TREASURY SHARES: A CONSULTATION ON THE PROPOSED CHANGES TO THE REGULATED ACTIVITIES ORDER

PREFACE

1. In May 1998 and September 2001, the Department of Trade and Industry consulted on possible amendments to the Companies Act 1985 to liberalise the regulatory regime which applies to a company which buys back its own shares. Following these consultations, the Companies (Acquisition of Own Shares)(Treasury Shares) Regulations 2003[1] ("regulations") were made. The regulations will come into force on 1 December 2003. The regulations will allow certain companies that buy back their own shares to hold them "in treasury" ("treasury shares") for future disposal.

2. We are aware that after 1 December 2003, certain companies who frequently buy or sell their own shares pursuant to these regulations may be engaging in regulated activity under the Financial Services and Markets Act 2000 (FSMA). This is because such companies may be caught by the "by way of business" test in section 22 of FSMA and therefore may be carrying out the regulated activity of dealing in investments as principal.

3. This paper seeks views from interested parties on our proposal to amend the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001[2] ("Regulated Activities Order") to take account of the new regulatory regime allowing treasury shares and the impact on companies which may, as a result, be engaging in regulated activity. Our proposal is to amend the Regulated Activities Order so that companies will not need to seek authorisation from the FSA in order to buy back shares which they may hold in treasury, or sell their treasury shares (or transfer their treasury shares for the purposes of, or pursuant to, an employees' share scheme). If you would like to provide feedback on the proposal explained here please write to:

[1] SI 2003/1116
[2] SI 2001/544

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4. It would be helpful to receive your response by **27 October, 2003**. Please explain in your reply if you represent an organisation, and if so, its membership and coverage. Your answer may be made public unless you request that it be kept confidential.

DTI AMENDMENTS

5. In May 1998 and September 2001 the Department of Trade and Industry ("DTI") consulted on whether there should be a change to the Companies Act 1985 requirements governing purchases by companies of their own shares. At present, a company that purchases its own shares is required to cancel them and the law prohibits the purchased shares from being held "in treasury" for resale at a later date. The current buy-back rules give companies the ability to increase their debt to equity ratio, but because of the requirement to cancel the shares repurchased, companies can be reluctant to purchase their own shares if there is a risk that they may later have to incur the expense of issuing new shares. As a result, share buy-backs are often seen as too cumbersome for anything other than large step reductions in equity capital.

6. However, the government felt that liberalising the regime to allow for treasury shares would give companies greater flexibility to manage their capital structures – i.e. they will be able to adjust their share capital to achieve optimum financial gearing without the costs of issuing new shares. This, in turn, should lead to a reduction in companies overall cost of capital. Allowing companies to resell treasury shares in small lots to the market at full market price provides them with an alternative to other types of transactions such as rights issues and placings of shares which often involve significant underwriting costs.

7. Following the 1998 and 2001 consultations, the Companies (Acquisition of Own Shares)(Treasury Shares) Regulations 2003[3] ("regulations") were made. The regulations will come into force on 1 December 2003.

8. Once the regulations come into force certain companies will be able to buy-back and hold their own shares in treasury for future resale, rather than having to cancel those shares. Companies taking advantage of the regulations will not be able to hold in treasury more than 10% of the aggregate nominal value of the issued share capital of the company. If the maximum is exceeded the company must dispose of or cancel the excess shares within twelve months.

[3] SI 2003/1116

9. Companies able to take advantage of the regulations will include public companies quoted on the London Stock Exchange's ("LSE") main market and Alternative Investment Market ("AIM") and their equivalents in other EEA states. Under the regulations, other public companies and all private companies will not be permitted to hold shares in treasury.

10. Because shares of companies admitted to the Official List are one of the types of shares that may be held in treasury, the FSA has consulted on changes to the Listing Rules to take account of the regulations.[4] The proposed amendments to the Listing Rules are designed to maintain investor protection and to reduce any perceived scope for market manipulation that the introduction of treasury shares may provide. It is expected that the FSA will publish a feedback statement and final rules in October. The Listing Rules relating to treasury shares will also come into force by 1 December 2003. The LSE is also considering amendments to the AIM Rules to take account of the regulations.

