Title: Financial Services (Implementation of Legislation) Bill	De minimis assessment
SI No: N/A	**Date: 13/11/2018**
Other departments or agencies: N/A **Contact for enquiries**: Hal.Hainsworth@hmtreasury.gov.uk	**Type of regulation:** **Domestic** **Date measure comes into force:** **TBC**
Cost of Preferred (or more likely) Option £0m	**Net cost to business per year** (EANDCB in 2016 prices) **£0m**

1. What is the problem under consideration? Why is government intervention necessary? (Maximum 5 lines)

The Financial Services (Implementation of Legislation) Bill provides the government with the power, in a no deal scenario, to use secondary legislation to domesticate key pieces of European Union (EU) financial services legislation that in many cases the UK has played a role in negotiating but will otherwise have no means of domesticating following our exit from the EU. Government intervention is necessary to ensure that the UK's financial services regime can be updated in a timely way in the short term following our departure from the EU.

2. What are the policy objectives and the intended effects? (Maximum 5 lines)

The Bill itself does not make policy changes – it provides the government a delegated power to lay affirmative SIs that will in turn affect policy changes in the financial services space.

HM Treasury will, in turn, produce full impact assessments for each SI laid using this delegated power, as has been the practice under the European Union (Withdrawal) Act 2018.

3. What policy options have been considered, including any alternatives to regulation? Please justify preferred option (Maximum 5 lines)

There are no viable alternatives to regulation – when the UK leaves the EU there will be no mechanism for the UK Government to implement the key financial services in-flight files whose design it has proactively shaped to benefit, and to safeguard its financial services industry.

4. Please justify why the net impacts (i.e. net costs or benefits) to business will be less than £5 million a year.

There are no net costs or benefits to industry that flow directly from this legislation, though there may be indirect benefits that flow from the certainty provided by its passage. These benefits are non-quantifiable. Further, industry has been preparing – at some cost – to implement pieces of EU legislation that are coming down the legislative pipeline. Failure to secure the power in this Bill may incur costs to business.

As above, the government will produce impact assessments for SIs laid under this legislation.

5. Please confirm whether your measure could be subject to call-in by BRE under the following criteria. If yes, please provide a justification of why a full impact assessment is not appropriate:

a) **Significant distributional impacts (such as significant transfers between different businesses or sectors)**

N/A

b) Disproportionate burdens on small businesses

N/A

c) Significant gross effects despite small net impacts

N/A

d) Significant wider social, environmental, financial or economic impacts

N/A

e) Significant novel or contentious elements

N/A

<u>Sign-off for de minimis assessment: SCS</u>

I have read the de minimis assessment and I am satisfied that it represents a fair and proportionate assessment of the impact of the measure.

SCS of Financial Services Domestic Strategy

Signed: ***Katie Fisher*** Date: 13/11/2018

SCS of Better Regulation Unit

Signed: ***Gemma Peck*** Date: 14/11/2018

<u>Sign-off for de minimis assessment: Minister</u>

I have read the de minimis assessment and I am satisfied that it represents a fair and proportionate assessment of the impact of the measure.

Signed: John P. Glen Date: 21/11/2018