

EXPLANATORY MEMORANDUM TO

**THE EUROPEAN GROUPING OF TERRITORIAL COOPERATION AND
LIMITED LIABILITY PARTNERSHIPS ETC. (REVOCATIONS AND
AMENDMENTS) (EU EXIT) REGULATIONS 2021**

2021 No. 153

1. Introduction

- 1.1 This explanatory memorandum has been prepared by The Department of Business, Energy and Industrial Strategy and is laid before Parliament by Command of Her Majesty.
- 1.2 This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Purpose of the instrument

- 2.1 This instrument is being made using powers in the European Union (Withdrawal) Act 2018 (“the 2018 Act”) in order to address failures of retained EU law and other deficiencies arising from the withdrawal of the United Kingdom from the EU. It also makes amendments under the Limited Liability Partnerships Act 2000 to continue to align the accounting and reporting framework for Limited Liability Partnerships with that for companies.

Explanations

What did any relevant EU law do before exit day?

- 2.2 Regulation (EC) No 1082/2006 of the European Parliament and of the Council of 5 July 2006 on a European Grouping of Territorial Cooperation (“the EGTC Regulation”) was introduced to enable public authorities from different EU Member States to cooperate more effectively and to help manage cross-border activities. Regulation (EU) No 1302/2013 of the European Parliament and of the Council of 17 December 2013 amended the EGTC Regulation to provide further clarification, simplification, and improvement of the European Grouping of Territorial Cooperation (“EGTC”) framework. The framework provides for EU member States, and for public authorities within EU member States at a local, regional, or national level, to be able to come together to establish a legal entity within the EU, and for them to be members of that entity. It also provides for third country and third country public authority participation in an EGTC, provided that the third country is a neighbouring country to one of the members. Domestic legislation ensured the effective application of this legislation in the UK.
- 2.3 Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (“IAS”) sets out the requirements for the application of IAS in the EU. The IAS endorsed and adopted by the European Commission under the Regulation (“EU-adopted IAS”) are contained in Commission Regulation (EC) No 1126/2008 of 3 November 2008, as amended.
- 2.4 The effects of Regulation (EC) No 1606/2002 were transposed into UK law for companies in Part 15 of the Companies Act 2006 and other related instruments. This transposition meant that, when the UK was an EU member State, publicly traded

companies in the UK were required to use EU-adopted IAS when preparing their consolidated accounts. For individual accounts and the consolidated accounts of all other companies, there was a choice between either using EU-adopted IAS or UK Generally Accepted Accounting Practices.

- 2.5 Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 (“the Shareholders’ Rights Directive”) was a minimum harmonisation directive introducing measures, while allowing Member States to retain flexibility, to enable companies to identify their shareholders and allow the transmission of information between the company and its shareholders. It was significantly amended by Directive 2017/828/EU.
- 2.6 The UK implemented the inserted Chapter Ia of the Shareholders’ Rights Directive which applies to the shareholder as recognised under the Member States’ applicable law. Chapter Ia is concerned with enabling companies to identify their shareholders, enabling the transmission of information between the company and its shareholders, and thereby ensuring the facilitation of shareholders’ rights. To meet this requirement the UK amended the Companies Act 2006 to require an electronic confirmation of receipt of an electronic vote to be sent to the shareholder and requiring a confirmation of whether a vote in a general meeting has been validly recorded and counted by the company to be provided on request by the shareholder. This was transposed into UK law by the Companies (Shareholders’ Rights to Voting Confirmations) Regulations 2020 (SI 2020/717) to meet the transposition deadline of the 3rd September 2020 as EU law still applied during the Transition Period.
- 2.7 Commission Implementing Regulation (EU) 2018/1212 of 3 September 2018 (“the Shareholders’ Rights Implementing Regulation”) was introduced to implement aspects of Chapter Ia of the Shareholders’ Rights Directive as they relate to intermediaries.
- 2.8 Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, (“the Audit Directive”) set out requirements on the statutory audit of certain businesses that are required to be audited under EU law. Article 47 of the Audit Directive allowed Member States to transfer, or permit the transfer, of audit working papers and investigation reports to a third country competent authority for audit, only where a number of conditions were met. These included that the Commission had determined that the relevant third country competent authority had "adequate" requirements as regards the confidentiality of information transferred. A third country competent authority's adequacy status was granted by the Commission to a third country competent authority on the basis an assessment. The Statutory Auditors and Third Country Auditors Regulations 2019 (SI 2019/177 – “the first Audit EU Exit Regulations”) amended the framework that had implemented Article 47 of the Audit Directive in order to treat Member States of the European Union and other states within the European Economic Area (together referred to as “EEA States”) and other third countries in the same way. Transfers of audit working papers and investigation reports continue to be on the basis of working arrangements following a determination of the adequacy of the relevant third country competent authority, including of an EEA competent authority. However, this determination is made by the Secretary of State in regulations under new section 1240B of the Companies Act 2006, usually following an assessment by the UK’s competent authority, the Financial Reporting Council (FRC). The list of

