

EXPLANATORY MEMORANDUM TO
THE EUROPEAN GROUPING OF TERRITORIAL COOPERATION (AMENDMENT)
REGULATIONS 2008

2008 No. 728

1. This explanatory memorandum has been prepared by the Department of Business, Enterprise & Regulatory Reform and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the House of Lords Select Committee on the Merits of Statutory Instruments.

2. **Description**

- 2.1 The European Grouping of Territorial Cooperation (Amendment) Regulations 2008 (the Regulations) amend the European Grouping of Territorial Cooperation Regulations 2007 (S.I. 2007/1949) (the EGTC Regulations), which make provision supplementing Regulation (EC) No 1082/2006 of the European Parliament and the Council on a European grouping of territorial cooperation (O.J. No L210, 31.7.2006, p.19).
- 2.2 With the exception of regulation 2(4), the amendments are consequential upon the replacement of certain provisions in the Companies Act 1985 with equivalent provisions in the Companies Act 2006, principally those relating to accounts and audit.
- 2.3 Regulation 2(4) omits regulation 4(2) of the EGTC Regulations, which is otiose. In its 28th Report for Session 2006-7, the Joint Committee on Statutory Instruments drew the special attention of both Houses to those Regulations on the ground that they were defectively drafted in that respect (link attached).

<http://www.publications.parliament.uk/pa/jt200607/jtselect/jtstatin/191/19104.htm>
- 2.4 The only changes of substance made by these Regulations are that sections 499 and 500 of the Companies Act 2006 (rights of auditors), are applied to EGTCs by regulation 2(5) (inserting new regulation 6(1)(o)). The EGTC Regulations had not previously applied their equivalents in Part 11 of the Companies Act 1985, which appear to have been overlooked when the provisions of Part 7 of that Act were applied to EGTCs.
- 2.5 The EC Structural Funds Regulations for 2007-2013 included the EC EGTC Regulation. The aim of this new legal instrument was to facilitate cross-border, transnational and/or inter-regional co-operation between regional and local authorities. An EGTC formed under the EGTC Regulation would be invested with

legal personality for the implementation of territorial co-operation programmes based on a convention agreed between the participating national, regional, local or other public authorities.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Background

4.1 The Regulations will amend existing Regulations to continue to ensure the effective application of the EC EGTC Regulation and exercise the Member State options according to UK policy.

5. Territorial Extent and Application

5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

6.1 As the instrument is subject to the negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

Policy

7.1 The Government's policy on ensuring effective application of the EGTC Regulation has been agreed by both the Ministerial Committees on Domestic Affairs and European Policy. The overarching policy towards the Regulation is that we support cooperation activities between member states but the regulation required to ensure effective application of the EGTC Regulation should be kept to a minimum.

7.2 The Regulations are consistent with this policy.

Consultation

7.3 No consultation is required as the Regulations are consistent with the approach set out in the Government response to the consultation for SI2007/1949.

Guidance

7.4 Existing guidance will be amended accordingly when the Regulations come into effect.

8. Impact

8.1 An Impact Assessment has not been prepared for this instrument, as it has no impact on business, charities or voluntary bodies.

9. Contact

Simon Jones at the Department of Business, Enterprise & Regulatory Reform, tel: 020 7215 2686 or e-mail: simon.a.jones@berr.gsi.gov.uk, can answer any queries regarding the instrument.