

2019 (No. )

**EXITING THE EUROPEAN UNION**

**EUROPEAN UNION BUDGET, AND ECONOMIC AND  
MONETARY POLICY**

**The European Union Budget, and Economic and Monetary  
Policy (EU Exit) Regulations 2019**

<i>Sift requirements satisfied</i>	xxxx
<i>Made</i> - - - -	***
<i>Laid before Parliament</i>	***
<i>Coming into force</i> - -	***

The requirements of paragraph 3(2) of Schedule 7 to the European Union (Withdrawal) Act 2018(a) (relating to the appropriate Parliamentary procedure for these Regulations) have been satisfied.

The Treasury make the following Regulations in exercise of the powers conferred by section 8(1) of, and paragraph 21 of Schedule 7 to, that Act.

**Citation and commencement**

1. These Regulations may be cited as the European Union Budget, and Economic and Monetary Policy (EU Exit) Regulations 2019 and come into force on exit day.

**European Union Budget: Revocation**

2. The following instruments are revoked —

- (a) Council Regulation No 1553/89 (EEC, Euratom) on the definitive uniform arrangements for the collection of own resources accruing from value added tax;
- (b) Council Regulation No 2988/95 (EC, Euratom) on the protection of the European Communities financial interests;
- (c) Council Regulation No 1287/2003 (EC, Euratom) on the harmonisation of gross national income at market prices;
- (d) Commission Delegated Regulation No 1268/2012 (EU) on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union;

- (e) Regulation No 883/2013 (EU, Euratom) of the European Parliament and of the Council concerning investigations conducted by the European Anti-Fraud Office (OLAF);
- (f) Council Regulation No 1311/2013 (EU, Euratom) laying down the multiannual financial framework for the years 2014-2020;
- (g) Council Decision 2014/335 (EU, Euratom) on the system of own resources of the European Union;
- (h) Council Regulation No 608/2014 (EU, Euratom) laying down implementing measures for the system of own resources of the European Union;
- (i) Council Regulation No 609/2014 (EU, Euratom) on the methods and procedure for making available the traditional, VAT and GNI-based own resources and on the measures to meet cash requirements;
- (j) Commission Implementing Decision 2018/194 (EU, Euratom) establishing models for statements of accounts for entitlements to own resources and a form for reports on irrecoverable amounts corresponding to the entitlements to own resources pursuant to Council Regulation No 609/2014 (EU, Euratom);
- (k) Commission Implementing Decision 2018/195 (EU, Euratom) establishing forms for reporting on fraud and irregularities affecting entitlements to traditional own resources and on inspections relating to traditional own resources pursuant to Council Regulation No 608/2014 (EU, Euratom); and
- (l) Regulation 2018/1046 (EU, Euratom) of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union.

**Economic and Monetary Policy: Revocation**

3. The following instruments are revoked —

- (a) Council Regulation No 3603/93 (EC) specifying definitions for the application of the prohibitions referred to in Articles 104 and 104b (1) of the Treaty; and
- (b) Council Regulation No 1466/97 (EC) on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies.

**Cessation of rights, etc.**

4. Any rights, powers, liabilities, obligations, restrictions, remedies or procedures which —

- (a) continue by virtue of section 4(1) of the European Union (Withdrawal) Act 2018; and
- (b) are derived from Articles 119, 120, 121, 125 or Protocol 15 of the Treaty on the Functioning of the European Union,

cease to be recognised and available in domestic law (and to be enforced, allowed and followed accordingly).

**Cessation of rights, etc. on restatement**

5. Any rights, powers, liabilities, obligations, restrictions, remedies or procedures which —

- (a) continue by virtue of section 4(1) of the European Union (Withdrawal) Act 2018; and
- (b) are derived from Article 123 of the Treaty on the Functioning of the European Union,

cease to be recognised and available in domestic law (and to be enforced, allowed and followed accordingly) on the coming into force of regulation 6 which re-states Article 123 principles.

**Bank of England**

6.—(1) The Bank of England must not —

- (a) provide overdraft facilities or any other type of credit facility in favour of central government, regional, local or other public authorities, other bodies governed by public law, or public undertakings of the United Kingdom; or
- (b) purchase debt instruments directly from them.

(2) Paragraph (1) shall not apply to publicly owned credit institutions which, in the context of the supply of reserves by the Bank of England, shall be given the same treatment by the Bank of England as private credit institutions.

(3) Nothing in paragraph (1) prevents the Bank of England from acting in a way that would not have contravened Article 123 of the Treaty on the Functioning of the European Union as that Article applied in the United Kingdom immediately before exit day, and in particular from —

- (a) pursuing its monetary policy objectives within the meaning of section 11 of the Bank of England Act 1998(a);
- (b) purchasing debt instruments issued by any person listed in paragraph (1) on a secondary market;
- (c) maintaining the Government’s “ways and means” facility; or
- (d) acting as a fiscal agent for the persons listed in paragraph (1);

consistently with that Article.

(4) For the purposes of this regulation —

- (a) “overdraft facilities” means any provision of funds to the public sector resulting or likely to result in a debit balance;
- (b) “other type of credit facility” means any —
  - (i) claim against the public sector existing at 1 January 1994, except for fixed-maturity claims acquired before that date;
  - (ii) financing of the public sector’s obligations with regard to third parties;
  - (iii) transaction with the public sector resulting or likely to result in a claim against that sector;
- (c) “public sector” means the central government, regional, local or other public authorities, other bodies governed by public law or public undertakings of the United Kingdom;
- (d) the following shall not be regarded as a credit facility within the meaning of this regulation—
  - (i) intra-day credits to the public sector, provided that they remain limited to the day and that no extension is possible;
  - (ii) the operation of receiving cheques from the public sector, for collection, issued by third parties and credited to the public sector’s account before the drawee bank has been debited, if a fixed period of time corresponding to the normal period for the collection of cheques by the Bank of England has elapsed since receipt of the cheque, provided that any float which may arise is exceptional, is of a small amount and averages out in the short term;
  - (iii) the holding of coins issued by the public sector and credited to the public sector, where the amount of these assets remains at less than 10% of the coins in circulation;
  - (iv) the financing of obligations falling upon the public sector with regard to the International Monetary Fund.

*Name*  
*Name*

Two of the Lords Commissioners of Her Majesty’s Treasury

Date

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(a) 1998 c.11.

## **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations are made in accordance with section 8 of the European Union (Withdrawal) Act 2018 (c.16) in order to address failures of retained EU law to operate effectively and other deficiencies (in particular under subsection (2)(d)) arising from the withdrawal of the UK from the European Union.

Regulation 2 revokes the retained EU law governing the EU budget, since it makes provision for arrangements which are no longer appropriate with respect to the United Kingdom.

Regulation 3 revokes retained EU law governing economic and monetary policy, since it makes provision for arrangements which are no longer appropriate with respect to the United Kingdom.

Regulation 4 has the effect that certain rights and obligations (etc.) concerning economic and monetary policy which become part of EU retained law by virtue of section 4 of the European Union (Withdrawal) Act 2018 cease to be part of domestic law.

Regulations 5 and 6 have the effect that the obligations of the Bank of England which derive from Article 123 of the Treaty on the Functioning of the European Union and which become part of EU retained law are restated in a clearer and more accessible way.

An impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.