



House of Commons
European Statutory
Instruments Committee

**Twelfth Report
of Session 2017–19**

**Documents considered by the Committee on
18 December 2018**

Drawing attention to:

The Investment Exchanges, Clearing Houses and Central Securities
Depositories (Amendment) (EU Exit) Regulations 2018

Report, together with formal minutes

*Ordered by the House of Commons
to be printed 18 December 2018*

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European Statutory Instruments Committee

The European Statutory Instruments Committee is appointed by the House of Commons to examine and report on:

- (i) any of the following documents laid before the House of Commons in accordance with paragraph 3(3)(b) or 17(3)(b) of Schedule 7 to the European Union (Withdrawal) Act 2018—
 - (a) a draft of an instrument; and
 - (b) a memorandum setting out both a statement made by a Minister of the Crown to the effect that in the Minister's opinion the instrument should be subject to annulment in pursuance of a resolution of either House of Parliament (the negative procedure) and the reasons for that opinion, and
- (ii) any matter arising from its consideration of such documents.

Current membership

[Rt Hon Sir Patrick McLoughlin MP](#) (*Conservative, Derbyshire Dales*) (Chair)

[Kirsty Blackman MP](#) (*Scottish National Party, Aberdeen North*)

[Nic Dakin MP](#) (*Labour, Scunthorpe*)

[Mr Philip Dunne MP](#) (*Conservative, Ludlow*)

[Ms Angela Eagle MP](#) (*Labour, Wallasey*)

[Rt Hon Sir David Evennett MP](#) (*Conservative, Bexleyheath and Crayford*)

[Vicky Ford MP](#) (*Conservative, Chelmsford*)

[Patrick Grady MP](#) (*Scottish National Party, Glasgow North*)

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[Ian C. Lucas MP](#) (*Labour, Wrexham*)

[Bridget Phillipson MP](#) (*Labour, Houghton and Sunderland South*)

[Mary Robinson MP](#) (*Conservative, Cheadle*)

[Andrew Selous MP](#) (*Conservative, South West Bedfordshire*)

[Jo Stevens MP](#) (*Labour, Cardiff Central*)

[Liz Twist MP](#) (*Labour, Blaydon*)

Powers

The Committee's powers are set out under a Temporary Standing Order of 16 July 2018.

Publications

The reports of the Committee are published in print by Order of the House. All publications of the Committee are available on the Internet from www.parliament.uk/esic.

Committee staff

The current staff of the Committee are Mike Winter (Clerk), Yohanna Sallberg (Second Clerk), Paul Simpkin (Senior Committee Assistant) and Zsofia Kiss (Committee Assistant). Advisory Counsel: Daniel Greenberg, Klara Banaszak and Vanessa MacNair.

All correspondence should be addressed to the Clerk of the European Statutory Instruments Committee, House of Commons, London SW1A 0AA. The telephone number for general inquiries is: 020 7219 7597; the Committee's email address is: esic@parliament.uk.

Contents

Meeting summary	3
Instruments recommended for the affirmative procedure	4
2 The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2018	4
Instruments recommended for the negative procedure	5
Formal Minutes	6

Meeting summary

1.1 At its meeting on 18 December 2018 the Committee noted and welcomed the Government's confirmation that it had accepted the Committee's recommendation and would lay the following instrument under the affirmative procedure:

- i. MoJ—The Criminal Justice (Amendment etc.) (EU Exit) Regulations 2018

Instruments recommended for the affirmative procedure

At its meeting on 18 December 2018 the Committee considered proposed negative instruments laid by the Government and has recommended that the appropriate procedure for the following instrument is for a draft of it to be laid before, and approved by a resolution of, each House of Parliament before it is made (i.e. the affirmative procedure).

2 The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2018

2.1 The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2018 amend relevant parts of the Financial Services and Markets Act 2000 (“FSMA”) and Regulations under that Act to ensure that the regulatory regime for recognised investment exchanges (“RIEs”), EEA market operators (i.e. firms that are responsible for setting up and maintaining a trading venue such as a regulated market or a multi-lateral trading facility), clearing houses (including central counterparties, or “CCPs”) and central securities depositories (“CSDs”) continues to be clearly defined and operable in UK domestic law after exit day in a no-deal scenario.

2.2 In achieving these aims the proposal makes changes to primary legislation. Although the amendments are a necessary consequence of Brexit, we consider the cumulative impact of the large volume of amendments in the context of financial services is such that the additional safeguard of affirmative resolution is appropriate.

2.3 The Committee therefore recommends that the appropriate procedure for the instrument is for a draft of it to be laid before, and approved by a resolution of, each House of Parliament before it is made (i.e. the affirmative procedure), on the ground that it is of political and legal importance.

Instruments recommended for the negative procedure

At its meeting on 18 December 2018 the Committee considered proposed negative instruments and has recommended that the appropriate procedure for the following instruments is for them to be subject to annulment in pursuance of a resolution of either House of Parliament (i.e. the negative procedure).

The Animal Health and Welfare (Amendment) (Northern Ireland) (EU Exit) Regulations 2018

The Credit Institutions and Insurance Undertaking Reorganisation and Winding Up (Amendment) (EU Exit) Regulations 2018

The Electronic Identification and Trust Services for Electronic Transactions (Amendment etc.) (EU Exit) Regulations 2018

The Ionising Radiation (Environmental and Public Protection) (Miscellaneous Amendments) (EU Exit) Regulations 2018

The Livestock (Records, Identification and Movement) (Amendment) (Northern Ireland) (EU Exit) Regulations 2018

The Marketing of Seeds and Plant Propagating Material (Amendment) (England and Wales) (EU Exit) Regulations 2018

The Merchant Shipping (Marine Equipment) (Amendment etc.) (EU Exit) Regulations 2018

The Plant Breeders' Rights (Amendment etc.) (EU Exit) Regulations 2018

The Protocol 1 to the EEA Agreement (Amendment) (EU Exit) Regulations 2018

The Sanctions (Amendment) (EU Exit) Regulations 2018

The Statistics of Trade (Amendment etc.) (EU Exit) Regulations 2018

The Trade in Animals and Related Products (Amendment) (EU Exit) Regulations 2018

The Water (Amendment) (Northern Ireland) (EU Exit) Regulations 2018

Formal Minutes

Tuesday 18 December 2018

Members present:

Rt Hon Sir Patrick McLoughlin, in the Chair

Kirsty Blackman	Ian C. Lucas
Nic Dakin	Julia Lopez
Mr Philip Dunne	Mary Robinson
Ms Angela Eagle	Andrew Selous
Rt Hon Sir David Evennett	Jo Stevens
Vicky Ford	Liz Twist
Trudy Harrison	

Draft Report (*Twelfth Report*), proposed by the Chair, brought up and read.

Ordered, That the Chair's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 2.3 agreed to.

Ordered, That the Report be the Twelfth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

[Adjourned till 8 January 2019 at 3.30pm]