

QAS 200  
RESTRICTED

RESTRICTED

FRAME INDUSTRIAL  
FM UKREP BRUSSELS 201520Z MAR 84  
TO PRIORITY FCO  
TELEGRAM NUMBER 1013 OF 20 MARCH

REGIONAL AIDS

1. FOLLOWING RECEIVED FROM COMMISSION.

BEGINS: DEAR SIR,  
NEWSPAPER REPORTS OF THE CHANCELLOR OF THE EXCHEQUER'S BUDGET  
SPEECH ON 13 MARCH 1984 REFER TO THE GRADUAL ABOLITION OF THE  
CAPITAL ALLOWANCES CURRENTLY GRANTED WITHIN THE U.K. CORPORATION  
TAX SYSTEM. INVESTMENT PROJECTS WITHIN THE DEVELOPMENT AND  
SPECIAL DEVELOPMENT AREAS FOR WHICH SELECTIVE FINANCIAL ASSISTANCE  
HAS BEEN AGREED ON OR BEFORE 13 MARCH 1984 WILL, HOWEVER,  
CONTINUE TO RECEIVE CAPITAL ALLOWANCES UNDER THE OLD SCHEME.  
THIS CONSTITUTES REGIONAL AID, THE GRANT OF WHICH MUST,  
UNDER ARTICLE 93(3) EEC, BE NOTIFIED TO THE COMMISSION. I  
WOULD ASK YOU, THEREFORE, TO SUBMIT A NOTIFICATION GIVING  
FULL DETAILS OF THE PROPOSED AID. MAY I REMIND YOU THAT THE  
PROPOSED AID MEASURE MAY NOT BE PUT INTO EFFECT UNTIL THE  
COMMISSION HAS ASSESSED ITS COMPATIBILITY WITH THE COMMON  
MARKET, HAVING REGARD TO ARTICLE 92 EEC.

YOURS FAITHFULLY,  
R. SUNNEN  
DIRECTOR  
ENDS.

2. GRATEFUL FOR DRAFT REPLY.

FCO COPY TO:

FCO - PAUL, FAIRWEATHER  
CAB - MACKENNEY, LAMBERT  
DTI - WALMSLEY (RPDG 2) N WHITING (IP 1)

BUTLER

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ECD (I)

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(ABOVE)

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27 FEB 1984

