

# **REGULATION OF REGISTERED SOCIAL LANDLORDS (WALES) ACT 2018**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### ***Enforcement Notices and Penalties***

##### ***Section 12 - Requirement to pay a penalty***

70. **Section 12** amends section 50H of the 1996 Act, which gives the Welsh Ministers the power to require a registered social landlord to pay a penalty.
71. **Section 11** amends Case 2 (one of 5 cases, of which the Welsh Ministers must be satisfied have arisen prior to requiring an RSL to pay a penalty). The case was that there had been misconduct or mismanagement in the affairs of an RSL. As a result of the amendment, the case is now where the RSL has failed to comply with a requirement imposed by or under an enactment.
72. As a result of the amendment, the position is as follows:
  - The Welsh Ministers may require an RSL to pay a penalty if they are satisfied that any of the list of 5 cases applies.
  - The Welsh Ministers must be satisfied that the RSL has failed to comply with a requirement imposed by or under an enactment, and also that the failure does not fall within any other of the 5 cases.
  - The Welsh Ministers must also be satisfied that the imposition of a penalty is appropriate (whether or not as part of a response including other action).
73. Subsection (6A) is added to section 50H to ensure that where another case applies, the grounds specified in that case should be used as the basis for the penalty. For example, if there has been a breach of a standard issued under section 33A of the 1996 Act, Case 1 would be the appropriate ground for the penalty. Case 2 will only apply if no other case applies.