



Regulatory Outlook

Welcome to the Regulatory Outlook, providing you with high-level summaries of important forthcoming regulatory developments to help you navigate the fast-moving business compliance landscape in the UK.

June 2024

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Advertising and marketing

Advertising and marketing

UK general election 2024: advertising aspects of parties' manifestos

The two main UK political parties (Conservative and Labour) competing to win power in the general election on 4 July 2024 have published their manifestos. As far as advertising is concerned, there is little information on policy. However, the [Conservative Party](#) does say that it would put the current regulatory restrictions on the advertising of products high in fat, salt and sugar (HFSS) on a statutory footing to tackle both childhood and adult obesity. It also says that it would "*gather new evidence*" on the impact of ultra-processed food to "*support people to make healthier choices*". A Conservative government would also resurrect its Tobacco and Vapes bill (which fell during the ["wash-up" period](#)), which contained provisions restricting the way vaping or nicotine products are displayed in retail outlets.

The [Labour Party](#) manifesto says that a Labour government would ban the advertising of "*junk food*" to children, without going into detail on which "*junk food*" would be included. It would also ban high-caffeine energy drinks to under-16s and "*ban vapes from being branded and advertised to appeal to children*".

See the [Consumer](#) section for more information on the parties' plans in relation to the Digital Markets, Competition and Consumers Act 2024 and the Online Safety Act 2023.

ASA publishes report on children's exposure to age-restricted TV ads

The UK Advertising Standards Authority (ASA) has published a [report](#) looking at children's exposure to age-restricted TV ads, such as ads for alcohol and gambling products, between 2010 and 2023, and ads for HFSS products since 2016.

Key findings include:

- children's overall exposure to ads for alcohol, gambling and HFSS products on TV has fallen in a continuing downward trend;
- children's exposure to all TV ads decreased by 74.3% from, on average, 226.7 ads per week in 2010 to 58.2 ads per week in 2023;
- children's exposure to TV alcohol ads fell by three quarters and by three fifths for TV gambling ads;
- children's exposure to HFSS ads decreased by two thirds, that is at a similar rate to the decline in exposure to all TV ads; and
- the fall in children's exposure to TV ads is likely to be driven by decreased TV viewing and increased consumption of online media, such as on-demand, online video and social media.

The report makes interesting reading for all commercial TV broadcasters. While it shows that the age restrictions on advertising potentially harmful products to children are working, it also shows that traditional linear TV advertising in general is falling in line with the increase in children's consumption of online and on-demand content.

CAP updates guidance on in-game purchases

The Committee of Advertising Practice (CAP) has completed a review of the guidance it published in 2021 on the advertising of in-game purchases, confirming that it remains accurate and appropriate. It has also now made some minor changes to the [guidance](#) to provide further clarity in certain areas, but without changing the policy.

As a reminder, the guidance sets out how advertisers of games with in-game purchasing should ensure that their ads are responsible and not misleading by:

- providing easily comprehensible information to consumers on how much they are spending on in-game transactions;
- making it clear at the point of purchase or download of a game that the game contains in-game purchases and, if applicable, loot boxes; and
- making it clear what content requires extra purchase if the ad features that content.

Council of the EU adopts Green Claims Directive

Advertising and marketing

The Council of the EU has [adopted](#) its position on the proposed green claims directive – the new rules setting out what types of information companies need to provide to justify their environmental marketing claims.

The EU Parliament adopted its position on the directive in March 2024, before the recent election on 6-9 June 2024 (see this [Regulatory Outlook](#)).

The Council's newly adopted position will form the basis for negotiations with the EU Parliament on the final shape of the directive.



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Artificial Intelligence

Artificial Intelligence

UK updates

General election: AI in the manifestos of the two main political parties

The two main parties fighting to win the UK general election on 4 July 2024 have published their manifestos. The UK has so far taken a light-touch approach to AI regulation and simply asked existing regulators to develop an AI strategy based on their existing powers, shaped by non-statutory "high level principles".

Our [Insight](#) explores in detail whether we should expect change after the general election based on the parties' views shared so far. Key points are:

- The Labour Party would legislate to put voluntary codes on AI safety onto a statutory footing (but timeframes are unclear).
- A Labour government would also discuss with stakeholders whether new legislation on AI in the workplace is needed.
- Both main parties would legislate to outlaw sexualised/sexually explicit deepfakes.
- Both would drive greater use of AI in the healthcare sector specifically and in government/the public sector more generally.
- The Labour party will reform planning to make it easier to build data centres and will create a "National Data Library" which could both support AI development in the UK.
- There is no reference in the Labour manifesto to the tension between IP rights and using web-scraped data for AI training. This is a difficult issue that the current Conservative government has been [trying to resolve for some time](#), which the Conservative manifesto commits to continue.
- Neither party shows any sign of wanting to create a new overarching horizontal regulatory framework for AI along the lines of the EU AI Act.

Our [Insight on the manifesto pledges](#) also discusses the recommendations of the UK House of Commons Science, Innovation and Technology Committee in its [report](#) into the governance of AI. The inquiry was launched in October 2022, with an interim report in August 2023 outlining twelve challenges which AI governance should address (see this [Regulatory Outlook](#)). The government published its [response](#) to the report in November 2023. The latest report updates those recommendations to "*apply to whoever is in Government after the General Election.*"

EU updates

AI Act will not be law before August

EU officials have confirmed to us that the definitive text of the [EU AI Act](#) will not be published in the Official Journal of the EU until mid-July at the earliest, due to its length and a significant backlog. It will come into legal effect 20 days later – now delayed into August 2024.

The first compliance deadlines (for the prohibitions) will now be some time in February 2025, rather than before the end of the year as had been expected.

Even though the first deadline has been delayed, businesses which will be potentially affected still need to plan and prepare for it. Our webinar on 28 June will cover the AI Act's implications for various business sectors, explaining the Act's framework and the phased deadlines for compliance.

Sign up here: [Get ready for the EU AI Act – first deadline in six months](#) and see our [Insight](#).

EU AI Office starts its work

On 29 May 2024, the EU Commission [announced](#) the establishment of the [AI Office](#) which will play a key role in the implementation of the AI Act, working with national-level enforcement bodies. See this [Regulatory Outlook](#) for more background. The office has already begun its work. 140 employees are split between technology specialists, administrative assistants, lawyers, policy specialists and economists.

The AI Office comprises five units:

- a Regulation and Compliance Unit that will ensure the consistency of the regulatory approach in the application and enforcement of the Act across the EU;
- an AI Safety Unit with a focus on the identification of systemic risks of very capable general-purpose models, ways to mitigate their risks and evaluation and testing approaches;

Artificial Intelligence

- an Excellence in AI and Robotics Unit which will support and fund research and development;
- an AI for Societal Good Unit which will ensure the Office's engagement in international initiatives for good, such as weather modelling, cancer diagnoses and digital twins for reconstruction; and
- an AI Innovation and Policy Coordination Unit to oversee the implementation of the EU AI Strategy.

The AI Office is preparing guidelines on the definition of "AI system" and on the prohibitions on certain types of AI system, which will take effect six months after the entry into force of the AI Act. The office will also develop codes of practice in relation to the AI Act provisions on general-purpose AI models, which the AI Act requires (Article 56(9)) to be ready no later than nine months after entry into force of the Act.

French CNIL consults on GDPR application to AI system development

The French data protection authority, *la Commission nationale de l'informatique et des libertés* (CNIL), has [launched](#) a further [consultation](#) on its AI "how-to sheets".

The CNIL has previously consulted on its "how-to sheets" for AI development – see this [Regulatory Outlook](#) for background. The CNIL is now consulting on the legitimate interest as a legal basis for development of AI systems and in relation to the dissemination of open source models and web scraping; informing data subjects and respecting and facilitating the exercise of the rights of data subjects; data annotation; and ensuring the safety of AI system development.

