

EXPLANATORY MEMORANDUM TO

**THE CROSS-BORDER DISTRIBUTION OF FUNDS, PROXY ADVISORS,
PROSPECTUS AND GIBRALTAR (AMENDMENT) (EU EXIT) REGULATIONS
2019**

2019 No. 1370

1. Introduction

- 1.1 This explanatory memorandum has been prepared by HM Treasury 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 to address deficiencies in retained European Union (EU) law so that the UK's regulatory regime for financial services will continue to operate effectively from the point at which the UK leaves the EU.
- 2.2 Firstly, it amends the Proxy Advisors (Shareholders' Rights) Regulations 2019 (SI 2019/926) ("the Proxy Advisors Regulations"), which implemented part of the Shareholder Rights Directive (No. 2017/828) ("the Shareholder Rights Directive"). The Shareholder Rights Directive seeks to improve shareholder stewardship of corporations based in the European Economic Area (EEA), including through a requirement for proxy advisors to make certain disclosures about how they conduct their business.
- 2.3 Secondly, this instrument revokes the Cross-Border Distribution of Collective Investment Undertakings Regulation (EU) No. 2019/1156 ("the CBDF Regulation"), as it will form part of UK law at exit. The CBDF Regulation seeks to facilitate the cross-border activity of collective investment schemes across the EU.
- 2.4 Thirdly, this instrument amends a previous EU Exit instrument, the Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/707) ("the Official Listing Regulations"), and the Prospectus Regulation (EU) 2017/1129 ("the EU Prospectus Regulation"), which relate to the UK prospectus regime. A prospectus is a document that describes a company's business, shareholding structure, and details of the securities – such as shares and bonds – being admitted to trading on a regulated market or offered to the public.
- 2.5 Finally, this instrument amends the Gibraltar (Miscellaneous Amendments) (EU Exit) Regulations 2019 (SI 2019/608) so that the deficiency fixes made to the CBDF Regulation and the EU Prospectus Regulation, and the deficiency fixes made by the Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) (No. 2) Regulations 2019 ("the EMIR Refit Regulations") do not apply to the UK's post-exit arrangements with Gibraltar.

Explanations – What did any relevant EU or UK law do before exit day and how is it being changed?

Amendments to the Proxy Advisors Regulations

- 2.6 Article 3j of the Shareholder Rights Directive was implemented in UK legislation by the Proxy Advisors Regulations. The rest of the Directive was implemented by the Department for Business, Energy and Industrial Strategy, the Department for Work and Pensions and the Financial Conduct Authority.
- 2.7 Article 3j of the Shareholder Rights Directive seeks to improve the stewardship of EEA-based corporations by introducing regulations for proxy advisors. Proxy advisors provide research, advice and recommendations to shareholders and their intermediaries. This may include advising shareholders on how to vote at an annual general meeting or translating documents. Proxy advisors primarily offer voting services to shareholders of publicly-listed companies, and therefore can have a considerable impact on how shareholders exercise their voting rights.
- 2.8 The Proxy Advisors Regulations require proxy advisors to disclose to the public any code of conduct they apply, information relating to how proxy advisors prepare their research, advice and voting recommendations, and whether there are any actual or potential conflicts of interest they may have whilst undertaking their activities.
- 2.9 The Proxy Advisors Regulations also provide the Financial Conduct Authority (FCA) with powers to enforce the obligations imposed on proxy advisors. Where the FCA considers that a proxy advisor has contravened a relevant requirement in the Proxy Advisors Regulations, the FCA may impose financial penalties or publish a statement outlining the contravention.
- 2.10 The Proxy Advisors Regulations currently create a regime applying to proxy advisors that:
- (a) provide services to a shareholder that has shares in a company registered in the UK, EEA or Gibraltar, and that company is trading on a UK, EEA or Gibraltar regulated market; and
 - (b) have a registered office in the UK, or a registered office in a non-EEA country or territory but provide services through a UK establishment.
- 2.11 Once the UK leaves the EU it would be inappropriate to require proxy advisors that have a registered office or establishment in the UK, but that only offer services to shareholders with shares in companies with registered offices in an EEA State, and which are traded on EU-regulated markets, to fall under the UK proxy advisor regime.
- 2.12 Regulation 5(3) of this instrument amends this scope so that after exit day, the Proxy Advisors Regulations will apply only to proxy advisors that:
- (a) provide services to a shareholder that has shares in a company registered in the UK or Gibraltar, and that is trading on a UK or Gibraltar regulated market; and,
 - (b) have their registered office in the UK, or have their registered office outside of the UK or Gibraltar but provide services through a UK establishment.
- 2.13 In the Proxy Advisors Regulations, the definitions of “shareholder” and “regulated market” contained in the current definition of “proxy advisor”, are defined by reference to the Shareholders’ Rights Directive. Regulation 5(4) of this instrument removes references to the Directive and replaces them with new definitions and