ISSUES IN RELATION TO THE REGULATED ACTIVITIES ORDER

11. We are aware that after 1 December 2003 certain companies who frequently buy back their shares for holding in treasury pursuant to the regulations may be engaging in regulated activity under FSMA, namely dealing in investments as principal. A similar concern exists where the company subsequently sells shares out of treasury.

12. For an activity to be regulated under FSMA, a three-part test must be met. The activity must be:

    a) of a specified kind;
    b) carried on in relation to an investment of a specified kind; and
    c) carried on by way of business.

[4] See CP 182: Proposed changes to the Listing Rules to take account of the introduction of treasury shares, published May 2003.

13. The Regulated Activities Order[5] specifies those activities and investments that are regulated under FSMA. Article 14 of the Regulated Activities Order provides that: "Buying, selling, subscribing for or underwriting securities … as principal is a specified kind of activity." A company which enters the market to buy back its own shares for holding in treasury or to sell treasury shares is dealing as principal as contemplated under article 14, unless the company uses the services of a broker to buy back shares on its behalf. Thus, part (a) of the test is met.

14. Under article 76 of the RAO, a company's shares are a specified investment, thus part (b) of the test is met.

15. Part (c) of the test is key because unless the activity is carried on "by way of business" it will not be a regulated activity under FSMA. The business test for investment business is set out in article 3(1) of the Financial Services and Markets Act 2000 (Carrying on Regulated Activities by Way of Business) Order 2001[6] which provides:

> "A person is not to be regarded as carrying on by way of business an activity to which this article applies, unless he carries on the business of engaging in one or more such activities."

16. The FSA has issued guidance on the business test for investment business:

> "Whether or not an activity is carried on by way of business is ultimately a question of judgment that takes account of several factors (none of which is likely to be conclusive). These include the degree of continuity, the existence of a commercial element, the scale of the activity and the proportion which the activity bears to other activities carried on by the same person but which are not regulated."[7]

17. If a company engages in share buy-backs or sales only infrequently, the business test will not be met and the company will not be carrying out a regulated activity under FSMA.

[5] SI 2002/544 as amended by SI 2001/3544, SI 2002/682. SI 2002/1310, SI 2002/1776, SI 2002/1777. SI 2003/1475 and SI 2003/1476. An unofficial consolidated version of this Order can be found on the HM Treasury website at http://www.hm-treasury.gov.uk/media//55CA8/consol_rao.pdf
[6] SI 2001/1177
[7] AUTH 2.3.3G

Accordingly, the company would not need to be authorised for such activity. It is our understanding that under the current regulatory regime, companies engaging in share buy-backs are not caught by the business test because they engage in such transactions relatively infrequently. Accordingly, the proposals in this consultation document only concern companies that wish to take frequent advantage of the new regime for treasury shares (i.e. companies that may meet the business test).

Q1. Do you agree that, in practice, companies that buy back their shares and cancel them pursuant to s. 160(4) and s. 162(1) of the Companies Act 1985 carry out such transactions only infrequently and thus are not caught by the business test?

18. Once the regime is liberalised, however, the expectation is that companies will engage in share buy-backs and sales much more frequently, thus potentially triggering the business test. However, there remains the issue of how regularly a company would have to transact in its own shares in order to fall within the business test. For example, would it be sufficient for a company to buy back its own shares for holding in treasury or sell treasury shares once a year or once a quarter in order to fall within the business test? A further concern is that a company engaging in a share buy-back programme will typically buy the shares over a period of time. Sale programmes may also take place in tranches over long periods of time. Therefore, even if a company only engages in an own-share transaction on an infrequent basis, the period of time over which shares are bought or sold (e.g. a quarter, a year, or indefinitely) may be sufficiently long to argue that the company falls within the business test.

19. Additionally, the ability of companies to make a profit on buying back and then re-selling those shares introduces a commercial element into the transaction, which may strengthen the argument that such transactions be classified as transactions that fulfil the business test. Therefore, there is a distinct possibility that a company that frequently engages in share buy-backs would be carrying out the regulated activity of dealing as principal.

EXCLUSIONS UNDER THE REGULATED ACTIVITIES ORDER

20. We are of the view that a company that meets the business test is unlikely to be able to rely on the exclusion set out in article 15 of the Regulated Activities Order – absence of holding out. This is because the company would likely be soliciting members of the public on a

regular basis and the company's shareholders would be members of the public, as the term is defined in the Order.