The consultation closes on 1 September 2024. Alongside this consultation, the CNIL has published a [questionnaire](#) on the application of the GDPR to AI models which explores when AI models can be considered anonymous and when they are regulated by the GDPR where personal data is used for training purposes.

Previously, the CNIL published its first set of AI "how-to sheets" to help organisations develop AI systems in compliance with the GDPR. The recommendations also take into account the AI Act. The scope of [how-to sheets](#) is limited to the development phase of AI systems, not deployment, which involve the processing of personal data, for example during training of AI systems. The recommendations are illustrated by examples and case studies.

International updates

G7 leaders' AI plans

Following the G7 summit held on 13-15 June 2024 in Apulia, Italy, the leaders of the G7 nations (Canada, France, Germany, Italy, Japan, UK and USA, as well as the EU) have published a final [communiqué](#) setting out their plans for mutual work.

In relation to AI, the G7 leaders outlined their plans to launch an action plan "*on the use of AI in the world of work*" which they ask the relevant ministers for social and employment matters to develop. The G7 countries also call on their competition authorities to monitor the development of the AI industry to address potential competition issues and prevent adverse effects at the outset. Finally, the leaders pledged to develop a brand to support the implementation of the International Code of Conduct for Organisations Developing Advanced AI Systems announced as part of their Hiroshima AI Process (see this [Regulatory Outlook](#) for background).



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Bribery, fraud and anti-money laundering

Bribery, fraud and anti-money laundering

General election 2024: bribery, fraud, anti-money laundering aspects

As the UK approaches its general election, the two main contenders to form the next government, the [Conservative](#) and [Labour](#) parties have unveiled their manifestos.

The Conservative Party manifesto states that it intends to strengthen its work on combatting money laundering and illicit financial flows. It also plans to ensure that all British Overseas Territories and Crown Dependencies adopt open registers of beneficial ownership.

If elected, the Labour Party pledges to work in collaboration with the UK's allies and international financial centres in tackling corruption and money laundering in Britain, the British Overseas Territories and Crown Dependencies.

While the Conservative manifesto did not detail specific fraud proposals, Labour has committed to introducing a new expanded fraud strategy that will aim to tackle a wider range of threats, including online, public sector and serious fraud. In particular, it plans to work with technology companies to prevent vulnerabilities on their platforms from being exploited by criminals.

Failure to prevent fraud offence

Although the government had [said](#) that it hoped to publish the guidance relating to failure to prevent fraud offences, as required under the Economic Crime and Corporate Transparency Act 2023 (ECCTA), in early summer 2024, we now understand that the guidance is not likely to be published until after parliament resumes, following the general election.

We also believe that the implementation period may now be extended to eight or nine months to allow time for businesses that will be subject to the offence (large organisations) to consider the guidance and implement necessary policies and procedures. While the exact timing is still to be confirmed, we currently anticipate that the offence will take effect towards the middle of 2025.

The offence, and the senior managers regime also contained in the ECCTA (find out more in our [video](#)), is highlighted in the Serious Fraud Office's [5 Year Strategy](#), launched in April 2024. This also refers to incentivising whistleblowers, enhanced cooperation with other enforcement agencies, greater use of technology and a greater focus on domestic fraud.



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Competition

Competition

UK general election 2024: competition aspects

The two main political parties ([Conservative](#) and [Labour](#)) competing to win in the general election on 4 July 2024 have published their manifestos.

Neither manifesto mentions the [Digital Markets, Competition and Consumer Act 2023](#) (DMCCA), which became law under the current Conservative government on 24 May 2024, but which had received strong cross-party support; indeed Labour had supported proposed amendments that would have given the CMA more interventionist digital market powers. As a result, regardless of the next Government, the DMCC will bring in the significant changes to both digital markets and competition regulation over the coming months and years.

Additionally, Labour has said it will "*ensure a pro-business environment, with a competition and regulatory framework, that supports innovation, investment, and high-quality jobs*", however it has not set out exactly how they will achieve this. Although with it intending to create a Regulatory Innovation Office, which will essentially regulate the regulators and make them more accountable, we anticipate that this new body, should Labour come into power, will ensure the CMA is implementing and regulating against this new regulatory and competition framework – perhaps including the CMA's new 'duty of expedition', designed to speed up decision making.

Digital Markets, Competition and Consumer Act

The highly-anticipated Digital Markets, Competition and Consumers Act (DMCCA) received Royal Assent on 24 May 2024. We explain the [five things that businesses need to know in our recent Insight](#). The first action being that businesses have until 12 July 2024 to respond to the CMA's [consultation](#) on how it proposes to use its digital powers.

This consultation seeks views on the [draft guidance on the new digital markets competition regime](#) and the [draft guidance on merger reporting requirements for firms designated with strategic market status \(SMS\)](#). At 188 pages the draft guidance on the digital markets competition regime is substantially longer and goes into significant detail on the operation of this new regime. In this update we focus on this digital draft guidance.

Throughout the guidance, the CMA emphasises the participative and collaborative approach it will take to:

- SMS designations, both in terms of which firms should be designated with SMS and considerations during the investigation process;
- designing and imposing Conduct Requirements (CRs) and Pro-competition Interventions (PCIs);
- monitoring compliance with and the effectiveness of the regime.

Considering the broad scope of the DMCCA, all businesses engaged in digital activities are advised to actively participate in the consultation process and make representations to the CMA regarding any concerns covered by the DMCCA. Concerns can be raised directly with the CMA or highlighted through its horizon scanning program, which operates in conjunction with other UK and overseas regulators.

The CMA has previously indicated that it expects to receive its new responsibilities in autumn 2024 and intends to publish guidance at this point, having considered feedback received during the consultation. It anticipates launching the first SMS investigations very soon after commencement, expected for autumn 2024. In the first year the CMA anticipates initiating three-four SMS investigations. Under this timeframe we can expect the first SMS designations and associated conduct requirements in July 2025.

Having cleared the parliamentary process with substantial cross-party support it is unlikely that there will be substantive changes in policy approach following the election, but the timetable for it to be brought into force by secondary legislation is largely down to the next government now.

National Security and Investment Act – further development

In our [May Regulatory Outlook](#) we reported on the proposed updates to the NSIA regime and how these have been thrown into uncertainty as a result of the election.

Although the government was able to publish an updated statement on the exercise of the call-in power and updated Market Guidance Notes it has not been able to follow through with proposals to:

Competition

- launch a public consultation in summer 2024 on the definition of activities within the 17 sensitive sectors;
- table secondary legislation in autumn 2024 to exempt the appointment of certain insolvency professionals from the NSIA regime; and
- consider how to make further improvements to the NSIA review process and improve the online notification portal.

Although it is unlikely that a Labour government would pursue a substantially different policy approach, the timetable for consultations and secondary legislation will undoubtedly be affected by the election, whoever emerges victorious.

Neither Conservative nor Labour manifesto specifically considers the NSIA regime, but national security is considered as a key early priority for both main parties. Additionally the Labour Party suggests incentivising British funds and companies to invest in promising British companies while continuing to monitor investment from foreign countries which pose a security risk.