references to related definitions in the Financial Services and Markets Act 2000 (“FSMA”) and the Financial Services (Markets in Financial Instruments) Act 2018 of Gibraltar, where appropriate. Definitions related to the Proxy Advisors Regulations will reflect the UK-only scope of the regime that will operate after exit.

Amendments to the Cross-Border Distribution of Funds Regulation and related legislation

- 2.14 A collective investment scheme (commonly referred to as a “investment fund”) is a fund that several people contribute towards. There are two pieces of key EU legislation which define how collective investment schemes operate. The Undertaking for Collective Investments in Transferable Securities (UCITS) Directive (2009/65/EC) created a regime for UCITS funds, which are predominately sold to retail investors. The Alternative Investment Fund Managers Directive (2011/61/EU) created a regime for Alternative Investment Funds (AIFs), which regulates the managers of AIFs (AIFMs). AIFs are predominately marketed to sophisticated or professional investors, such as pensions funds.
- 2.15 Both directives created a harmonised European market for collective investment schemes. They did this by creating a ‘marketing passport’, allowing an operator of a UCITS fund or a manager of an AIF regulated in one member state to be able to market that fund into other member states.
- 2.16 The CBDF Regulation became applicable on the 1 August 2019 and sought to make it easier for collective investment schemes to market throughout the EU. Specifically, it:
- (a) allows national regulators to pre-verify promotional marketing material from funds passporting from other member states;
 - (b) introduces additional rules to improve the transparency of regulator fees for marketing; and
 - (c) introduces additional rules requiring the European Securities and Markets Authority (ESMA) to publish information which will increase the transparency of national regulator rules relating to cross-border activity.
- 2.17 The CBDF Regulation promotes cross-border activity between member states in the Union, enabled by the ‘marketing passport’. Upon exit, the UK will fall outside of the EU’s single market for financial services, including the passport regime, and so the provisions of the CBDF Regulation will become inoperable.
- 2.18 Regulation 7 of this instrument will therefore revoke the CBDF Regulation.

Maintaining the PRIIPS Exemption

- 2.19 There is currently a provision in the Packaged Retail and Insurance-based investment Products (PRIIPS) Regulation (EU) No. 2014/1286 (“the EU PRIIPS Regulation”), which provides an exemption from the requirement for UCITS funds to create a “key-investor document” (“KID”). This exemption ends on the 31 December 2019.
- 2.20 The CBDF Regulation extends this exemption until 31 December 2021, this is to allow the Commission to review whether the requirement to produce a KID are appropriate for UCITS funds, and whether the requirement should be adjusted or removed.
- 2.21 This instrument therefore makes an amendment to the Packaged Retail and Insurance-based Investment Products (Amendment) (EU Exit) Regulations 2019 (SI 2019/403) (“the UK PRIIPS Regulations”) to mirror this exemption in domestic legislation after

exit day. This will mean that UCITS marketed in the UK will not have to produce a KID until 31 December 2021. The Government will continue to keep this under review.

