

STANDARD TEMPLATE

DEPARTMENT: Cabinet Office		
IMPACT ASSESSMENT OF: European Union (Withdrawal) Bill		
Stage:	Version: 1.0	Date: 14/3/18
Related Publications:		
Responsible Officer: Anne Shimmin		
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SUMMARY: INTERVENTION AND OPTIONS

Briefly summarise the proposal's purpose and the intended effects

The main purpose of this Bill is to deal with the consequences for the Isle of Man of the United Kingdom's decision to withdraw from the European Union, resulting in the termination of the Island's Protocol 3 relationship with the EU.

The Bill:

- will repeal the European Communities (Isle of Man) Act 1973 ("the 1973 Act") (whilst saving existing secondary legislation made under that Act);
- contains powers for Tynwald to:
 - provide that certain EU legislation which currently applies to the Island under Protocol 3 can continue to apply to the Island after exit day;
 - address deficiencies in retained EU legislation and other Manx legislation that arise from the withdrawal of the UK from the EU;
 - address any breaches in the Island's international obligations that may result from the UK's withdrawal from the EU;
 - implement any withdrawal agreement between the UK and EU so far as relevant to the IOM;
 - implement any agreement on the future relationship between UK and EU to the extent that it applies to the Island, together with certain other trade related agreements that may extend, or in future be extended, to the Island;
 - apply Brexit related legislation made under the UK's European Union (Withdrawal) Act 2018 to the Island; and
- replicates with modifications powers under the 1973 Act to voluntarily apply EU legislation to the Island where expedient or desirable to do so.

What are the options that have been considered

Option 1: Do nothing. This is not a viable option. It is impossible for the Island to maintain the status quo when the UK leaves EU as this will end the Island's current Protocol 3 relationship. At that point, if the Island does not take action, there will be significant gaps in the Island's legislative framework and other legislation will not work correctly.

Option 2: Wait for the final outcome of the UK's negotiations with the EU on the withdrawal agreement/implementation period and the future relationship between the UK and EU (and extent to which that agreement may apply to the Island) and then bring forward one or several Bills to deal with the new circumstances. This is also not a viable option as it would still be likely to result in gaps in the Island's legislation for a period which would lead to difficulties for the Island's trading relationship with the UK and jeopardise the Island's inclusion in the proposed implementation period. It would also create a period of significant uncertainty for local businesses.

Option 3: Bring forward a Bill now with sufficient enabling powers to allow the Island to deal effectively and expeditiously with a wide range of outcomes from the UK's negotiations with the EU.

This is the preferred option. The UK's European Union (Withdrawal) Bill provides a useful starting point for the Island's Bill.

Link to the Programme for Government

BREXIT - Potential need for amendment Bills and possible primary legislation following the triggering of Article 50 by the UK Government

Responsible Departmental Member

Chief Minister

Ministerial sign off [Note B]

I have read the Impact Assessment and I am satisfied that the balance between the benefit and any costs is the right one in the circumstances.

Signed by the Responsible Minister

..... Date:

SUMMARY: ANALYSIS AND EVIDENCE
IMPACT OF PROPOSAL
Resource Issues - Financial (including manpower)
<p>Statement</p> <p>The process of dealing with the impact on the Isle of Man of the Brexit process has had, and continues to have, very significant resource implications across Isle of Man Government.</p> <p>The Bill itself has the usual drafting resource implications for the Attorney General's Chambers, as for any Bill, and policy input from the lead Department, in this case the Cabinet Office.</p> <p>The statements below in respect of financial costs and benefits relate solely to the Bill itself rather than the Brexit process, as those costs and benefits for the Island are impossible to predict as, to a very large degree, they are dependent on the outcome of the UK's negotiations with the EU.</p>
<p>Likely Financial Costs</p> <p>One Off: None</p> <p>Average Annual (excluding one off): None</p>
<p>Likely Financial Benefits</p> <p>One Off: None</p> <p>Average Annual (excluding one off): None</p>
<p>If the proposal introduces provisions that will require another Department, Board, Office or Body to take on additional work or responsibility please ensure that they have been consulted with early on in your considerations. Please provide a brief statement as to who they are and the consultation that has taken place.</p> <p>The Brexit project as a whole is unprecedented cross-Government exercise being coordinated and supported by the Cabinet Office. Relevant Departments have already been invited to consider legislative issues arising from Brexit. There are significant implications for DEFA and the Customs & Excise Division of Treasury in particular in respect of subordinate legislation that will be required under the Bill and they are aware of this.</p>
<p>Are there any costs or benefits that are not financial i.e. social</p> <p>N/A</p>
<p>Which Business sectors/organisations will be impacted, if any, and has any direct consultation taken place?</p> <p>The Brexit process is likely to have implications businesses and organisations in the Island across a range of sectors. The aim with the Bill, as in the UK, is to provide as much certainty as possible in inherently uncertain circumstances and provide as smooth a transition as possible.</p>
<p>Does the proposal comply with privacy law? Please provide a brief statement as to any issue of privacy or security of personal information.</p> <p>N/A</p>

<p>Has Treasury Concurrence been given for the preferred option</p> <p>N/A</p> <p>Date of Treasury Concurrence</p>
<p>Key Assumptions / Sensitivities / Risks</p> <p>Key assumptions are that Brexit will happen on 29 March 2019, there will be a status quo transitional period (or "implementation period") following Brexit, and in due course there will be some form of agreement between the UK and the EU on the relationship after the implementation period. However, the Bill can deal with changes to any of these assumptions.</p> <p>Another key assumption is that Brexit will not, and should not, change the relationship between the IOM and the UK.</p> <p>It is vital that the Island is equipped to make timely corrections to Manx law to reflect Island's changing relationship with the EU. The Bill therefore requires broad enabling powers relating to Brexit but the use of those powers will be subject to the approval of Tynwald.</p>
<p>Approximate date for legislation to be implemented if known</p> <p>The target is for Bill to have completed its passage by the end of 2018.</p>

SUMMARY: CONSULTATION	
Consultation in line with Government standard consultation process	Yes/No
Date	
1 st Consultation	2 nd Consultation
Summary of Responses:	

EVIDENCE BASE

Use this space to set out any further evidence, analysis and detailed narrative from which you have generated your policy options or proposal.

European Union (Withdrawal) Bill (of Parliament):

<https://services.parliament.uk/bills/2017-19/europeanunionwithdrawal.html>

Trade Bill (of Parliament):

<https://services.parliament.uk/bills/2017-19/trade.html>

UK Parliament Brexit research and analysis:

<http://www.parliament.uk/business/publications/research/eu-referendum/>

European Communities (Isle of Man) Act 1973:

https://www.legislation.gov.im/cms/images/LEGISLATION/PRINCIPAL/1973/1973-0014/EuropeanCommunitiesIsleofManAct1973_4.pdf

European Union (Repeal and Amendment) (Jersey) Law 201-:

http://www.statesassembly.gov.je/assemblypropositions/2018/p.16-2018_with_corrigendum.pdf

Department for Exiting the European Union (DExEU) publications:

<https://www.gov.uk/government/publications?departments%5B%5D=department-for-exiting-the-european-union>

European Commission Brexit documents:

https://ec.europa.eu/commission/brexit-negotiations/negotiating-documents-article-50-negotiations-united-kingdom_en