



GSMA statement on the draft Implementing Regulation to the Foreign Subsidies Regulation

We were pleased to see recent reports in the media suggesting that the European Commission (the “**Commission**”) intends to revise the draft Implementing Regulation (“**draft IR**”) of the Foreign Subsidies Regulation (“**FSR**”). We consider that the reported modifications to the draft IR reflect to a significant degree stakeholders’ feedback submitted during the consultation period and we appreciate the Commission’s efforts to address some of the key concerns raised by both businesses and practitioners.

In particular, we have seen reports suggesting an increase of the notification threshold for financial contributions which effectively results in exempting contributions below the threshold of EUR 1 million from the notification requirement. This is a welcome attempt to alleviate the disproportionate notification burden placed on companies operating within the EU.

We further welcome the reported intention of the Commission to limit the obligation of providing detailed information only to financial contributions that are likely to distort competition on the market, while other financial contributions would need to only feature in an overview table. In addition, the proposal to exempt the sale and purchase of goods and services at market prices from the list of financial contributions that may be considered a foreign subsidy is a necessary and meaningful improvement. That last point was also clarified in the recently published EU Commission Q&A on the FSR which offers an excellent elaboration on some of the more ambiguous points of the foreign subsidies regime. In that context, we would welcome any similar initiatives by the Commission aimed at clarifying the “grey areas” of the rules.

Overall, we fully support the Commission’s reported efforts to re-work the draft IR in order to achieve a more manageable system of reporting and notification. Additionally, we commend the Commission for its strong willingness to engage in a constructive dialogue with stakeholders. The GSMA looks forward to continuing working with the Commission on ensuring that the FSR regime achieves its substantive objectives through workable and resource-efficient notification processes.

About the GSMA

The GSMA is a global organisation unifying the mobile ecosystem to discover, develop and deliver innovation foundational to positive business environments and societal change. Our vision is to unlock the full power of connectivity so that people, industry, and society thrive. Representing mobile operators and organisations across the mobile ecosystem and adjacent industries, the GSMA delivers for its members across three broad pillars: Connectivity for Good, Industry Services and Solutions, and Outreach. This activity includes advancing policy, tackling today’s biggest societal challenges, underpinning the technology and interoperability that make mobile work, and providing the world’s largest platform to convene the mobile ecosystem at the MWC and M360 series of events. We invite you to find out more at [gsma.com](https://www.gsma.com).