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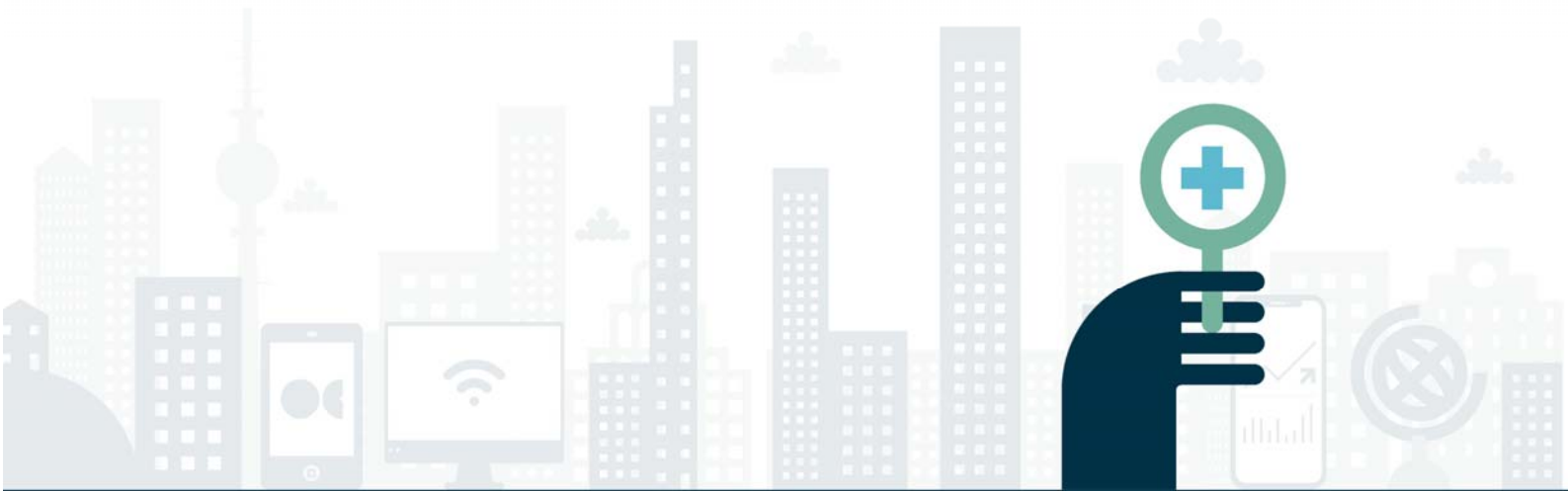
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Consumer law

Consumer law

UK general election 2024: what we know so far on how consumer law might be affected

The two main political parties (Conservative and Labour) competing to win in the general election on 4 July 2024 have published their manifestos.

Neither manifesto mentions the [Digital Markets, Competition and Consumer Act 2023](#) (DMCCA), which became law under the current Conservative government on 24 May 2024, but which will only come into effect once secondary legislation is passed.

If the Conservative Party wins power on 4 July, we can presume that it would bring forward the necessary secondary legislation. As for Labour, it did not substantially oppose the consumer provisions in the Act as it progressed through Parliament. It tried to include provisions to protect consumers in relation to the resale of events tickets, but decided not to prevent the bill from becoming law by pursuing the issue. However, in its election manifesto, Labour says that it would *"put fans back at the heart of events by introducing new consumer protections on ticket resales"*, but without specifying how it would achieve this.

We can therefore expect the new legislation to come into effect at some point, whichever party wins power, but it is not at all clear when this would happen. The Competition and Markets Authority (CMA) is currently consulting on the competition aspects of the DMCCA (see the [Competition](#) section for further details) and should also be consulting on guidance in relation to its new consumer enforcement powers in due course. During its passage through Parliament, the Conservative government also said that there would be further consultation on renewal cooling-off periods under subscription contracts.

Other policies affecting consumers are mostly contained in the parties' plans in respect of the [Online Safety Act 2023](#) (OSA).

The Conservative Party says that it would *"expect to build on the existing responsibilities set out for social media companies under the [OSA]"*. The Labour Party also plans to *"build on the [OSA]"*, but it also says that it would *"bring[...] forward provisions as quickly as possible, and explore further measures to keep everyone safe online, particularly when using social media"*. That said, the indications are that it would focus more on the implementation of the OSA by Ofcom as the new online safety regulator. To assist with this, Labour says that it would create a new Regulatory Innovation Office (or regulator of the regulators), focusing on the tech regulators, to help them update regulation, speed up approval timelines and coordinate issues where there is crossover among the different regulatory areas.

The [Conservative manifesto](#) also:

- outlines plans to consult on introducing further parental controls over access to social media and on developing age verification technology;
- commits to putting the current guidance on banning mobile phones in schools on a statutory footing; and
- commits to resurrecting the parts of the Criminal Justice Bill, which did not make it through the ["wash-up" period](#) to create new criminal offences for the creation of non-consensual sexualised deepfakes and revenge porn.

In its [manifesto](#), Labour says that it would:

- work with technology companies to tackle online fraud, strengthen rules to prevent the online sale of knives and update the rules around countering extremism, including online;
- re-introduce criminal offences for the creation of non-consensual sexualised deepfakes (without mentioning revenge porn); and
- give women the right to know the identity of online stalkers.

Away from the OSA, the Conservative Party's manifesto states that a Conservative government would cut the cost of net zero for consumers *"by taking a more pragmatic approach"*, guaranteeing no new green levies while accelerating the rollout of renewables. It would also *"maintain the highest standards of consumer protection"* in the financial services sector and, to take advantage of the UK's *"Brexit freedoms"*, deliver regulatory reform across the board while ensuring that regulators *"deliver the best outcomes for ... consumers ..."*.

As for the Labour Party, its manifesto states that, in addition to introducing consumer protections on ticket resales, it would *"ensure economic regulation ... works for consumers"* and bring in tougher regulation for the energy industry *"that puts consumers first"*.

Consumer law

DSIT publishes guidance to regulator about fees under OSA

Just before Parliament was dissolved, the UK's Department for Science, Innovation and Technology (DSIT) published [guidance](#) to Ofcom on determining the fees that will be payable by regulated services under the OSA.

As it currently stands, the UK's new online safety regime is to be funded by fees paid by regulated service providers whose qualifying worldwide revenue meets or exceeds a certain revenue threshold and who are not otherwise exempt. Under the OSA, the government will retain oversight of the regulatory costs of the regime by setting Ofcom's total budget cap. The aim is to put in place a robust and fit for purpose fee regime which is expected to be in place by 2026-2027. Until then, the government is funding Ofcom's initial costs. Additional fees will then be charged over an initial set period of consecutive years to recoup the set-up costs.

DSIT has now published guidance to Ofcom on the principles to be included in the regulator's Statement of Charging Principles (SOCP) which constitutes the first step in the set-up process. Ofcom plans to publish its SOCP in 2025.

In the guidance, the government has identified three overarching principles that Ofcom must consider when developing its SOCP:

- proportionality: fees must be applied in a proportionate way, considering revenue and other relevant factors, as well as recognising the potential burden on providers;
- transparency: it must be clear what fees are being charged and why providers are paying them; and
- stability: the principles setting the fees must be clear and consistent.

CMA launches market investigation into the UK vet sector

After consulting on a proposal to make a market investigation reference into UK veterinary services for household pets, which followed a review into the sector (see this [Regulatory Outlook](#) for background), the CMA has published the consultation responses alongside its [decision](#) to make a market investigation reference.

A market investigation will enable the CMA to further investigate its concerns and assess in detail whether certain features of the market are having an adverse effect on competition and therefore on consumers. A market investigation will also allow the CMA to address the issues with appropriate remedies, which could include making the provision of certain information to consumers obligatory, imposing maximum prescription fees, and ordering the sale or disposal of a business or assets. The CMA could also make recommendations to the government, for example, suggesting changes to the regulatory framework.

The CMA has also published [guidance](#) for consumers on choosing a vet practice and the appropriate treatment for their pets.

The statutory timetable for a market investigation is 18 months, meaning that the CMA would be required to deliver its final report, including any proposed remedies, by 22 November 2025.

See [Competition](#) and [Products](#) section for more information.



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Cyber-security

Cyber-security

UK general election 2024: cyber security aspects

To ensure the UK is fully prepared to deal with hybrid warfare including cyber attacks and misinformation campaigns, the Labour Party has committed to undertaking a Strategic Defence Review within its first year in government and aims to spending 2.5% of GDP on defence

Meanwhile, the Conservative Party has pledged to deliver a National Defence and Resilience Plan to improve the country's preparedness for risks on the National Risk Register, which outlines the most serious risks facing the country. As [previously reported](#), cyber is one of the nine risk themes within the report, with cyber attacks on critical national infrastructure (including electricity, gas and telecommunications systems) cited as key risks in the register.