adequate third country competent authorities is now in the first Audit EU Exit Regulations in Schedule 2, Table 3. This includes all of the EEA competent authorities and those other third country competent authorities that were approved as adequate immediately before the end of the Transition Period under existing European Commission Decisions and Implementing Acts.

- 2.9 The Statutory Auditors Regulations 2017 (SI 2017/1164 – “the 2017 Regulations”) introduced the requirement for certain Limited Liability Partnerships (LLPs) to prepare a strategic report like that required for unquoted companies by the Companies Act 2006. This was as part of the implementation of Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014 amending the Audit Directive and Regulation (EU) No 537/2014 (“the Audit Regulation”) of the European Parliament and of the Council on specific requirements regarding statutory audit of public-interest entities. Though the Audit Directive does not generally apply to LLPs, the implementation of the Directive and the Audit Regulation were applied to LLPs for two reasons: (1) consistency of the accounting and audit frameworks of LLPs and companies; and (2) the fact that LLPs which issue securities that are admitted to trading on a regulated market (“traded LLPs”), and other LLPs that are capable in principle of being public interest entities or “PIEs”, namely “banking LLPs”, were subject to both the Audit Directive and Regulation. As a result, the new Article 28(2)(e) of the Audit Directive had to be applied to LLPs that are PIEs. It requires the audit report to include an opinion and statement on a narrative management report of an LLP. Up to that point there had been no implementation for LLPs of a narrative management report requirement aligned with the requirements for Companies in Directive 2013/34/EU of the European Parliament and of the Council on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings. So, this was introduced for LLPs that are PIEs through amendments in the 2017 Regulations to the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (SI 2008/1911 – “the 2008 LLPs Regulations”).
- 2.10 The Audit Regulation continues to apply as retained EU law, and part of UK law, due to the effect of section 3 of the European Union (Withdrawal) Act 2018. The first Audit EU Exit Regulations amended the Audit Regulation, as it now applies as retained EU law, following the end of the Transition Period. The amendments were intended to make sure the Audit Regulation would work properly as part of UK law. However not all of the Audit Regulation became retained EU law due to the effect of section 3(2)(a)(iii) of the European Union (Withdrawal) Act 2018. The effect of this provision was that where a provision in the Audit Regulation had already been transposed into UK law, that provision in the Audit Regulation would not also become retained EU law. This meant that the cross references in the Audit Regulation and elsewhere to provisions that are not part of retained EU law had to be amended to refer instead to the provisions in UK law that had transposed them.

Why is it being changed?

- 2.11 The registered office of an EGTC must be located within the EU. Therefore, now the UK is outside the EU, EGTCs can no longer be registered in the UK. The UK is no longer a Member State and so is not itself able to join an EGTC, and public authorities in the UK are no longer able to participate as public authorities

of a Member State. The EGTC Regulation and the amending EU Regulation as they apply in the UK and domestic regulations are therefore being revoked.