21. It may be possible for a company to take advantage of article 16 – dealing with or through an authorised person. However, we do not see this as an ideal solution since some of the benefit that is expected from liberalising the share buy-back regime would be negated. The cost of using a broker could eat into the expected benefits of reducing the overall cost of capital and would add an unnecessary layer of complexity and delay to the transaction.

22. Except in the limited circumstances of article 71 (activities carried on in connection with employee share schemes), there is no other exclusion in the RAO that a company could rely on when dealing in its shares.

REASONS FOR AMENDING THE REGULATED ACTIVITIES ORDER

23. If the Regulated Activities Order is not amended, a large number of listed companies, AIM companies and companies listed on other EEA markets might seek authorisation from the FSA on a precautionary basis. We do not see this as optimal.

24. We feel that it is unnecessary, from a regulatory perspective, for companies wishing to take advantage of the regulations to be additionally subject to financial services regulation. As already mentioned, the types of companies who are able to hold their shares in treasury are listed companies, AIM companies and companies listed on other EEA markets. Listed companies (and companies listed on other EEA markets) must comply with the FSA's Listing Rules (or EEA equivalent). The FSA has the responsibility of monitoring and enforcing the Listing Rules and will suspend or cancel a company's listing where appropriate. AIM companies, on the other hand, must comply with the Public Offers of Securities Regulations 1995 and the LSE's AIM Rules in order to obtain and maintain an AIM listing. The LSE monitors and enforces the AIM Rules and will suspend or cancel trading in a company's shares where appropriate. As mentioned above, both the FSA and the LSE are looking to amend their rules to take into account the new regime for treasury shares. Thus, if we did not amend the Regulated Activities Order to exclude dealings by a company in its own shares, the company would be supervised both by the FSA as an authorised person and under the

listing rules (or their equivalent). We do not feel that such dual regulation is appropriate in this case.

25. It is also worth noting that the approach taken in the Regulated Activities Order to date has been to remove company transactions from the sphere of the Regulated Activities Order as far as possible in order to avoid dual regulation. For example, the *issue* by a company of its own shares is excluded from being a regulated activity[8] as are activities connected to the sale of a body corporate.[9] Accordingly, there is little rationale for a company to be allowed to issue its own shares without being FSA authorised, yet requiring a company to be FSA authorised if it buys back those shares for holding in treasury or subsequently sells them.

26. We also want to ensure that companies wishing to buy back their shares for holding in treasury are not dissuaded from doing so because of the expense of using a broker or other authorised person. While the costs of using a broker may not be problematic for large public companies quoted on the LSE's main market, such costs may be an issue for the smaller companies that are traded on AIM. However, even for large public companies the costs of using a broker for a sale programme taking place in tranches over a long period of time could be significant. By amending the Regulated Activities Order to allow companies to deal in their own shares as principal, such companies will have a **choice.** They can either deal in the shares as principal or they can use the services of a broker or other authorised person.

Q2. Do you agree that companies should not have to obtain authorisation from the FSA in order to buy back their own shares or sell treasury shares on a frequent basis?

Q3. Should companies that wish to buy back their own shares or sell treasury shares be required to use the services of a broker or other authorised person?

AMENDING THE REGULATED ACTIVITIES ORDER

27. We propose to add a new exclusion to the Regulated Activities Order so that a company buying back its own shares, which it could hold in treasury, or selling treasury shares, would not be carrying out the regulated activity of dealing in investments as principal. Amending

[8] See article 18 of the RAO.
[9] See article 70 of the RAO.

the Regulated Activities Order in such a manner would create legal certainty, since all companies engaging in share buy-backs, where such shares could be held in treasury, would know beyond doubt that they would not be caught by FSMA. There would be no need for such companies to consider whether they met the business test. Adding a new exclusion to the Regulated Activities Order would also create simplicity – since all companies engaging in share buy-backs/sales of treasury (or potential treasury) shares would be treated in the same way under the Regulated Activities Order, instead of some companies falling outside the perimeter and some companies falling inside.

28. Adding a new exclusion to the Regulated Activities Order would be a de-regulatory measure – removing listed companies from the scope of FSMA regulation in respect of such share buy-backs/sales. It would also give companies a choice as to whether to use a broker or not for their transactions.