ESAs enter into multilateral memorandum of understanding with ENISA

On 5 June 2024, the European Supervisory Authorities (European Banking Authority, European Insurance and Occupational Pensions Authority and European Securities and Markets Authority – the ESAs) [announced](#) that they have signed a multilateral memorandum of understanding (MoU) to reinforce collaboration with the European Union Agency for Cybersecurity (ENISA) on safeguarding the financial sector from cybersecurity threats.

The MoU formalises ongoing discussions between the ESAs and ENISA as a result of the implementation and harmonisation of the NIS 2 Directive and the Digital Operational Resilience Act (DORA) and sets out a framework for cooperation and information exchange on, amongst other things, the reporting of major IT-incidents, the development of draft technical standards, and oversight of critical IT third-party providers. See the [memorandum](#).

Read our [Insight](#) for more on NIS 2 or connect with one our [experts](#) on achieving compliance with the new requirements under DORA.

Council of the EU approves conclusions for more cyber secure and resilient Union

During the Telecommunications Council on 21 May 2024, EU ministers [adopted](#) conclusions on the future of cybersecurity with the aim of improving the cyber resilience of the EU. The following were identified as focus areas for policy making:

- Strengthening existing cybersecurity cooperation structures and entities, including between the NIS Cooperation Group, ENISA, to ensure consistency of cybersecurity in sectorial legislation.
- Encouraging Member States and EU entities to engage with third party countries and actors to increase international cooperation against cybercrime, including the work of the Counter Ransomware Initiative (CRI) and the EU's commitment to the [CRI's Joint Statement on Ransomware Payments](#).
- The Council invites the EU Commission to present a revised cybersecurity strategy to guide EU action on emerging technologies such as artificial intelligence.

Extended consultation deadline for two new codes of practice for cybersecurity and AI

Following the general election announcement, the deadline for the consultations on the two codes of practice [announced](#) in May 2024 on [improving AI cybersecurity](#) and the [resilience and security of software](#), have been extended from 10 July to 9 August 2024.

Although departments may continue to receive and analyse consultation responses during the election period, as the codes form part of the government's [National Cyber Strategy](#), final implementation of the codes may be affected by the general election as the proposals will need to be put to the incoming government.



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Data law

UK general election: what the main parties say about data

The two main political parties (Conservative and Labour) competing to win the general election on 4 July 2024 have published their manifestos.

The Conservative Party [manifesto](#) does not mention the Data Protection and Digital Information Bill (DPDI Bill), which fell after the ["wash-up" period](#). However it does say that *"only the Conservatives will keep on removing EU laws from our statute book"*. The bill aimed to clarify and simplify obligations under the UK GDPR. It also included "smart data" provisions aimed at opening up consumer data flows in various sectors (similar to the UK's "open banking" scheme in the financial services sector) and provisions on digital identity verification. It will now be up to the new government to decide how to proceed.

The Labour Party was, generally speaking, opposed to much of the DPDI Bill, and only supported the "smart data" and digital identity verification provisions. If it wins on 4 July, it may well bring those elements back. On "smart data", Labour says in its [manifesto](#) that it would support innovation and growth in the financial services sector and refers to the success of "open banking". The manifesto also says that a Labour government would bring back the provisions that would give families of children who have died, as well as coroners, access to the child's social media data.

In addition, its manifesto states that a Labour government would reform planning laws to make it easier to build data centres, and that Labour would create a new National Data Library to bring together existing research programmes, help deliver data-driven public services, and make it easier to access public data for research.

EDPB adopts opinion on facial recognition at airports

The European Data Protection Board (EDPB) has published an [opinion](#) on the use of facial recognition at airports for the specific purpose of streamlining the passenger flow at airports at four checkpoints: the security checkpoint, baggage drop-off, boarding, and access to a passenger lounge.

The opinion is in response to a request from the French Data Protection Authority. The request was limited in scope, so the opinion does not examine the use of facial recognition in general or as used for security purposes by law enforcement bodies. It is also assumed throughout the opinion that the passenger has given valid consent to the data processing. It does not, therefore, examine the applicable legal basis or whether the consent is indeed valid.

The opinion analyses the compatibility of facial recognition processing with four GDPR principles: (i) the storage limitation principle; (ii) the integrity and confidentiality principle; (iii) data protection by design and default; and (iv) security of processing.

The opinion examines four data processing scenarios:

1. the biometric data is stored by the passenger on their individual device, under their sole control, and is deleted shortly after the check is complete;
2. the biometric data is stored centrally, within the airport, in encrypted form, with the encryption key held only by the passenger and the data stored for a given period, for example, up until the passport expiry date;
3. the biometric data is stored centrally in encrypted form within the airport under the airport operator's control and is deleted once the plane has taken off; and
4. the biometric data is stored centrally in encrypted form in the cloud under the control of the airline company or its cloud service provider and is stored for as long as the passenger holds an account with the airline.

The opinion notes that in all scenarios, the controller will only meet the GDPR's necessity principle if it can show that there are no less intrusive alternative solutions that could be used to achieve the same objective as effectively.

It also finds that the only scenarios which might, in principle, be compatible with the four principles considered are where the biometric data is stored in the hands of the individual passenger (scenario 1) or in a central database with the encryption key solely in the passenger's hands (scenario 2). This will only be the case, however, if appropriate safeguards are also implemented to mitigate any risks. In respect of scenario 2, the EDPB also says that the controller must be able to justify the long storage period and recommends that controllers always use the shortest storage period possible and offer passengers the option of setting their own storage period.

Data law

As for the third and fourth scenarios, the opinion concludes that there is a risk in both scenarios of third parties gaining access to the data leading to the unlawful identification of passengers in other settings. In the EDPB's view, streamlining passenger flow can be achieved using less intrusive means. Therefore, processing in these ways cannot meet the necessity principle.

While limited in purpose and scope, the opinion is still useful as a starting point when considering the use of facial recognition technology and its compliance with the GDPR in different scenarios.

ICO publishes its finalised Enterprise Data Strategy

The UK Information Commissioner's Office (ICO) has, following consultation, published the final version of its [Enterprise Data Strategy](#), which sets out how it intends to utilise data to shape its corporate, regulatory and strategic priorities (see this [Regulatory Outlook](#)), alongside a summary of the responses received.

The ICO received nine responses to the consultation, which all indicated support for the strategy, although some raised concerns that the ICO trying to set an example of responsible innovation in the use of data might shift its focus from its regulatory responsibilities. The ICO has acknowledged these concerns, but says that it believes that its approach will help it become a more modern and effective regulator.

The ICO has made [various changes](#) to the strategy in response to the feedback it received, including:

- publishing an additional [implementation plan](#) outlining the practical details of what it plans to deliver during the first year;
- including a scorecard to assess at the end of the first year whether its outputs have made a positive impact on its level of data maturity;
- adopting an "openness by default" approach to make its data more visible and creating a data catalogue of its data assets that is accessible via its website;
- providing those staff members who handle data directly with training on data ethics and making a data ethics self-assessment toolkit available to all employees involved in data-driven insights; and
- keeping its survey open, despite the consultation having closed, to ensure continuous feedback from organisations and the public.



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Employment and immigration

Employment and immigration

What does the UK general election mean for employers?

See our [Insight](#) which examines what the Conservative and Labour parties, as the two main contenders to form the next government, propose in relation to employment, pension and immigration policy.



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Environment

Environment

UK general election 2024: environmental law aspects

As the UK approaches its general election, the two main contenders to form the next government, the [Conservative](#) and [Labour](#) parties have unveiled their manifestos, each setting out plans on environmental matters.

Labour has sets out its plan to end North Sea oil and gas licences, create a National Wealth Fund to drive the decarbonisation of energy intensive sectors, and introduce a carbon border adjustment mechanism (CBAM) to mitigate the risk of carbon leakage from imported goods. See our [Insight](#) for more on these and other aspects of the manifestos.