Gibraltar

- 2.22 Regulation 3 of this instrument makes amendments to Part 3 of the Gibraltar (Miscellaneous Amendments (EU Exit) Regulations 2019 (SI 2019/608) (“the Gibraltar Regulations”), ensuring that the CBDF Regulation remains in force for Gibraltar-based financial services firms and funds, and that deficiency fixes made by this instrument to the EU Prospectus Regulation, and deficiency fixes made by the EMIR Refit Regulations do not apply to Gibraltar. These amendments are consistent with the Government’s policy to preserve pre-exit relationship between the UK and Gibraltar on financial services.

Amendments to the Official Listing Regulations and Related Legislation

- 2.23 Companies wishing to raise capital by issuing securities may be required to provide investors with a prospectus. As set out above, this is a document which describes a company’s business, shareholding structure, and details of the securities being admitted to trading on a regulated market or offered to the public.
- 2.24 Prior to 21 July 2019 the EEA prospectus regime was set by the Directive 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading (“the EU Prospectus Directive”). The EU Prospectus Directive was implemented in UK law through Part 6 of FSMA and rules made by the FCA under that Part of FSMA.
- 2.25 On 27 March 2019, the Official Listing Regulations were made in UK legislation. These Regulations addressed deficiencies arising from the UK implementation of the EU Prospectus Directive and related legislation.
- 2.26 On 21 July 2019, the EU Prospectus Regulation came into full application across the EU and the EU Prospectus Directive was repealed.
- 2.27 Many of the deficiency fixes applied by the Official Listing Regulations are therefore no longer appropriate or workable. On 5 September 2019, the Prospectus (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/1234) were made to address deficiencies arising from the newly applicable EU Prospectus Regulation, including amendment or deletion of provisions in the Official Listing Regulations that are no longer workable.
- 2.28 However, it is now clear that an additional amendment is required. The prospectus regime under the EU Prospectus Regulation includes exemptions which mean issuers do not have to produce a prospectus under certain circumstances, for instance, when a company is issuing additional shares which amount to no more than twenty per cent of shares already issued. Without these exemptions, issuers would be obliged to produce a prospectus – which can be a significant cost – in these circumstances. The exemptions need to be preserved in the UK’s post-exit regime, where the combined effect of the previous Regulations would not maintain this exemption. This instrument therefore amends the Official Listings Regulations so that these exemptions continue to operate after exit.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 This instrument is made using the urgent ‘made-affirmative’ procedure. The Ministerial statement in Part 2 of the Annex to this Explanatory Memorandum explains why use of the made-affirmative procedure is necessary. While the EU (Withdrawal) Act 2018 does not require the provisions in this instrument to be subject to the affirmative procedure, HM Treasury is nevertheless ensuring that Parliament has the opportunity to debate this instrument.

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 The territorial application of this instrument includes Scotland and Northern Ireland.

4. Extent and Territorial Application

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

5. European Convention on Human Rights

- 5.1 The Economic Secretary to the Treasury (John Glen) has made the following statement regarding Human Rights:

“In my view the provisions of the Cross-Border Distribution of Funds, Proxy Advisors, Prospectus and Gibraltar (Amendment) (EU Exit) Regulations 2019 are compatible with the Convention rights.”

6. Legislative Context

- 6.1 This instrument amends primary and secondary legislation to address deficiencies arising from the withdrawal of the UK from the EU.
- 6.2 This instrument amends the Proxy Advisors (Shareholders’ Rights) Regulations 2019 (SI 2019/926), which will be retained EU law by virtue of section 3 of the EUWA, to ensure this continues to operate effectively in the UK when the UK is no longer part of the EU.
- 6.3 This instrument amends the Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/707), and makes the relevant deficiency fixes to the retained provisions of the EU Prospectus Regulation (EU) 2017/1129. This will ensure the UK prospectus regime will continue to operate effectively once the UK leaves the EU.
- 6.4 This instrument revokes Regulation (EU) No. 2019/1156 of the European Parliament and of the Council of 20 June 2019 on facilitating the cross-border distribution of collective investment undertakings. It further amends the Packed Retail and Insurance-based Products (Amendment) (EU Exit) Regulations 2019 (SI 2019/403) and the Gibraltar (Miscellaneous Amendments) (EU Exit) Regulations 2019 (SI 2019/608).

7. Policy background

What is being done and why?

