme during the current year was disadvantaged.

6. Indicate, for the current year, the total amounts of assistance provided to each region covered by the programme for:

- (1) job creation and/or
- (2) investments

plus the aid ceilings for and the population of each region concerned.

7. Using the method described below, select one or more assisted regions, or one or more groups of all regions covered by a given aid ceiling, and for those selected regions or groups of regions provide data to demonstrate that the distribution of assistance in the current year has been sufficiently broad and even to avoid the predominant use of a subsidy by, or the granting of disproportionately large amounts of subsidy to, certain enterprises as provided for in Article 2.

Selection should be made as follows: Select for each update a sufficient number of regions or groups of regions that within three years, all regions covered by the programme have been included in an updating notification, thereby providing an indication of the non-specificity (within the meaning of Article 2) of assistance across the programme as a whole. In the first update, include the regions or groups of regions with the highest aid ceilings, in the second update the regions or groups of regions with the second highest aid ceilings, etc., returning again to the beginning when all regions have been covered in an updating notification.

IV. FOR NOTIFIED ASSISTANCE TO PROMOTE ADAPTATION OF EXISTING FACILITIES TO NEW ENVIRONMENTAL REQUIREMENTS

1. (a) For the current year, provide;
 - (1) the number of projects receiving assistance;
 - (2) the number of projects approved for the receipt of assistance, but for which assistance has not yet been disbursed.
- (b) For both of the above categories, also provide:
 - (1) the average per-project amount of assistance. Identify and list the five projects with the highest amounts of assistance, and for each of these projects provide the amount of assistance and the level of aid intensity. If these five projects account for less than 25% of total expenditure in the category concerned, provide the same information for the projects with the next highest amounts of assistance until the 25% threshold is reached, up to a maximum of five additional projects.
 - (2) the average per-project aid intensity, i.e. the assistance expressed as a percentage of eligible costs. Identify the five projects with the highest level of aid intensity and list them, giving the aid intensity and the amount of assistance for each.
- 2.* Provide a detailed description and explanation of any change in the programme's structure and/or operation, to include in particular:
 - (a) any change in the specific new environmental requirements in connection with which the assistance is provided;
 - (b) any change in the time frame(s) for application of the new environmental requirements;
 - (c) any change in the basis on which the assistance is provided (i.e. whether on the total cost of the reduction of the nuisances or pollution or on an individual phase of implementation of the new environmental requirements);
 - (d) any change in technical description (including any refinement to an earlier, more general, technical description) of the adaptation of existing facilities necessary to meet the new

environmental requirements, and/or in the identity of those facilities as previously notified (question III(f) of original notification format);

- (e) any change in the law or regulation that imposes the new environmental requirements;
- (f) any change in the nuisances and pollution intended to be reduced by the requirements, and/or in how the requirements will result in such reduction;
- (g) any change in the level of government at which the requirements are imposed;
- (h) any change in how the requirements result in greater constraints and financial burdens on firms;
- (i) any change in the specific types of costs covered by the assistance and/or in the methodology used to calculate the costs of adaptation of existing facilities to the new environmental requirements;
- (j) any change in the means by which it is ensured that the assistance is a one-time, non-recurring measure, that the assistance is limited to the adaptation of existing facilities, that the assistance does not cover more than 20% of the costs of this adaptation, that the assistance is directly linked and proportionate to a firm's planned reduction of nuisances and pollution, and that the assistance does not cover any manufacturing cost savings that may be achieved.