- 2.12 To maintain use of IAS now that the UK has left the EU, the Government introduced the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/685 - "the IAS Regulations"), which came into force at the end of the Transition Period. The IAS Regulations provided a national framework for UK endorsement and adoption of IAS after departure from the EU. By regulation 4 of the IAS Regulations, the IAS in the United Kingdom at the end of the Transition Period (known as "UK-adopted international accounting standards") were those which were contained in Commission Regulation (EC) No 1126/2008, as it had effect immediately before the end of the Transition Period. The Commission Regulation itself, and all amending instruments, however, were revoked (see Schedule 2 to the IAS Regulations) to avoid having two largely overlapping frameworks. It is necessary to continue the process of revocation by revoking all other Commission Regulations adopting or amending IASs which came into force between the last update of Schedule 2 to the IAS Regulations and the end of the Transition Period.
- 2.13 Like the Audit Regulation, all of the Commission Decisions and Implementing Acts on the adequacy of third country competent authorities became retained EU law, and part of UK law, at the end of the Transition Period. To avoid parallel implementations with the approval of third country competent authorities in Schedule 2 to the first Audit EU Exit Regulations, all but one of the Commission Decisions and Implementing Acts were repealed by those Regulations as they applied at the end of the Transition Period. One remaining Commission Implementing Decision approving the Independent Regulatory Board for Auditors of South Africa remains to be repealed by this instrument.
- 2.14 The Shareholders' Rights Implementing Regulation entered into force from 3 September 2020 at the same time as the amendments to the Shareholders' Rights Directive. Because this Implementing Regulation has no practical effect in the UK, it is being repealed by this instrument.
- 2.15 With the implementation of a narrative management reporting requirement, in the form of a strategic report for LLPs that are PIEs, a series of consequential amendments should also have been made. These ought to have facilitated filing of the report with Companies House, and rectification of the report where necessary. These amendments should have applied the same consequential amendments that were made for companies in the Schedule to the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 (SI 2013/1970) insofar as appropriate for LLPs, as well as analogous amendments. All the relevant amendments should have been made to the application of Parts 15 and 16 of the Companies Act 2006 to LLPs. These would all have been via amendments to the 2008 LLPs Regulations. These were not included at that time pending other changes on energy and carbon reporting for LLPs. These amendments have remained outstanding but can now be made consistently with those other narrative reporting changes that have been introduced since by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (SI 2018/1155).
- 2.16 Another amendment that remains outstanding is the removal of a cross reference in paragraph 3 of Article 16 of the Audit Regulation to paragraph 2 of that Article. Paragraph 2 of Article 16 is not retained EU law as it has been transposed into

Chapter 2 of Part 16 of the Companies Act 2006 and comparable provisions for other types of entity where they are PIEs, such as building societies and LLPs that are PIEs. As a result, this cross reference should have been replaced. In fact, in this instance, part of the relevant wording can simply be removed as the remaining words in the provision provide the necessary cross reference.

What will it now do?

- 2.17 This instrument revokes the legislation which allowed a UK public authority the ability to join an EGTC when the UK was a Member State and all other legislation associated with the EGTC framework; as this is no longer appropriate now that the UK has left the EU.
- 2.18 Because a number of changes to EU-adopted IAS have been issued since Schedule 2 to the IAS Regulations was last updated, this instrument revokes all of the remaining Commission Regulations adopting IASs or amending EU-adopted IAS that came into force before the end of the Transition Period – see regulation 2 of this instrument. It is also necessary to apply the transitional provision in regulation 20(2) of the IAS Regulations to the new or amended IASs to ensure that any application provisions in the Commission Regulations are carried over into UK and-adopted international accounting standards.
- 2.19 This instrument repeals the Shareholders’ Rights Implementing Regulation. The Regulation recognises certain entities as intermediaries which is not a legal concept in the UK, unlike in other countries. Instead, these intermediaries are seen as the shareholder and as such this Regulation has no practical effect in the UK.
- 2.20 This instrument also repeals the remaining Commission Implementing Decision on the adequacy of the Independent Regulatory Board for Auditors of South Africa. This third country competent authority still has adequacy status in UK law under Schedule 2 to the first Audit EU Exit Regulations, as amended.
- 2.21 This instrument also makes the necessary remaining amendments to the 2008 LLPs Regulations that are needed as a consequence of the introduction of a strategic report for traded LLPs and banking LLPs. The amendments facilitate filing of the report with Companies House and rectification of the report where necessary.
- 2.22 Finally, this instrument also repeals a remaining cross-reference in paragraph 3 of Article 16 of the Audit Regulation to paragraph 2 of that Article, which was no longer appropriate, as paragraph 2 has not become retained EU law.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments.