Q4. Do you agree that a new exclusion should be added to the Regulated Activities Order so that a company buying its own shares to hold in treasury or selling treasury shares pursuant to the Companies (Acquisition of Own Shares)(Treasury Shares) Regulations 2003 is not carrying out a regulated activity? The alternative of leaving the legislation as it is would require firms to rely on (i) not carrying out such transactions frequently; (ii) seeking FSA authorisation; or (iii) using an authorised person.

Q5. Do you agree that our proposed amendments to the Regulated Activities Order achieve the goals set out in this paper?

FINANCIAL PROMOTION

29. A company that promotes the buying-back of its shares for holding in treasury or the sale of treasury shares will fall within the basic restriction against financial promotion set out at section 21(1) of FSMA. There are four basic conditions to be met for a company to fall within the financial promotion restriction:

a. a person must be acting in the course of business;
b. a person must communicate;

c. the communication must consist of an invitation or inducement; and
d. the invitation or inducement must be to engage in investment activity.

30. The activities and investments which comprise "investment activity" are set out in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001[10] ("Financial Promotion Order"). The test for whether a person is acting in the course of business for the purposes of the financial promotion restriction is broader than the test of whether a person is carrying on a regulated activity. Therefore, a company that markets its treasury shares or makes promotions to buy back its shares, to hold them in treasury, is likely to be caught by the financial promotion restriction.

31. However, because of the exemptions set out in articles 43 and 69, we do not feel that we need to make any changes to the Financial Promotion Order to take account of the new regulatory regime for treasury shares.

ARTICLE 43

32. Most companies promoting the dealing in their own shares should be able to take advantage of the exemption in article 43 of the Financial Promotion Order. Article 43 exempts communications from the financial promotion restriction if they fulfil the following conditions:

a. The communication is either non-real time (i.e. not an interactive conversation so an advert or e-mail circular for example would be regarded as non-real time) or if it is real-time then it must be solicited by the person the company is communicating with.
b. The person doing the communicating is a body corporate which is not an open-ended investment company.
c. The communication only relates to a relevant investment which is issued or to be issued by the person doing the communicating.
d. The communication is only made to a person whom the communicator has reasonable grounds to believe is either a member of the company, is entitled to

[10] SI 2001/1335 as amended by SI 2001/2633, SI 2001/3650, SI 2001/3800, SI 2002/1310, SI 2002/1777, SI 2002/2157, SI 2003/1676. An unofficial consolidated version of this Order can be found on the HM Treasury website at http://www.hm-treasury.gov.uk/media//CB636/consol_finprom.pdf

become a member of the company, is entitled to a relevant investment issued by the company or is entitled to have transferred to him title to a relevant investment.

33. "Relevant investments" are defined by the Financial Promotion Order as shares, stocks, debentures, debenture stock, loan stock, bonds and articles of deposit and instruments giving entitlement to such investments.

34. This means that a company seeking to buy back its own shares for holding in treasury or selling those treasury shares could bring itself within the article 43 exemption and carry out the promotion of such activities itself, without authorisation and without having the communication approved by an authorised person. However, in order to bring itself within the article 43 exemption the company would have to communicate only through non-real time means or on a solicited real-time basis, and it would have to limit its audience for such communications to those it believes on reasonable grounds meet condition (d) above. We are of the opinion that these are not particularly difficult conditions to fulfil, especially when the company is seeking to buy back its shares, as it would be most likely to approach only its shareholders and those entitled to its shares in any event.

ARTICLE 69

35. As an the alternative, it may be possible for companies which promote dealing in their own treasury shares, to take advantage of the exemption in article 69 of the Financial Promotion Order which provides an exemption for the promotion of securities already admitted in certain markets.

36. The article 69 exemption will apply to unsolicited real time financial promotions of securities admitted to trading on the London Stock Exchange and various EEA regulated markets, amongst others. A company seeking to buy back its own shares for holding in treasury or selling those treasury shares could bring itself within the article 69 exemption as long as it meets the specific requirements set out in article 69(3) to (6). In general terms, a financial promotion will comply with these requirements if:

a. The only reason it is a financial promotion is that it contains an inducement about certain investments issued by the company itself and which does not amount to advice to any person to acquire or dispose of such investments;
b. The communication is not accompanied by an invitation to enter into a transaction or make use of services provided by the company, in the course of the company carrying on certain controlled activities, specified in Schedule 1 of the Financial Promotion Order; and
c. Should it contain any references to past prices of or yields on the company's investments, it must be accompanied by a statement that past performance cannot be relied on as a guide to future performance.