The [Conservatives' manifesto](#) includes recommitting to net zero by 2050, reforming the Climate Change Committee, implementing an import carbon pricing mechanism by 2027, building two carbon capture clusters, and running annual gas and oil licensing rounds. Overall, the party has included far fewer climate and net-zero specific pledges than the other main parties. It is instead focusing on limiting the cost of decarbonisation on households.

Government launches survey for post-implementation review of Habitats Regulations

The Habitats Regulations give protection to habitat sites designated as (or potentially) Special Areas of Conservation, Special Protection Areas and Ramsar sites. They require the relevant authority to undertake a Habitats Regulations assessment on the impacts of proposed developments that are likely to have a significant effect on such sites. The assessment process has been cited as delaying housebuilding due to nutrient neutrality requirements. The [survey](#), launched by Defra, seeks evidence of the regulations' effectiveness, any unintended consequences and suggestions for possible refinements, including whether their objectives can be achieved with less regulation. Evidence obtained from the survey, which closes on 5 July, will be used to inform the review and may also support future wider policy work on the regulations.

Council adopts EU Nature Restoration Law

On 17 June 2024 the Council of the EU formally [adopted](#) the Nature Restoration Law. This law aims to put measures in place to restore at least 20% of the EU's land and sea areas by 2030, and all ecosystems in need of restoration by 2050.

The regulation requires Member States to establish and implement measures to jointly restore, as an EU target, at least 20% of the EU's land and sea areas by 2030. Until 2030, Member States will prioritise Natura 2000 sites when implementing the restoration measures.

On habitats deemed in poor condition, as listed in the regulation, Member States will take measures to restore:

- at least 30% by 2030
- at least 60% by 2040
- at least 90% by 2050

The law also includes provisions relating to the restoration of (i) urban ecosystems; (ii) the natural connectivity of rivers; (iii) pollinator populations, (iv) agricultural ecosystems, and (v) forest ecosystems, and there is a commitment to plant at least 3 billion additional trees by 2030 at Union level.

Under the new rules, Member States must plan ahead and submit **national restoration plans** to the Commission, showing how they will deliver on the targets. They must also monitor and report on their progress, based on EU-wide biodiversity indicators.

The regulation will now be published in the EU's Official Journal and enter into force. It will become directly applicable in all Member States.



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Environmental, social and governance

Environmental, social and governance

UK general election 2024: ESG aspects

As the UK approaches its general election, the two main contenders to form the next government, the [Conservative](#) and [Labour](#) parties have unveiled their manifestos, each with mentions of ESG components.

The Conservative manifesto pledges to end human trafficking and [modern slavery](#). It also commits to the integration of ESG factors into defence procurement and the continuation of the UK-wide deposit return scheme (DRS). Financial reporting requirements are also on the Conservative agenda, with plans to increase the employee threshold, potentially reclassifying more companies as medium-sized which will mean taking more businesses out of scope of the reporting requirements.

Labour's manifesto, while omitting direct reference to modern slavery, places a strong emphasis on environmental commitments. The party promises to achieve the Environment Act targets and advocates for a shift towards a circular economy to minimise waste (see [Products](#) for additional information). Labour also supports the introduction of a Carbon Border Adjustment Mechanism (CBAM) to align with the UK's climate goals.

Beyond the manifesto, Labour's recent paper, "[Financing Growth](#)", outlines its plans for sustainable finance. This includes a commitment to the Sustainability Disclosure Requirements in line with the International Sustainability Standards Board, and an exploration of nature-related finance, leveraging voluntary carbon markets and natural capital partnerships.

Council adopts formal position on Green Claims Directive

The Council of the EU has [agreed](#) its position on the green claims directive, which [sets out](#) what types of information companies need to provide to justify their environmental marketing claims. The Council's position widens the scope of the original proposal by applying to both written and oral claims that companies use voluntarily in their marketing of green credentials. The Council's approach also sets out that environmental claims and labels must be independently verified before being published, although a simplified procedure allows certain claims to bypass this requirement if technical documentation is provided.

With regard to ecolabelling schemes, the Council has outlined that those registered under EN ISO 14024 type 1 ecolabelling schemes will be exempt from verification if they are officially recognised in a Member State and comply with the new rules, adding that recognition by one Member State would be sufficient for the whole EU market.

For climate-related claims, companies must detail the specific type and quantity of carbon credits used and distinguish between contribution claims and offset claims. In offset claims, these require companies to provide evidence of a net-zero target as well as the percentage of total greenhouse gas emissions that have been offset.

Now that the Council has adopted its approach, negotiations with the European Parliament can begin during the new legislative cycle in July.

Council adopts EU Nature Restoration Law

Please see [Environment](#).

Please also see our latest international [ESG Knowledge Update](#), for a round-up of legal, regulatory and market news.



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Fintech, digital assets, payments and consumer credit

Fintech, digital assets, payments and consumer credit

UK general election: impact on financial services

See our [Insight](#) for coverage of what a Labour government might mean for the financial services sector.

BoE speech on opportunities and risks of fintech and AI

On 21 May 2024, the Bank of England (BoE) published a [speech](#) given by Randall Kroszner, an external member of the Financial Policy Committee (FPC), on balancing the productivity opportunities of fintech and artificial intelligence (AI) against the potential risks.

Points of interest include the following:

- When innovation is disruptive, it is much more difficult for regulators to know what actions to take to achieve their financial stability goals and what the unintended consequences could be. Recent data may not be helpful, and there may not be a common framework for assessing the likely impact of the innovation or the consequences of regulatory action.
- Regulators should be open to new approaches that might shape these frameworks. These can support safe innovation, as is the intention of the Digital Securities Sandbox. However, fundamentally disruptive innovations, such as AI tools, often involve the potential for extraordinarily rapid scaling that tests the limits of regulatory tools. In these circumstances, a sandbox approach may not be applicable, and policymakers may themselves need to innovate further in the face of disruptive change.
- Explainable AI is a focus of significant research and what we mean by "explainability" may have to evolve; regulators should be engaged in understanding these developments.
- "Misalignment" – the concern that, once AI systems can act in accordance with specific goals, they may begin to become misaligned with humanity's needs and values in pursuit of their key objective – is an issue regulators will need to grapple with and the FPC is considering. For example, the potential risks emerging from neural networks becoming "deep trading agents" and the potential for their incentives to become misaligned with those of regulators and the public good could be mitigated by training neural networks to respect a "constitution" or a set of regulatory rules that would reduce the risk of harmful behaviour.
- Operational resilience is becoming more important to financial stability as AI and fintech play a greater role in the provision of financial services, as greater adoption of new technology leaves us all open to more risks. A key lesson for regulators and policymakers is the importance of ensuring models do not all operate in the same way.

Following the BoE and Financial Conduct Authority (FCA) AI Public-Private Forum, the regulators are considering establishing a follow-up industry consortium, as part of addressing the need for ongoing dialogue and building relationships.

Impact of wash-up on FOS plans to charge CMCs

On 21 May 2024, a [draft version](#) of the Financial Services and Markets Act 2000 (Ombudsman Scheme) (Fees) Regulations 2024 was published, with a [draft explanatory memorandum](#). The draft Regulations would give the Financial Ombudsman Service (FOS) the ability to charge fees to:

- persons authorised by the FCA with permission to carry on regulated claims management activity (claims management companies or CMCs); and
- legal professionals in England, Wales and Scotland carrying out regulated claims management activities.

However, the Regulations were laid prior to the general election being called, and did not survive the ["wash-up" period](#).

On 23 May 2024, the FOS published a [consultation paper](#) on how it proposes using these powers, as follows:

- The FOS will charge the CMC or other professional representative referring a case to the FOS that exceeds the three free cases per financial year a maximum case fee of £250.
- If the FOS reaches an outcome on the case that is more favourable to the CMC or other professional representative's client than the one reached by the respondent firm at final response stage, it will reimburse them £175. This means that cases resulting in a favourable outcome will attract a £75 fee. In such cases, the respondent firm will still pay the usual £650 case fee, in keeping with the "polluter pays" principle.
- If the FOS does not reach an outcome on the case that is more favourable to the CMC or professional representative's client than the one reached by the respondent firm at final response stage, the £650 case fee payable by the respondent firm will be reduced by £175 to £475.