- 7.1 It is the duty of a responsible government to plan for all eventualities, including the possibility that the UK leaves the EU on 31 October 2019 without an agreement. Since July 2018, HM Treasury has been using the powers in the EUWA to ensure that the UK continues to have a functioning financial services regulatory regime in all scenarios. Parliament had approved all of the legislative amendments necessary to achieve this in time for exit on 29 March 2019. Since the extension to the Article 50 process, new EU financial services legislation will become operative between 29 March and 31 October 2019 and will therefore form part of retained EU law under the EUWA on exit day. Further statutory instruments under the EUWA are therefore necessary to ensure the UK's financial services regulatory regime remains prepared for exit.
- 7.2 The EUWA repeals the European Communities Act 1972 and converts into UK domestic law the existing body of directly applicable EU law (including EU Regulations). It also preserves UK laws relating to EU membership, such as legislation implementing EU Directives. This body of law is referred to as "retained EU law." The EUWA gives ministers a power to prevent, remedy or mitigate any failure of retained EU law to operate effectively, or any other deficiency in retained EU law, through statutory instruments. These contingency preparations for financial services legislation are sometimes referred to as 'onshoring.' The financial services onshoring SIs are not intended to make policy changes, other than to reflect the UK's new position outside of the EU, and to smooth the transition to this position. The scope of the EUWA powers is drafted to reflect this purpose and is subject to further restrictions, such as the inability to use the power to impose or increase taxation, or to establish a public authority. The power is also time-limited and falls away two years after exit day.
- 7.3 Wherever practicable, the proposed approach is that the same laws and rules that are currently in place in the UK would continue to apply at the point of exit, providing continuity and certainty as we leave the EU. But some change to regulatory requirements will be necessary to ensure the UK's regulatory regime continues to operate effectively after exit.
- 7.4 If the UK were to leave the EU without an agreement, the UK would be outside the EU's framework for financial services. The UK's position in relation to the EU would be determined by the Member State and EU rules that apply to 'third countries'. The European Commission has confirmed that this would be the case.
- 7.5 The approach in this scenario cannot and does not rely on any special arrangements being in place between the UK and the EU. As a general principle, the UK would need to default to treating EU Member States largely as it does other third countries, although there are cases where a different approach would be needed, including to provide for a smooth transition to the UK's new position outside of the EU.
- 7.6 HM Treasury published a document on 27 June 2018, which sets out in more detail HM Treasury's approach to financial services legislation under the EUWA. (<https://www.gov.uk/government/publications/financial-services-legislation-under-the-eu-withdrawal-act>).

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

8.1 This instrument is being made using powers in the European Union (Withdrawal) Act 2018 in order to address failures of retained EU law to operate effectively or other deficiencies arising from the withdrawal of the UK from the EU.

9. Consolidation

9.1 There are currently no plans to consolidate the relevant legislation.

10. Consultation outcome

10.1 HM Treasury has not undertaken a formal consultation on this instrument but has engaged with the FCA during the drafting process. HM Treasury has also engaged with relevant industry stakeholders on its approach to financial services legislation under the EUWA, including this instrument, in order to familiarise stakeholders with the proposed legislation ahead of laying.

11. Guidance

11.1 No further guidance is being published alongside this instrument.

12. Impact

12.1 There are currently less than ten firms which currently fall in scope of the Proxy Advisors Regulations. Many of the firms will be unaffected by this instrument, as they will continue to be treated under the Proxy Advisors Regulations in the same manner.

12.2 Some activities on an EEA market will no longer be covered by the UK's regulatory regime for proxy advisors. This will reduce the regulatory scope of the FCA. The impact of this is expected to be minimal, as the majority of firms will continue to be treated under the Regulations in a similar manner.

12.3 There will be no impact on issuers through the amendments to the Official Listing Regulations and related legislation, as these amendments only ensure the continuation of certain aspects of the UK prospectus regime as it applied prior to exit. It does not make any policy changes, other than those necessary to reflect the UK's withdrawal from the EU.

