

WALES ACT 2014

EXPLANATORY NOTES

COMMENTARY ON SECTIONS (AND SCHEDULES)

Part 2: Finance

Section 23: Reports on the implementation and operation of this Part

198. This section sets out the requirements for the Secretary of State and Welsh Ministers to report on the implementation and operation of the new finance powers.
199. *Subsections (1) and (3)* require the Secretary of State to publish a report on the implementation and operation of the finance provisions in Part 2 within one year from when the Act is passed and thereafter before each anniversary of the Act being passed. These reports must continue until a year after the tax and borrowing powers are fully transferred to the Assembly and the Welsh Ministers, as set out in *subsection (4)*. Copies of such reports must be laid before both Houses of Parliament and sent to Welsh Ministers, who must lay the reports before the Assembly.
200. *Subsections (2) and (3)* require the Welsh Ministers to make and lay reports before the Assembly of the same kind and to the same timetable, until such time as set out in *subsection (4)*, and to provide a copy of each report to the Secretary of State to lay before both Houses of Parliament.
201. *Subsections (5) and (6)* set out how it is determined that a Part 2 provision is implemented, for the purpose of determining for how long the reports must continue.
202. *Subsection (7)* sets out the areas that each report must include:
- a) an update on all aspects of progress towards the implementation of the Part 2 provisions since the previous report;
 - b) any further steps that should be taken towards implementation of Part 2 provisions;
 - c) an assessment of the operation of the Part 2 provisions that have been implemented;
 - d) an assessment of any changes to the Part 2 provisions;
 - e) the impact on the Welsh block grant as a result of transferring tax powers; and
 - f) any other matters concerning sources of revenue for the Assembly that should be brought to the attention of Parliament or the Assembly.
203. Until a vote in favour of the income tax provisions coming into force, *subsection (8)* excludes sections 8 and 9 (income tax provisions) from the statements required by *subsection (7)(a) and (b)*.