Q6. Do you agree that a company wishing to buy back its own shares for holding in treasury or selling its treasury shares should be able to take advantage of the article 43 exemption or the article 69 exemption? i.e. are there valid policy reasons for allowing a company to make such communications themselves or should they be required to make such communications through an authorised person?

Q7. Do you agree that companies wishing to buy back their own shares for holding in treasury or selling their treasury shares will be able to bring themselves within the article 43 exemption as described in paragraph 34 or the article 69 exemption as described in paragraphs 35 - 36?

Q8. Are there situations when a company dealing in its treasury shares pursuant to the regulations should be exempt from the financial promotion restriction but will not be able to bring itself within the article 43 exemption or the article 69 exemption? If so, what are these situations and why should there be a wider exemption to cover them?

NEXT STEPS

37. We need to implement the necessary changes to the RAO at the same time as the changes to the Companies Act 1985 which come into force on 1 December 2003.

38. We have already discussed our proposals with a few key stakeholders. We are now seeking comments from a wider audience including issuers, secondary market dealers and other key market participants. We would welcome comments by **27 October, 2003**.

Annex A

List of Questions

Q1. Do you agree that, in practice, companies that buy back their shares and cancel them pursuant to s. 160(4) and s. 162(1) of the Companies Act 1985 carry out such transactions only infrequently and thus are not caught by the business test?

Q2. Do you agree that companies should not have to obtain authorisation from the FSA in order to buy back their own shares or sell treasury shares on a frequent basis?

Q3. Should companies that wish to buy back their own shares or sell treasury shares be required to use the services of a broker or other authorised person?

Q4. Do you agree that a new exclusion should be added to the Regulated Activities Order so that a company buying its own shares to hold in treasury or selling treasury shares pursuant to the Companies (Acquisition of Own Shares)(Treasury Shares) Regulations 2003 is not carrying out a regulated activity? The alternative of leaving the legislation as it is would require firms to rely on (i) not carrying out such transactions frequently; (ii) seeking FSA authorisation; or (iii) using an authorised person.

Q5. Do you agree that our proposed amendments to the Regulated Activities Order achieve the goals set out in this paper?

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Q8. Are there situations when a company dealing in its treasury shares pursuant to the regulations should be exempt from the financial promotion restriction but will not be able to bring itself within the article 43 exemption or the article 69 exemption? If so, what are these situations and why should there be a wider exemption to cover them?

ANNEX B

REGULATORY IMPACT ASSESSMENT REPORT

This regulatory impact assessment deals specifically with the Government's plans for amending the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 ("Regulated Activities Order").

PURPOSE AND INTENDED EFFECT

1. The Companies (Acquisition of Own Shares)(Treasury Shares) Regulations 2003 ("regulations") will come into force on 1 December 2003. The regulations will liberalise the regulatory regime under which certain companies may buy back and hold their own shares "in treasury" for future resale. This will allow companies to have greater flexibility to manage effectively their capital structure. The Department of Trade and Industry ("DTI") published a regulatory impact assessment of these regulations, which can be found on http://www.dti.gov.uk/cld/bybak247.pdf.

2. The Government is aware that after 1 December 2003 certain companies which frequently buy back their own shares for holding in treasury or which frequently sell treasury shares pursuant to the regulations may be engaging in a regulated activity under the Financial Services and Markets Act 2000 ("FSMA"), namely dealing in investments as principal. This is an unintended consequence of the regulations. The Government's proposal to amend the Regulated Activities Order is intended to correct this.

BENEFITS

3. By amending the Regulated Activities Order, companies that wish to frequently engage in share buy-backs or sales (i.e. dealing in treasury shares) pursuant to the regulations will not be carrying out a regulated activity and thus will not need to seek authorisation from the Financial Services Authority ("FSA"). As a result of these amendments companies that wish to deal in their treasury shares will be saved considerable amounts of resource i.e. time, effort

and money. Such companies will not have to complete a FSA application process for authorisation or pay an application fee. FSA application fees vary according to the complexity of the transaction, ranging from £2,000 for straightforward applications to £25,000 for more complex applications. In addition, these companies will be saved from having to comply with the relevant parts of the FSA handbook and having to pay annual fees to the FSA. Annual fees and compliance costs vary depending on the nature of the business. On aggregate, amending the Regulated Activities Order will result, therefore, in a significant savings to such companies.