Fintech, digital assets, payments and consumer credit

The consultation closes on 4 July 2024. The FOS intends to implement the charging regime with effect from 1 October 2024, should the enabling legislation be finalised. Since the regulations would need to be laid again before the new Parliament following the election, it remains unclear whether and when the required legislative amendments will be made and thus whether and when the changes proposed by the FOS will take effect.

PSR interim report on market review into card scheme and processing fees

On 21 May 2024, the Payment Systems Regulator (PSR) published the [interim report](#) on its market review into card scheme and processing fees, which is being conducted in response to concerns about high fees being paid by acquirers and issuers. The PSR has been examining the level of these fees to understand whether they, or other factors, indicate the market is not working well, focusing on the two main card schemes operating in the UK.

The PSR has provisionally concluded that the two main card schemes do not face effective competitive constraints, and the market is not working well. The evidence is consistent with a finding that the two main card schemes' margins are higher than would be expected in competitive markets; however, there is insufficient data to reach a firm conclusion on the existence of unduly high prices or excessive profits (and the level of harm arising from these), noting the wide range of possible margins. In addition, the two main card schemes do not consistently provide high-quality information sharing services to acquirers, resulting in their receiving complex or incomplete information on scheme and processing services and fees, with resulting impacts for merchants.

The PSR considers that intervention to address these issues may be appropriate. It is considering potential remedies, including regulatory financial reporting, requiring the card schemes to give reasoning and evidence justifying any price increases, and improved transparency of information available to acquirers and merchants.

The PSR invites comments on the report by 30 July 2024, and plans to publish its final report in Q4 2024.

APPG on Fair Business Banking recommendations on SME access to finance

On 20 May 2024, the All-Party Parliamentary Group (APPG) on Fair Business Banking, a cross-party group with members from the House of Commons and the House of Lords, published a [manifesto](#) for improvements to access to finance for small and medium-sized enterprises (SMEs).

The APPG sets out recommendations on SME finance for the next Parliament, including:

- extending the regulatory perimeter to cover commercial lending to small and medium-sized businesses;
- creating a Financial Services Tribunal, replacing the Business Banking Resolution Service, to provide a permanent route for resolving larger and more complex cases;
- extending the threshold of the FOS to allow larger SMEs to refer complaints to it;
- longer term British Business Bank support schemes and support for green finance;
- introducing guidelines for compensation schemes together with an independent arm's-length body to set up and administer schemes, based on specified principles;
- increasing the FSCS depositor protection limit from £85,000 to £250,000 to reduce risk for SMEs, with the average SME deposit in 2023 standing at over £72,000; and
- overhauling the Bank Referral Scheme to bring more banks in scope, with the option of mandating bank participation.



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Food law

Food law

UK general election 2024: food law aspects

The two parties vying to form the next government after the UK general election on 4 July 2024, the [Labour](#) and [Conservative](#) parties, have set out commitments they will seek to impose in regards to food.

Labour, who is current favourite, proposes to prohibit the advertising of high fat, salt and sugar (HFSS) products to children as well as banning the sale of high-caffeine energy drinks to those under 16. In regards to food prices, Labour has stated that it will reduce food prices by removing barriers to businesses trading and will look to negotiate a veterinary agreement with the EU to prevent unnecessary border checks. It has also commented that it will enhance animal welfare as well as implement a trade strategy that upholds the highest standards in food production.

The Conservative Party also intends to legislate against HFSS advertising as part of its strategy to combat obesity. It pledges that all imported food and drink must meet UK standards, reflecting a commitment to protect domestic agriculture within international trade agreements.

With both parties acknowledging the necessity of enforcing HFSS advertising restrictions, we anticipate this will be on the agenda of the incoming government, whichever party wins. Given Labour's emphasis on the rising cost of food, we suspect that, should it form the next government, it will look to introduce measures to alleviate these issues.

Further information on what the new government's legislative priorities are will be provided at the King's Speech on 17 July.

EU Commission sets up Honey Platform

The EU Commission has [launched a call](#) for up to 90 experts to assist in harmonising methods for detection of the adulteration of honey. Membership of the Honey Platform will include opportunities to: (i) gather data to help determine methods to improve authenticity controls of honey; (ii) provide recommendations for a Union traceability and composition criteria; and (iii) provide opinions in relation to the possibility of establishing a Union reference laboratory. The call for applications is open until 15 July 2024.

Member States endorse ban of Bisphenol A in food contact materials

Please see [Products](#).



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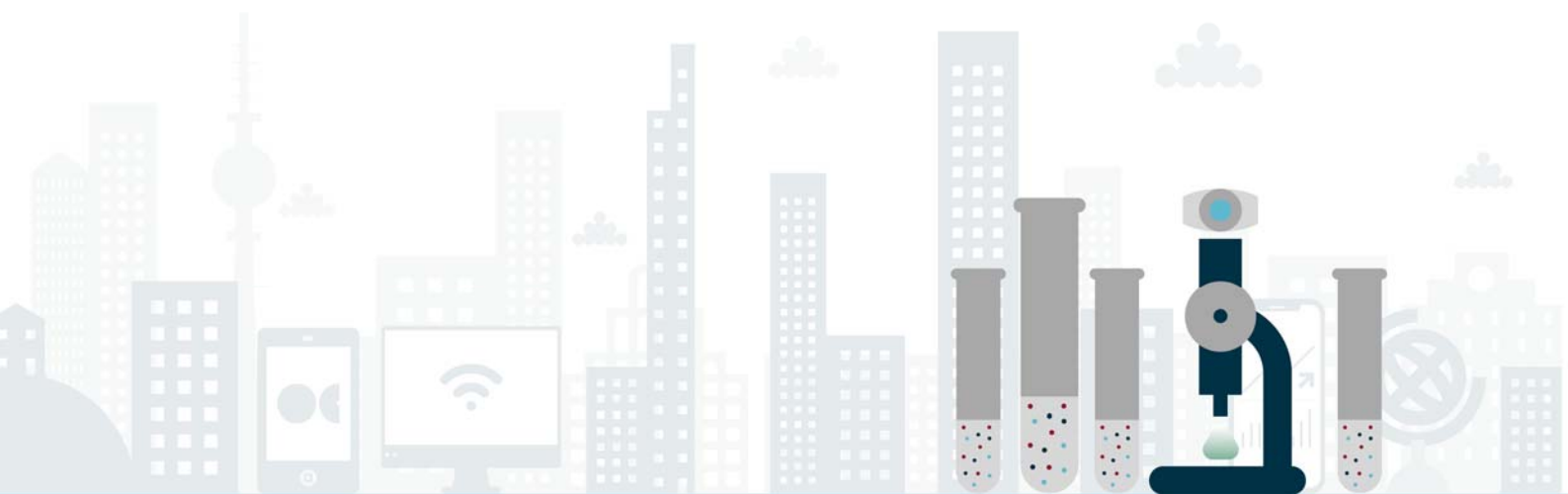
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Health and Safety

Health and Safety

UK general election 2024: health and safety aspects

Focusing on the manifestos and statements of the [Conservatives](#) and [Labour](#) ahead of the UK general election on 4 July 2024, below are the main themes as to what is on the leading parties' agendas for health and safety issues.

If elected, both the Labour and Conservative parties have pledged to implement Martyn's Law, aimed at enhancing the security of public events and venues to better protect against terrorist attacks.

Labour goes further than the Conservatives with regard to workplace health and safety, outlining its intention to introduce its "[Make Work Pay: Delivering a New Deal for Working People](#)" plan. Within this, the party promises to introduce legislation within the first 100 days to enhance health and safety at work. Labour plans to conduct a comprehensive review of current health and safety protocols, with a particular focus on modernising them. This includes updating guidelines to account for extreme working temperatures, ensuring workers are protected across various sectors. Additionally, Labour seeks to engage with employers, trade unions, and other stakeholders to improve the overall wellbeing of workers, addressing both physical and mental health concerns, as well as providing support for those experiencing long Covid symptoms.