- 3.1 This statutory instrument was laid for sifting as required under the European Union (Withdrawal) Act 2018. The European Statutory Instruments Committee and the Secondary Legislation Scrutiny Committee considered the instrument and agreed that the instrument should follow the negative resolution procedure on the 27th and 29th January, respectively.

Matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business (English Votes for English Laws)

- 3.2 As this instrument is subject to negative resolution procedure there are no matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business at this stage.

4. Extent and Territorial Application

- 4.1 The territorial extent of this instrument is the United Kingdom.
4.2 The territorial application of this instrument is the United Kingdom.

5. European Convention on Human Rights

- 5.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation no statement is required.

6. Legislative Context

- 6.1 EGTCs were introduced by the EGTC Regulation, which was amended by EU Regulation 1302/2013. The EGTC framework enables regional and local authorities from different EU Member States to cooperate more effectively. Domestically, the European Grouping of Territorial Cooperation Regulations 2007 (SI 2007/1949) and the European Grouping of Territorial Cooperation Regulations 2015 (SI 2015/1493) ensured the effective application of the EGTC Regulation. Section 3 of the European Union (Withdrawal) Act 2018 incorporates directly applicable EU law into UK law.
- 6.2 This instrument revokes the EGTC Regulation, the amending Regulation 1302/2013, and the domestic Regulations, as EGTCs are no longer able to register in the UK.
- 6.3 Schedule 2 to the IAS Regulations was updated by the Statutory Auditors, Third Country Auditors and International Accounting Standards (Amendment) (EU Exit) Regulations 2019 (SI 2019/1392 – “the 2019 amending Regulations”) to take into account subsequently adopted IASs. The remaining IAS adoptions by the EU that came into force before the end of the Transition Period are revoked separately in this instrument.
- 6.4 The Shareholders’ Rights Implementing Regulation was introduced to implement aspects of Chapter Ia of the Shareholders’ Rights Directive as they relate to intermediaries. It is repealed by this instrument having become part of retained EU law following EU exit and the end of the Transition Period.
- 6.5 The 2008 LLPs Regulations were amended by the 2017 Regulations to introduce the requirement for certain LLPs to prepare a strategic report like that required for unquoted companies by the Companies Act 2006. This instrument makes provision of the filing of an LLP’s strategic report with Companies House and for its rectification where necessary.
- 6.6 The Audit Regulation continues to apply largely in the same way that it did during the Transition Period and before EU exit to the audits of those businesses that are required to be audited under EU law and that are PIEs. The Audit Regulation was amended as retained EU law at the end of the Transition Period for the purpose of its application as a part of UK law. This instrument finalise those changes to the Audit Regulation by removing an inappropriate cross-reference.

- 6.7 The Explanatory Memorandum relating to the IAS Regulations can be found here: <http://www.legislation.gov.uk/uksi/2019/685/memorandum/contents>
- 6.8 The Explanatory Memorandum relating to the first Audit EU Exit Regulation can be found here: <http://www.legislation.gov.uk/uksi/2019/177/memorandum/contents>
- 6.9 The Explanatory Memorandum relation to the 2019 amending Regulations can be found here: <http://www.legislation.gov.uk/uksi/2019/1392/memorandum/contents>

7. Policy background

What is being done and why?

