

Title: The Uncertificated Securities (Amendment and EU Exit) Regulations 2018 SI No: 679 Other departments or agencies: Not applicable Contact for enquiries: John Hughes Tel: 0207 270 4481 Email: John.Hughes@hmtreasury.gov.uk	De minimis assessment
	Date: 05/12/2018
	Type of regulation: Domestic
	Date measure comes into force: 17/01/2019
Cost of Preferred (or more likely) Option	Net cost to business per year (EANDCDB in 2016 prices) £0m

1. What is the problem under consideration? Why is government intervention necessary? (Maximum 5 lines)

- The Uncertificated Securities Regulations 2001 (USR) broadly regulate the operation of systems which transfer securities.
- The Central Securities Depositories Regulations (EU) No 909/2014 (CSDR), which created a common authorisation, supervision and regulatory framework for Central Securities Depositories “CSDs” across the EU, covers similar ground.
- Those provisions of the USR which are now being superseded by the CSDR (as implemented) are hence being revised or removed. Further, this SI ensures that a key element of the CSDR (the right for issuers to issue securities into CSDs in other countries) is facilitated.
- Finally, as a result of the UK leaving the EU, amendments must be made to the USR in order to ensure they continue to function correctly after exit.

2. What are the policy objectives and the intended effects? (Maximum 5 lines)

- Remove the provisions within the USR which are superseded by the requirements in the CSDR as implemented in the UK. This removes duplication, to ensure the successful operation of the CSDR regime.
- Facilitate the right for issuers to issue securities into CSDs in other countries.
- Address deficiencies in the law when the UK leaves the EU.

3. What policy options have been considered, including any alternatives to regulation? Please justify preferred option (Maximum 5 lines)

- The SI has been drafted in a proportionate way, with a minimally intrusive approach in line with the analysis that the CSDR is directly applicable in the UK.

4. Please justify why the net impacts (i.e. net costs or benefits) to business will be less than £5 million a year.

To do this, please set out the following:

- What will businesses have to do differently?

This SI is not intended to make substantive changes to the legislative framework, just make the appropriate amendments to ensure the USR continues to function as intended following the implementation of the CSDR. It also makes certain amendments to address deficiencies in UK

law that arise from the UK leaving the EU. We, therefore, do not expect any firms to make changes to their current business model in order to comply with the USRs. The only one-off cost to business we foresee is the familiarisation costs of the legislation. There are no ongoing annual costs as a result of this instrument.

- How many businesses will this impact per year?

One.

- What is the direct cost/benefit per business per year?

The estimated familiarisation cost to firms will be approximately £330.

5. Please confirm whether your measure could be subject to call-in by BRE under the following criteria. If yes, please provide a justification of why a full impact assessment is not appropriate:

a) Significant distributional impacts (such as significant transfers between different businesses or sectors)

Not applicable

b) Disproportionate burdens on small businesses

Not applicable

c) Significant gross effects despite small net impacts

Not applicable

d) Significant wider social, environmental, financial or economic impacts

Not applicable

e) Significant novel or contentious elements

Not applicable

Sign-off for de minimis assessment: SCS

I have read the de minimis assessment and I am satisfied that it represents a fair and proportionate assessment of the impact of the measure.

SCS of Securities, Markets and Banking

Signed: **Clare Bolingford**

Date: 06/12/2018

SCS of Better Regulation Unit

Signed: **Gemma Peck**

Date: 05/12/2018

Sign-off for de minimis assessment: Minister

I have read the de minimis assessment and I am satisfied that it represents a fair and proportionate assessment of the impact of the measure.

Signed: **John Glen**

Date: 17/01/2019