

European Commission  
Secretariat-General  
Init SG.C.2 – Better Regulation and Impact Assessment  
B-1049 Brussels  
Belgium

*Sent by e-mail to SG-Impact-Assessment-Guidelines-Consultation@ec.europa.eu*

July 25<sup>th</sup>, 2008

Dear Sir

**BETTER REGULATION  
CONSULTATION ON THE DRAFT COMMISSION IMPACT ASSESSMENT GUIDELINES**

**Background**

The ACT is a professional body for those working in corporate treasury, risk and corporate finance. Further information is provided at the back of this letter and on our website [www.treasurers.org](http://www.treasurers.org).

Contact details are also at the back of these comments.

In this case we have canvassed the opinion of our members through our Policy and Technical Committee.

**General**

The ACT welcomes the opportunity to comment on this matter.

This letter is on the record and may be freely quoted.

**This consultation**

We consider the role of impact assessments in the formulation by public authorities of laws, regulations, guidelines, standards and other instruments to influence behaviour to be very important. This is particularly true in relation to financial markets and instruments, the area of major concern to our members.

We have seen, through the Confederation British Industry, the comments to you from Business Europe and we generally support those comments.

Accordingly, we will confine our comment to one important issue only.

## Requirement to carry out an impact assessment

We accept the need for proportionality in the effort put into producing an impact assessment. However, we consider it a very important principle that some sort of assessment be made in respect of all initiatives. We believe that should apply whatever the mechanism for consideration is in the particular case. Thus it would in principle apply to the full range – from proposed legislation to comitology, guidelines or interpretations.

Provided a draft impact assessment is published at an early enough stage, commenting stakeholders can draw attention to points missed or inadequately considered in undertaking the assessment. This can give the opportunity to reassess what would be the appropriate, proportionate, work to be undertaken.

When it has been decided not to undertake an assessment at all, it is difficult, even impossible, to get this decision changed.

We have seen assumptions that there will be “no impact” from initiatives – which assumption must itself surely undermine the case for proceeding with the initiatives all, given the use of scarce and expensive resources involved in considering an initiative in the Commission and the Parliament, and their supporting committees and advisors, in the administrations of Member States and in all interested parties which need to analyse the impacts and comment on the initiative. And we have seen that when stakeholders have realised that an initiative is, in reality, likely to have major impact, still no impact assessment has been undertaken.

If assessing an initiative briefly and forming the view that its impact is small (and that no further resources should be devoted to impact assessment) is itself treated as an impact assessment, it can give the opportunity for stakeholders to provide comment and analysis. Even an assessment, possibly without quantification, consisting of a brief list of pros and cons can act as an instance for and stimulation to inputs from stakeholders and these can help determine the proportionate assessment action needed, if any.

It should also provide the basis for further assessment after amendments to the initiative during its process from drafting, through amendment, to finalisation.

It is important to note that the guidelines for impact assessment need sensibly to distinguish between the urgent – handling crises, for example where assessments may be inevitably truncated or omitted – and the more considered, where it is usually more important, within reason, to get the right answer than to get a rapid answer.

But there should be no non-crisis initiative or modified initiative without impact assessment and, particularly, the opportunity of stakeholders to comment on the assessment and eventually the reconsideration of the assessment in the light of comments received.

Yours sincerely

*Transmitted electronically without manual signature*

John Grout  
Policy and Technical Director

## The Association of Corporate Treasurers

The ACT is a body for finance professionals working in treasury, risk and corporate finance. Through the ACT we come together as practitioners, technical experts and educators in a range of disciplines that underpin the financial security and prosperity of an organisation.

The ACT defines and promotes best practice in treasury and makes representations to government, regulators and standard setters.

We are also the world's leading examining body for treasury, providing benchmark qualifications and continuing development through training, conferences, publications, including *The Treasurer* magazine and the annual *Treasurer's Handbook*, and online.

Our 3,600 members work widely in companies of all sizes through industry, commerce professional service firms.

Further information is available on our website (below).

Our policy with regards to policy and technical matters is available at <http://www.treasurers.org/technical/resources/manifestoMay2007.pdf> .

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*The Association of Corporate Treasurers is a company limited by guarantee in England under No. 1445322 at the above address*