12.4 There will be some limited impact on the public sector, specifically the FCA, since the instrument revokes obligations on the FCA to facilitate cross-border activity, such as publishing information relating to cross-border activity fees. The impact of this change is expected to be minimal as the obligations imposed upon the FCA were themselves minimal, such as publishing information on fees.

12.5 There is no material impact on charities or voluntary bodies.

12.6 An Impact Assessment has not been prepared for this instrument because, in line with Better Regulation guidance, HM Treasury considers that the net impact on businesses will be less than £5 million a year. Due to this limited impact, de-minimis impact assessment has been carried out.

13. Regulating small business

13.1 This instrument applies to activities that are taken by small business. No specific action is proposed to minimise regulatory burdens on small businesses.

14. Monitoring & review

14.1 As this instrument is made under the EU Withdrawal Act 2018, no review clause is required.

15. Contact

15.1 Ryan Bennett (telephone: 0207 270 5468, email: Ryan.Bennett@HMTreasury.gov.uk) at the HM Treasury can be contacted with any queries regarding the instrument.

15.2 Tom Duggan, Deputy Director of Securities, Markets and Banking at HM Treasury can confirm that this Explanatory Memorandum meets the required standard.

15.3 The Economic Secretary to the Treasury at HM Treasury, John Glen, 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 13, 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 16, 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 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 instrument, and (ii) any other representations made to the relevant authority about the published instrument, and, c) containing any other information that the relevant authority considers appropriate in relation to the scrutiny of the instrument or instrument which is to be laid.

Part 2

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

1. Appropriateness Statement

1.1 The Economic Secretary to the Treasury, John Glen, has made the following statement regarding use of legislative powers in the European Union (Withdrawal) Act 2018:

“In my view the Cross-Border Distribution of Funds, Proxy Advisors, Prospectus and Gibraltar (Amendment) (EU Exit) Regulations 2019 do no more than is appropriate.”

1.2 This is the case because: the instrument does only what is necessary to ensure that the Proxy Advisors (Shareholders’ Rights) Regulations 2019, the UK prospectus regime, the EU Regulation relating to Cross-Border Distribution of Funds, and the UK’s relationship with Gibraltar continue to operate effectively from the point at which the UK leaves the EU.

2. Good reasons

2.1 The Economic Secretary to the Treasury, John Glen, 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.”

2.2 These are: the approach taken with this instrument is consistent with the approach previously taken in earlier financial services exit instruments. The corrections made are necessary to ensure that legislation operates effectively once the UK leaves the EU, and the amendments go no further than what is required for this purpose.

3. Equalities

3.1 The Economic Secretary to the Treasury, John Glen, has made the following statement(s):

“The 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.”

3.2 The Economic Secretary to the Treasury (John Glen) has made the following statement regarding use of legislative powers in the European Union (Withdrawal) Act 2018:

“In relation to the instrument, I, Economic Secretary to the Treasury (John Glen MP) 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.”

4. Explanations

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

5. Urgency

5.1 The Economic Secretary to the Treasury, John Glen MP, has made the following statement regarding use of legislative powers in the European Union (Withdrawal) Act 2018:

“In my view, by reason of urgency, it is necessary to make the Cross-Border Distribution of Funds, Proxy Advisors, Prospectus and Gibraltar (Amendment) (EU Exit) Regulations 2019, without a draft of the instrument containing the regulations being laid before, and approved by a resolution of, each House of Parliament.”

5.2 This is appropriate because the instrument is essential to ensure critical deficiency fixes to retained EU law are made in time for exit from the EU on 31 October 2019. Without these critical provisions being in place, important areas of UK financial services regulation would be subject to significant legal uncertainty. In particular, this instrument includes provisions to ensure that important and proportionate exemptions from the requirement to produce a prospectus continue to operate in UK law after exit. Without these exemptions in place, issuers of securities and their investors could face disruption and confidence in the UK as an important market for the issuance of securities could be undermined.

5.3 For the reasons set out above, the Government has concluded it is essential to make this instrument using the made-affirmative procedure. While this instrument has now been made, the made-affirmative procedure requires Parliament to debate and approve the instrument for its provisions to remain in law.