- 7.1 The EGTC framework was established to make it easier for certain public authorities and Member States to manage cross-border activities. An EGTC is a type of legal entity that can act on behalf of its members across Member State borders using the legal framework of the Member State in which the entity is established (thus avoiding the need to have to negotiate separate administrative/legal framework in different Member States for the same activity). An EGTC must include members either from at least two EU Member States; or from one EU Member State and one third country or overseas country or territory. Members can include regional or local authorities, central governments or other bodies operating under public law such as universities, as well as Member States themselves. It must be registered within a Member State in which at least one of the EGTC's members is established. Now that the UK has left the EU, it is not possible to register an EGTC in the UK.
- 7.2 As there are currently no UK-registered EGTCs and no UK public authorities that are members of an EGTC registered elsewhere, the decision has been made to revoke the EU legislation instead of adapting the EGTC Regulation to reflect the UK's position as a third country. This instrument makes the necessary revocations of the two EU Regulations that were retained EU law in the first two rows of Table 1 in the Schedule, which is provided for in regulation 2(1). Items 5-9 of that table in the Schedule then revoke provisions contained in other statutory instruments that are part of UK law and that have previously made specific provision for any EGTCs that might have been established in the UK.
- 7.3 The third row of Table 1 in the Schedule to this instrument repeals the Shareholders' Rights Regulation.
- 7.4 The fourth row of Table 1 then repeals the Commission Implementing Decision on the approval as adequate of the Independent Regulatory Board for Auditors of South Africa as the effect of this instrument has already been implemented via amendments to the first Audit EU Exit Regulations.
- 7.5 Regulation 2(2) of, and Table 2 in the Schedule to, this instrument revoke additional directly applicable Commission Regulations adopting IASs or amending EU-adopted IAS. This is to prevent duplication in UK legislation. Regulation 2(3) applies a transitional provision to these IASs as they-now form part of UK-adopted international accounting standards. This is to ensure that any application provisions from the Commission Regulations adopting the standards are applied in UK-adopted international accounting standards. This is consistent with action taken in the IAS Regulations.
- 7.6 Regulations 4 to 18 of this instrument make the necessary remaining amendments to the 2008 LLPs Regulations that are needed as a consequence of the introduction of a

strategic report for traded LLPs and banking LLPs. The amendments facilitate in particular filing of the report with Companies House and rectification of the report where necessary.

7.7 Regulation 19 of this instrument omits a cross reference from Article 16(3) of the Audit Regulation, to paragraph 2 of that Article. Paragraph 2 has not become retained EU law due to the effect of section 3(2)(a)(ii) of the 2018 Act, as paragraph 2 of that Article has already been implemented in earlier legislation.

7.8 This instrument applies to Company Law which is a transferred matter for Northern Ireland under section 4 of the Northern Ireland Act 1998. The Companies Act 2006 provides for a single company law regime applying to the whole of the UK, so that companies are UK companies rather than GB companies or Northern Ireland companies. EU Exit legislation which amends the Companies Act or legislation made under it therefore applies to the whole of the UK. This does not affect the legislative competence of Northern Ireland: company law remains a transferred matter, and the Companies Act could be separately amended or repealed in Northern Ireland if that were so desired.

8. European Union (Withdrawal) Act/Withdrawal of the United Kingdom from the European Union

8.1 This instrument is being made using the power in section 8 of the 2018 Act in order to address failures of retained EU law to operate effectively or other deficiencies arising from the withdrawal of the United Kingdom from the European Union. In accordance with the requirements of that Act the Minister has made the relevant statements as detailed in Part 2 of the Annex to this Explanatory Memorandum.

9. Consolidation

9.1 This is not a consolidation.

10. Consultation outcome

10.1 There has been no consultation.

11. Guidance

11.1 As this instrument removes the ability to participate in EGTCs, guidance is no longer required. Previous guidance, published in 2015, has been marked up as withdrawn to ensure it is not seen as relevant guidance, as seen here:
<https://www.gov.uk/government/publications/european-groupings-of-territorial-co-operation-egtc>.

11.2 Companies House will update their existing guidance to reflect the change in reporting requirements for companies and LLPs in due course.

12. Impact

12.1 There is no, or no significant, impact on business, charities or voluntary bodies.

12.2 There is no, or no significant, impact on the public sector.

12.3 An Impact Assessment has not been prepared for this instrument because there are no EGTC's registered in the UK and no UK public authorities currently participating in an EGTC registered elsewhere.

- 12.4 This instrument makes amendments to the 2008 LLP Regulations consequential on the earlier 2017 Regulations which introduced the strategic report for LLPs that are PIEs. These consequential amendments are comparable to those that were applied to companies by the Schedule to the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 (SI 2013/1970) for LLPs, which an impact assessment was produced for. In any case at present there are no LLPs in the UK that qualify as PIEs.
- 12.5 In addition, this instrument makes a consequential amendment to the Audit Regulation (as set out in section 6) to ensure that this instrument functions as intended following the end of the Transition Period. This does not place any new obligations on companies.
- 12.6 Lastly, the revocation of the remaining Commission Regulations adopting IASs or amending EU-adopted IAS has no effect on companies as these IASs already form part of UK-adopted international accounting standards.

