 <b>Regulatory Policy Committee</b>	<b>Opinion</b>	
<b>Impact Assessment (IA)</b>	EU Regulation on the marketing and use of Explosives Precursors	
<b>Lead Department/Agency</b>	Home Office	
<b>Stage</b>	Consultation	
<b>IA Number</b>	Not provided	
<b>Origin</b>	European	
<b>Expected date of implementation (and SNR number)</b>	Not none	
<b>Date submitted to RPC</b>	25/09/2013	
<b>RPC Opinion date and reference</b>	25/10/2013	RPC13-HO-1908
<b>Overall Assessment</b>	<b>AMBER</b>	
<p><b>RPC comments</b></p> <p>The IA is fit for purpose. As this proposal is of European origin, the IA should provide further explanation of how the proposals do not go beyond the minimum requirements. The IA should use the consultation to test the identified monetised and non-monetised costs to business.</p>		
<p><b>Background (extracts from IA)</b></p> <p><b>What is the problem under consideration? Why is government intervention necessary?</b></p> <p>Chemicals that can be used to manufacture homemade explosives can be made available to the public by retailers. Further Government intervention is necessary to deter and detect terrorist acquisition of explosive precursors and to comply with EU law.</p> <p><b>What are the policy objectives and the intended effects?</b></p> <p>The policy objectives are to:</p> <ul style="list-style-type: none"> <li>• Prevent terrorists using explosives precursors in attacks.</li> <li>• Provide a mechanism to alert authorities to terrorist activity.</li> <li>• Minimise the burdens on industry and legitimate users.</li> </ul> <p><b>What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)</b></p> <p><u>Option 1</u> is to make no changes (do nothing).</p> <p><u>Option 2</u> is to ban sales of Annex 1 chemicals above the concentration thresholds to the general public.</p> <p><u>Option 3</u> is to allow the general public to purchase Annex 1 chemicals above the concentration thresholds if they hold a valid licence.</p> <p><u>Option 4</u> is to allow the general public to purchase a subset of Annex 1 chemicals above the concentration thresholds with a licence, and another subset by entering personal details into</p>		

a register at the point of sale. Above the concentration thresholds for the latter subset, the sale to the general public would be either a) banned or b) licensed.

Options 2 to 4 also include a requirement for:

- Labelling products affected by the restrictions in Annex 1 clearly to indicate that the acquisition, possession, introduction or use of the product is restricted.
- Suspicious transaction, theft and significant loss reporting. This is necessary for all transactions involving Annex 1 and 2 chemicals at any concentration including business to business sales.

**Identification of costs and benefits, and the impacts on business, civil society organisations, the public sector and individuals, and reflection of these in the choice of options**

The IA covers the options for the introduction of control measures for sales of chemicals that can be used to make homemade explosives and clearly explains the impacts on business as transition costs, including training, familiarisation and, under some options, maintaining a register of transactions. The IA also explains non-monetised costs to business, specifically covering the labelling of affected products. The IA should use the consultation to test both the monetised and non-monetised costs.

**Comments on the robustness of the Small & Micro Business Assessment (SaMBA)**

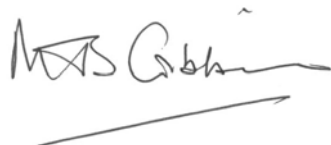
As this proposal is of European origin, a SaMBA is not required.

**Comments on the robustness of the OITO assessment.**

The proposal appears to be of European origin with no evidence, at this stage, that the increase in regulation would go beyond minimum requirements, or of a failure to take available derogations which would reduce the costs to business [and civil society organisations], it is out of scope of One-in, Two-out (Better Regulation Framework Manual - paragraph 1.9.8. ii). However the IA should provide further explanation of the requirements of EU law to demonstrate that the proposals do not go beyond the minimum requirements.

To support balanced reporting of overall EU burdens in the Statement of New Regulation, an estimated EANCB figure, with supporting evidence, needs to be submitted for RPC validation at the final stage.

**Signed**



**Michael Gibbons, Chairman**