

## Cabinet News and Views

Informed analysis for the financial services industry



### The Impact of the Retained EU Law - Revocation and Reform - Act 2023



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The Retained EU Law (Revocation and Reform) Act 2023 (the “Act”) addresses domestic law that originally derived from the European Union, known as “retained EU law”. “Retained EU law” continued to apply to the UK at the end of the Brexit transition period through the EU (Withdrawal) Act 2018, and came into effect the end of 2020. The purpose of the EU (Withdrawal) Act 2018 was to provide legal continuity by preserving the domestic legislation as it applied in the UK on 31 December 2020, including EU obligations by implementing certain EU laws into domestic legislation.

As of 1 January 2024, and as a result of the Act, any “retained EU law” which was not revoked at the end of 2023, will now be known as “assimilated law”. Among other things, the Act will:

- revoke approximately 600 EU-derived measures;
- change the way that EU-derived legislation is interpreted and applied;
- give the government additional powers to change retained EU legislation; and
- make it somewhat easier for UK courts to depart from retained EU caselaw.

#### Sunset Clause

In May 2023, the government abandoned their initial proposal of a sunset clause that would have automatically repealed a significant amount of “retained EU law” from 31 December 2023. Instead, Schedule 1 to the Act lists over 600 pieces of specific legislation that were automatically revoked on 31 December 2023 (most of which are defunct or of limited relevance particularly in relation to financial services).

## Transitioning

Until 23 June 2026, the government will have the power to restate and to revoke and replace: (i) any “retained EU law” that is not primary legislation; and (ii) any “retained EU law” that is not primary legislation the text of which was inserted by subordinate legislation, including any “assimilated law”. Although there will be some limitations on how much change the government can immediately make for logistical and economic reasons, it is taking advantage of the opportunity to review its current regulatory frameworks, in particular with respect to the financial services section.

In the meantime, the government must periodically updated the retained EU law [dashboard](#) and publish and lay before Parliament a report on the revocation and reform of retained EU law under the Act.

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