The Conservative Party's manifesto has not detailed specific workplace health and safety reforms and had not had this on its legislative agenda when in power.

We wait to see whether the next government sets out its plans for health and safety priorities at the King's Speech on 17 July.

H&S prosecutions remind businesses of severe fines they could face for breaches

Recent reports from the Health and Safety Executive (HSE) highlight the severe penalties businesses can face for health and safety breaches. Fines exceeding a million pounds have been issued in three separate prosecutions this month.

Openreach Limited was [fined](#) £1.34 million after an engineer died while attempting to cross a river to repair a phone line. The HSE investigation revealed a lack of a safe system for working near water, with no appropriate training or instructions provided to the workers. The company pleaded guilty to breaching Section 2(1) of the Health and Safety at Work etc. Act 1974.

In another case, Tata Chemicals Europe Limited faced a £1.125 million [fine](#) after a man died from injuries sustained while erecting a scaffold tower in a live chemical plant. The HSE found no permit for the hazardous work, insufficient risk assessment, and a failure to inform workers of the chemical risks present. The lids to the trough containing dangerous chemicals were also inadequately sealed. The company, which had a history of health and safety failings, pleaded guilty to breaching Section 3(1) of the Health and Safety at Work etc. Act 1974.

Additionally, BAM Nuttall Limited was [fined](#) £2.345 million after a worker died when the boat he was in while removing debris from weir gates capsized. The HSE investigation found that the company had failed to manage the water flow at the weir, despite having trained personnel who could have safely controlled the gates. BAM Nuttall Limited also pleaded guilty to breaching Section 2(1) of the Health and Safety at Work etc. Act 1974.

These cases underscore the HSE's commitment to enforcing against health and safety standards and the substantial financial consequences that companies can face if they do not comply.



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Modern slavery

Modern slavery

UK general election 2024: modern slavery aspects

Focusing on the manifestos and statements of [Labour](#) and the [Conservatives](#) ahead of the UK general election on 4 July 2024, below are what they as leading parties competing to form the next government have said with regard to modern slavery.

The Conservative Party sets out in its manifesto that it will work to end human trafficking and modern slavery, highlighting that the issue is something that would be on its agenda should it be elected. No further details on how it anticipates doing this have been published.

On the other hand, Labour did not mention modern slavery in its manifesto nor in any policy documents.

As [reported](#) last month, regulations to eradicate modern slavery in NHS supply chains, which are [required](#) under the Health and Care Act 2022, were due to be introduced. Therefore it is likely that the newly-elected government will introduce them. A timeline for when the regulations will come in cannot be determined until the new government is in power and provides an update on their development. As it is currently widely expected that the Labour Party will win the election, this would be something it would need to introduce.

In addition, with the King's Speech on 17 July 2024, there may also be further updates as to what the new government anticipates to do in relation to modern slavery.



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Products

Products

Jump to: [General / digital products](#) | [Product sustainability](#) | [Life Sciences and healthcare](#)

UK general election 2024: product regulation aspects

Focusing on the manifestos and statements of [Labour](#) and the [Conservatives](#) ahead of the UK general election on 4 July 2024, below are the main themes of what could be on the horizon for product regulation following the formation of a new government:

Both parties intend to continue with the introduction of legislation to phase out smoking and restrict the sale of vapes. As the Tobacco and Vapes Bill fell away during the ["wash-up" period](#), new legislation (which may be a very similar to the previous Bill) will need to be introduced and start the legislative process from the beginning.

In regards to the deployment of deposit return schemes (DRS), the Conservative manifesto outlines its intentions to proceed with DRS, continuing on from the progress made. While the Labour manifesto does not explicitly refer to DRS, it does state that Labour is *"committed to reducing waste by moving to a circular economy"* which we suspect, due to the progress already made on DRS, would include continuing with the implementation of the scheme.

Both the Labour and Conservative parties aim to leverage AI in healthcare—Labour's priority is stated to be to enhance and quicken diagnostic accuracy, particularly using AI-powered scanners for early cancer detection. The Conservatives have pledged to increase frontline care time for medical staff, offering "new digital health checks" to prevent strokes and heart attacks. With each manifesto highlighting regulatory change to offer faster approvals for medical tech, this is expected to be a key area for the incoming government. See our [Insight](#) for more on the implications of the general election for the life sciences and healthcare sector.

Labour has proposed the establishment of a new Regulatory Innovation Office (RIO) to modernise regulations and accelerate approval processes while also enhancing cross-regulatory collaboration. A [prior announcement](#) emphasised the RIO's role in expediting clinical trial applications and improving patient access to advanced treatments, hinting at the idea that its initial focus will be on the MHRA's operations.

Labour has confirmed that there will be no return to the EU single market, the customs union, or freedom of movement. This is also the intention of the Conservatives.

However, in an interview with the Financial Times on 16 June, shadow chancellor Rachel Reeves said that the Labour Party would look to improve the UK's trading relationship with Europe, specifically targeting regulatory alignment for chemicals and *"a better deal"* for workers in the City of London. Whichever party wins, we will have to see how the new government deals with further divergence and product regulatory issues once it enters into power.

General / digital products

EU

Commission adopts implementing regulations on product recall notices and the Safety Gate Portal

The European Commission has adopted an [implementing regulation](#) which sets out the template for written recall notice required under Articles 35 and 36 of the General Product Safety Regulation (GPSR). The template recall notice is set out in the annex to the Recall Notices Regulation and will also be published on the Commission's website. Businesses placing products on the EU market will need to ensure that that this template is used when conducting recalls once the GPSR enters into force on 13 December 2024.

Additionally, the Commission also adopted an [implementing regulation](#) which establishes an interoperable interface of the Safety Gate Portal. This will enable online marketplaces to link their interfaces with the portal, as required by Articles 22(6) and (7) of the GPSR.

Product sustainability

EU

Council of the EU adopt right to repair

The Council of the EU has formally adopted its position on the [right to repair directive](#) (see previous [Regulatory Outlook](#) for more on the position). The legislation now needs to be signed by the President of the European Parliament and the President of the Council before published in the Official Journal of the European Union and will enter into force on the twentieth day following publication.

Member States endorse ban of Bisphenol A in food contact materials

Products

On 12 June, Member States [endorsed](#) a proposal from the Commission to ban Bisphenol A (BPA) in food contact materials. The ban will be formally adopted following “a scrutiny period by the European Parliament and the Council”, entering into force at the end of 2024. The press release notes that limited exceptions will apply where there are no safe alternatives. The ban will mainly apply to the use of BPA in packaging, such as the coating used on metal cans. The use of BPA in consumer articles such as reusable plastic drink bottles, water distribution coolers or other kitchenware will also be banned. There will be a transition period between 18 to 36 months which will be agreed by the EU institutions.

Council of the EU adopt position on amendments to Waste Framework Directive

On 17 June, the Council of the EU [adopted](#) its position on the amendments to the waste framework directive in regard to food and textile waste. The Council agrees with the [Commission's proposal](#) to introduce extend producer responsibility (EPR) schemes for textiles within 30 months after the directive comes into force (the European Parliament has proposed this be 18 months). The Council's position also sets out that Member States can require higher fees for companies following "fast fashion" industrial and commercial practices. The Council has also included a provision to allow Member States to exempt social economy entities (including charities, social enterprises and foundations) from certain reporting requirements.

Now that the Council has adopted its approach, negotiations with the European Parliament (who adopted its position earlier this year, see this [Regulatory Outlook](#)) can begin during the new legislative cycle in July.

Council adopts formal position on Green Claims Directive

Please see [ESG](#).