13. Regulating small business

- 13.1 The legislation applies to activities that are undertaken by small businesses.
- 13.2 To minimise the impact of the requirements on small businesses (employing up to 50 people), most of the provisions of this instrument affect larger businesses only. For instance, the amendments affecting LLPs only do so in those cases (if there are any) where an LLP is a PIE. Similarly, where this instrument affects all relevant business that benefit from IAS, we would expect most to be large. We do not expect the legislation to affect activities of small businesses. Further, the amendments to the audit or EGTC frameworks will have no impact on small businesses, because the Audit and EGTC Regulations do not affect them. Finally, few small businesses or audit firms would be likely to be subject to audit regulation across borders between the UK and South Africa.

14. Monitoring & review

- 14.1 For the amendments made by this instrument under the European Union (Withdrawal) Act 2018, no review clause is required.
- 14.2 The instrument does not include a statutory review clause and, in line with sections 28(2)(b) and 31(2)(b) of the Small Business, Enterprise and Employment Act 2015 (c. 26), the Minister for Climate Change and Corporate Responsibility, Lord Callanan, has made the following statement:
- “A review provision is not included in respect of the amendments made to the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 because these amendments have no, or no significant, impact on business, charities or voluntary bodies”.

15. Contact

- 15.1 Elizabeth Beecher at the Department of Business, Energy and Industrial Strategy Telephone: 020 7215 4527 or email: elizabethmary.beecher@beis.gov.uk can be contacted with any queries regarding the instrument.
- 15.2 Andrew Death, Deputy Director for Business Frameworks, at the Department of Business, Energy and Industrial Strategy can confirm that this Explanatory Memorandum meets the required standard.

15.3 The Minister for Climate Change and Corporate Responsibility, Lord Callanan at the Department of Business, Energy and Industrial Strategy can confirm that this Explanatory Memorandum meets the required standard.

Annex

Statements under the European Union (Withdrawal) Act 2018

Part 1

Table of Statements under the 2018 Act

This table sets out the statements that may be required under the 2018 Act.

Statement	Where the requirement sits	To whom it applies	What it requires
Sifting	Paragraphs 3(3), 3(7) and 17(3) and 17(7) of Schedule 7	Ministers of the Crown exercising sections 8(1), 9 and 23(1) to make a Negative SI	Explain why the instrument should be subject to the negative procedure and, if applicable, why they disagree with the recommendation(s) of the SLSC/Sifting Committees
Appropriate-ness	Sub-paragraph (2) of paragraph 28, Schedule 7	Ministers of the Crown exercising sections 8(1), 9 and 23(1) or jointly exercising powers in Schedule 2	A statement that the SI does no more than is appropriate.
Good Reasons	Sub-paragraph (3) of paragraph 28, Schedule 7	Ministers of the Crown exercising sections 8(1), 9 and 23(1) or jointly exercising powers in Schedule 2	Explain the good reasons for making the instrument and that what is being done is a reasonable course of action.
Equalities	Sub-paragraphs (4) and (5) of paragraph 28, Schedule 7	Ministers of the Crown exercising sections 8(1), 9 and 23(1) or jointly exercising powers in Schedule 2	Explain what, if any, amendment, repeals or revocations are being made to the Equalities Acts 2006 and 2010 and legislation made under them. State that the Minister has had due regard to the need to eliminate discrimination and other conduct prohibited under the Equality Act 2010.
Explanations	Sub-paragraph (6) of paragraph 28, Schedule 7	Ministers of the Crown exercising sections 8(1), 9 and 23(1) or jointly exercising powers in Schedule 2 In addition to the statutory obligation the Government has made a political commitment to include these statements alongside all EUWA SIs	Explain the instrument, identify the relevant law before exit day, explain the instrument's effect on retained EU law and give information about the purpose of the instrument, e.g., whether minor or technical changes only are intended to the EU retained law.
Criminal offences	Sub-paragraphs (3) and (7) of paragraph 28, Schedule 7	Ministers of the Crown exercising sections 8(1), 9, and	Set out the 'good reasons' for creating a criminal offence, and the penalty attached.