4. By amending the Regulated Activities Order, companies that wish to deal frequently in their treasury shares will have a choice as to whether they carry out such transactions as principal or use the services of a broker. If the Regulated Activities Order were not amended then companies which wished to avoid the cost of authorisation would have no option but to use the exclusion in article 16 of the Regulated Activities Order. Under this exclusion dealing in investments as principal is not a regulated activity if the transaction is carried out with, or through, an authorised or exempt person such as a broker. The cost of using a broker, however, could reduce the expected benefits of lowering the overall cost of capital and could add an unnecessary layer of complexity and delay to the transaction. Amending the Regulated Activities Order should mean that companies dealing in their treasury shares need not deal with or through an authorised person, hence intermediary costs such as brokers fees would be eliminated thus potentially lowering the costs and increasing the efficiency of the overall transaction. [NB. Companies may still choose to use a broker, despite the costs, because brokers may be better able to locate shares at a cheaper price.]

5. The proposed amendments to the Regulated Activities Order are a deregulatory measure as the Government is of the opinion that there is no need for dual regulation in this area. The Government sees no need for companies quoted on the LSE's main market, AIM companies, and companies listed on other EEA markets to be regulated in addition by the FSA for dealing in their own shares, as there already exists adequate regulation in the form of Listing Rules, AIM Rules, Public Offers of Securities Regulations 1995 and equivalent rules on other EEA markets. Therefore, by amending the Regulated Activities Order we will avoid dual regulation.

6. Amending the Regulated Activities Order will also provide greater clarity and simplicity. If the Regulated Activities Order were not amended there would be considerable uncertainty about when a company would meet the business test (see paragraph 18 of the consultation paper). Amending the Regulated Activities Order would eliminate this uncertainty and companies dealing in treasury shares would not need to consider whether they were engaging in regulated activity under FSMA.

COSTS

7. The proposed amendments to the Regulated Activities Order are a deregulatory measure. Companies that wish to buy back their own shares will not incur any additional costs as a consequence of these new regulations. Instead, the impact of amending the RAO will result in cost savings to companies able to take advantage of the regulations. This is because such companies will not need to obtain FSA authorisation.

RISK ASSESSMENT: RISKS OF NOT CHANGING THE REGULATED ACTIVITIES ORDER

8. If the Regulated Activities Order is not amended, a significant number of companies might seek FSA authorisation on a precautionary basis if they wish to deal in their own treasury shares.

9. If the Regulated Activities Order is not amended the only way for a company to buy back its shares without obtaining FSA authorisation would be to use the services of a broker. By amending the Regulated Activities Order companies will have a choice of using a broker or dealing as principal in their own shares. If they decide not to use a broker they will incur lower intermediary costs.

COMPETITION ASSESSMENT

10. The Office of Fair Trading requires a competition assessment to be carried out on all policies which impact competition in a given market in order to determine that the policy does not work to the detriment of competitive markets. In this case, however, the measures being proposed are deregulatory and will, at the margin, benefit competition.

11. The proposed amendments to the Regulated Activities Order do not particularly affect or have an impact on small companies as only listed companies, AIM companies and companies listed on other EEA markets will be able to take advantage of the regulations. The proposed amendments to the Regulated Activities Order will only impact these companies.

ENFORCEMENT, MONITORING, SANCTIONS AND REVIEWS

12. The Companies (Acquisition of Own Shares)(Treasury Shares) Regulations 2003 will come into force on the 1 December 2003 and the new regime for treasury shares will be monitored and reviewed by the DTI, the FSA and the LSE.

13. The proposal presented in this consultation paper is a deregulatory measure to amend the Regulated Activities Order. Accordingly, there is no need for enforcement, monitoring or review. However, the Treasury at some future point may review this decision.

CONSULTATION

14. We have informally consulted with the DTI, the FSA and the Law Society's Company Law Committee. Their responses were encouraging and supportive of the proposal set out in this consultation.

DECLARATION

I have read the Regulated Impact Assessment and I am satisfied that the benefits justify the costs.

Signed ……..

Date