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The Constitutional Policy Team
Welsh Government
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Dear Sir

A Separate Legal Jurisdiction for Wales

ICAEW welcomes the opportunity to comment on the consultation paper *A Separate Legal Jurisdiction for Wales* published by the Welsh Government on 27 April 2012.

ICAEW is a world-leading professional accountancy body. We operate under a Royal Charter, working in the public interest. ICAEW's regulation of its members, in particular its responsibilities in respect of auditors, is overseen by the UK Financial Reporting Council. We provide leadership and practical support to over 138,000 member chartered accountants in more than 160 countries, working with governments, regulators and industry in order to ensure that the highest standards are maintained.

Our members provide financial knowledge and guidance based on the highest technical and ethical standards. They are trained to challenge people and organisations to think and act differently, to provide clarity and rigour, and so help create and sustain prosperity. ICAEW ensures that these skills are constantly developed, recognised and valued.

ICAEW is an active member of Business Wales and the Council for Economic Renewal, and most of our 3,000 members in Wales either advise or run small or medium sized businesses; in fact, evidence suggests that over 80% of businesses in Wales use the services of a chartered accountant. By drawing on their collective experience, ICAEW Wales is well placed to act as a barometer for the views of the private sector.

Given this engagement at the 'sharp end' of Welsh business life, we would wish to comment on the general principle of a separate legal jurisdiction, while not being in a position to respond to the more detailed questions posed within the Consultation.

ICAEW Wales believes that it is critically important to make the operating environment for businesses in Wales simpler, rather than more complex. Businesses seeking to operate in more than local markets need fewer, not more, barriers to streamlining their operations and it is essential that they are not deterred from investing in Wales by the opportunity costs of meeting a different set of legislative requirements than in England.

We appreciate that, of itself, moving to establish a separate legal jurisdiction in Wales does not necessarily entail increased divergence between the legislative frameworks in England and in Wales. But in our view, such a move would signal a belief that such divergence was inevitable and acceptable.

We are therefore not convinced that Wales requires a separate legal jurisdiction and believe more generally that the default position of the Welsh Government should be that legislative and regulatory frameworks which impact on businesses in Wales should only diverge from those in England where there is a clear and demonstrable benefit. Legislation should always be the last, not the first resort.

We hope this is useful. I can confirm that we are happy for this to be published alongside other responses.

Yours faithfully

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