		23(1) or jointly exercising powers in Schedule 2 to create a criminal offence	
Sub-delegation	Paragraph 30, Schedule 7	Ministers of the Crown exercising sections 10(1), 12 and part 1 of Schedule 4 to create a legislative power exercisable not by a Minister of the Crown or a Devolved Authority by Statutory Instrument.	State why it is appropriate to create such a sub-delegated power.
Urgency	Paragraph 34, Schedule 7	Ministers of the Crown using the urgent procedure in paragraphs 4 or 14, Schedule 7.	Statement of the reasons for the Minister's opinion that the SI is urgent.
Explanations where amending regulations under 2(2) ECA 1972	Paragraph 14, Schedule 8	Anybody making an SI after exit day under powers outside the European Union (Withdrawal) Act 2018 which modifies subordinate legislation made under s. 2(2) ECA	Statement explaining the good reasons for modifying the instrument made under s. 2(2) ECA, identifying the relevant law before exit day, and explaining the instrument's effect on retained EU law.
Scrutiny statement where amending regulations under 2(2) ECA 1972	Paragraph 15, Schedule 8	Anybody making an SI after exit day under powers outside the European Union (Withdrawal) Act 2018 which modifies subordinate legislation made under s. 2(2) ECA	Statement setting out: a) the steps which the relevant authority has taken to make the draft instrument published in accordance with paragraph 16(2), Schedule 8 available to each House of Parliament, b) containing information about the relevant authority's response to— (i) any recommendations made by a committee of either House of Parliament about the published draft instrument, and (ii) any other representations made to the relevant authority about the published draft instrument, and, c) containing any other information that the relevant authority considers appropriate in relation to the scrutiny of the instrument or draft instrument which is to be laid.

Part 2

Statements required when using enabling powers under the European Union (Withdrawal) 2018 Act

1. Sifting statement(s)

- 1.1 The Minister for Climate Change and Corporate Responsibility, Lord Callanan has made the following statement regarding use of legislative powers in the European Union (Withdrawal) Act 2018:

“In my view the European Grouping of Territorial Cooperation and Limited Liability Partnerships etc. (Revocations and Amendments) (EU Exit) Regulations 2021 should be subject to annulment in pursuance of a resolution of either House of Parliament (i.e. the negative procedure)”.

- 1.2 This is the case for the reasons given in Section 2 and 7 of this Explanatory Memorandum.

2. Appropriateness statement

- 2.1 The Minister for Climate Change and Corporate Responsibility, Lord Callanan has made the following statement regarding use of legislative powers in the European Union (Withdrawal) Act 2018:

“In my view the European Grouping of Territorial Cooperation and Limited Liability Partnerships etc. (Revocations and Amendments) (EU Exit) Regulations 2021 does no more than is appropriate”.

- 2.2 This is the case for the reasons given in Section 2 and 7 of this Explanatory Memorandum.

3. Good reasons

- 3.1 The Minister for Climate Change and Corporate Responsibility, Lord Callanan has made the following statement regarding use of legislative powers in the European Union (Withdrawal) Act 2018:

“In my view there are good reasons for the provisions in this instrument, and I have concluded they are a reasonable course of action”.

- 3.2 These are detailed in section 2 and 7 of this Explanatory Memorandum.

4. Equalities

- 4.1 The Minister for Climate Change and Corporate Responsibility, Lord Callanan has made the following statement(s):

“The draft instrument does not amend, repeal or revoke a provision or provisions in the Equality Act 2006 or the Equality Act 2010 or subordinate legislation made under those Acts.

- 4.2 The Minister for Climate Change and Corporate Responsibility, Lord Callanan has made the following statement regarding use of legislative powers in the European Union (Withdrawal) Act 2018:

“In relation to the draft instrument, I, Minister for Climate Change and Corporate Responsibility, Lord Callanan have had due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010.”

5. Explanations

- 5.1 The explanations statement has been made in section 2 of the main body of this explanatory memorandum.