Imports and exports of electrical and electronic waste in the EU

The European Commission has launched a [consultation](#) on amendments to the Basel Convention to bring all imports and exports of hazardous electrical and electronic waste within the convention's scope. The Basel Convention controls the transboundary movements of hazardous wastes and their disposal. The parties to the convention now wish to [add](#) electrical and electronic waste in order to encourage the safe management. These changes will be incorporated into EU law, notably the EU Waste Shipment Regulation.

The amendments will enter into force from 1 January 2025. After this date, both hazardous and non-hazardous e-waste transboundary movements will be subject to the Prior Informed Consent Procedure (PIC) according to the Basel Convention.

These changes will apply to all parties to the convention, including the EU and its Member States.

The Commission will take feedback into account when finalising this initiative and feedback can be given until 3 July 2024.

Life sciences and healthcare

UK

CMA launches market investigation into the UK vet sector

After consulting on a proposal to make a market investigation reference into UK veterinary services for household pets, which followed a review into the sector (see this [Regulatory Outlook](#)), the CMA has published the consultation responses alongside its [decision](#) to make a market investigation reference.

The market investigation will enable the CMA to further investigate its concerns and assess in detail whether certain features of the market are having an adverse effect on competition and therefore on consumers. A market investigation will also allow the CMA to address the issues with appropriate remedies.

Possible remedies include making recommendations to the government, for example, suggesting changes to the regulatory framework, which was a key theme from respondents to the consultation, who argued that the regulatory framework needed reform as it is no longer fit for purpose.

Other potential remedies include making the provision of certain information to consumers obligatory, imposing maximum prescription fees and ordering the sale or disposal of a business or assets.

The CMA has also published [guidance](#) for consumers on choosing a vet practice and the appropriate treatment for their pets.

Products

The statutory timetable for a market investigation is 18 months, meaning that the CMA would be required to deliver its final report, including any proposed remedies, by 22 November 2025.

NHS launch consultation on integrated, rules-based medical technology pathway

NHSE and the National Institute for Health and Care Excellence (NICE) have [launched](#) a consultation on their proposals for an integrated, rules-based medical technology (medtech) pathway. The proposal is based around the following principles:

- Principle 1 – the pathway should be supported by evidence-based advice and guidance from the NICE, focused on technologies with the greatest impact on patient outcomes and the most compelling cases for clinical and cost-effectiveness.
- Principle 2 – the pathway requires a lifecycle approach to support new, early-stage technologies as well as driving greater value from existing technologies in widespread use.
- Principle 3 – the pathway should lead to automatic identification of funding to support routine commissioning and adoption for clinically and cost-effective and affordable technologies.
- Principle 4 – the pathway should support the transformation of clinical pathways and services.
- Principle 5 – the pathway should drive up the quality and use of evidence, helping tackle ethnic and unfair biases in medtech

The consultation closes on 15 August 2024 and the new pathway will be piloted later in the year, although this may be subject to change in light of the upcoming general election.



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Regulated procurement

Regulated procurement

UK general election 2024: regulated public procurement aspects

The two leading parties competing to form the next government after the general election on 4 July have published their manifestos. Any change in government is unlikely to impact the Procurement Act 2023 coming into force on 28 October 2024, but there are interesting changes set out in their manifestos to be aware of.

Both [Labour](#) and the [Conservatives](#) focus on defence procurement, with the Conservatives looking to integrate ESG considerations into defence procurement to make it faster and more innovative. The manifesto then goes further by adding in a goal to become the largest defence exporter in Europe by 2030. Labour's manifesto notes it will prioritise UK businesses for defence investment and to supplement this, on 3 June, Labour published its [defence policy](#) which outlines its plans to cut waste and duplication within defence procurement as well as directing investment to British industry. It therefore seems likely that alongside the roll out of the new procurement regime, defence procurement will be high up on the new government's public procurement agenda.

Both parties' manifestos flag the intention to expand the use of AI in the public sector to drive efficiency. The Conservative manifesto states that it will double digital and AI expertise in the civil service. The Labour Party highlights the opportunities from harnessing new technology in the public sector. These ambitions will likely necessitate significant relationships between government departments and AI developers and providers.

The Labour manifesto also pledges to reform public procurement processes to ensure smaller businesses are not closed out of tendering for government contracts. The Conservatives did not go as far to say they would reform the rules, but would encourage the public sector to focus on SMEs where *"possible and practical"*.

Further, Labour has said it will develop an NHS innovation and adoption strategy, which will encompass a strategy for procurement, providing a more transparent pathway for introducing products into the NHS, as well as ensuring quicker regulatory approvals for new technologies and medicines. The Conservative party outlined its intention to implement a new medtech pathway. This focus on digitalising the life sciences and healthcare sector will be welcomed by businesses looking to bring innovative products on the UK market and essentially could mean an increase in tenders in this area. See our [Insight](#) for more on the implications of the general election for the life sciences and healthcare sector.

Procurement – will an 'Office for Value for Money' be the same as the PRU?

If elected, Labour intends to [introduce](#) an "Office for Value for Money" (OVM) which will *"look at the use of procurement rules and contracting, investigating whether competitions were conducted properly [and] whether contracts were being managed appropriately"*. In an interview [last year](#), Rachel Reeves described the OVM as a "hit squad".

The Procurement Act 2023 has seen the creation of a new oversight unit, the Procurement Review Unit (PRU). The PRU will have the responsibility of overseeing three key areas within the new regime: reviewing contracting authority compliance; public procurement review service; and debarment review service. At time of writing, Labour has not commented as to how the PRU will interact with the OVM, or whether the OVM will essentially be the PRU, or if we will have two public procurement watchdogs – if that were the case, authorities would be under more scrutiny to get procurement done right.



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Sanctions and Export Control

Sanctions and Export Control

UK general election 2024: sanctions aspects

As the UK approaches its general election, the two main contenders to form the next government, the [Conservative](#) and [Labour](#) parties have unveiled their manifestos. Both parties' manifestos contain proposals to secure and repurpose frozen Russian assets to support Ukraine.

New UK sanctions against Russia

On 13 June 2024, the UK [announced](#), in coordination with G7 partners, 50 new individual and entity designations and specifications, with the aim of impeding Russia's war effort against Ukraine.

The sanctions target suppliers of munitions, machine tools, microelectronics, and logistics to Russia's military, as well as shadow fleet vessels. In coordination with the US, entities and an individual associated with Russian financial institutions have also been designated, including the Moscow Stock Exchange.

As set out in the [general election guidance](#), international business continues as normal during the period of the general election, which includes the imposition of sanctions. For these announcements, the opposition (Labour party) have been consulted in line with established convention. See the [full list](#) of financial sanctions relating to Russia.

UK expands Russia designation criteria

On 28 May 2024, the [Russia \(Sanctions\) \(EU Exit\) \(Amendment\) \(No. 2\) Regulations 2024](#) came into force, amending the designation criteria set out in Regulation 6 of the [Russia \(Sanctions\) \(EU Exit\) Regulations 2019](#).

The expanded criteria permits the designation of individuals or entities:

- owning or controlling, or working as a director, trustee, manager or equivalent of a person other than an individual involved in destabilising Ukraine, undermining or threatening the territorial integrity, sovereignty or independence of Ukraine; or
- providing financial services or support, or making available economic resources, goods or technology to persons involved in obtaining a benefit from or supporting the Russian government.

OFSI guidance updates

On 12 June 2024, the Office of Financial Sanctions Implementation (OFSI) published [guidance](#) setting out its policy on licensing personal staff payments. Applicants are advised to consult the guidance before applying for a licence to allow personal staff payments. OFSI states that it will generally not license payments to personal staff of designated individuals. However, it may consider exceptions for the purposes of basic needs, routine holding and maintenance and prior obligations.

OFSI general licences

OFSI has reissued general licence [INT/2024/4761108](#), which allows non-designated third parties to make use of retail banking services of a designated credit or financial institution for payments intended for personal use, where the total value of payments does not exceed £50,000.

The general licence takes effect on 28 May 2024 and expires on 27 May 2026.



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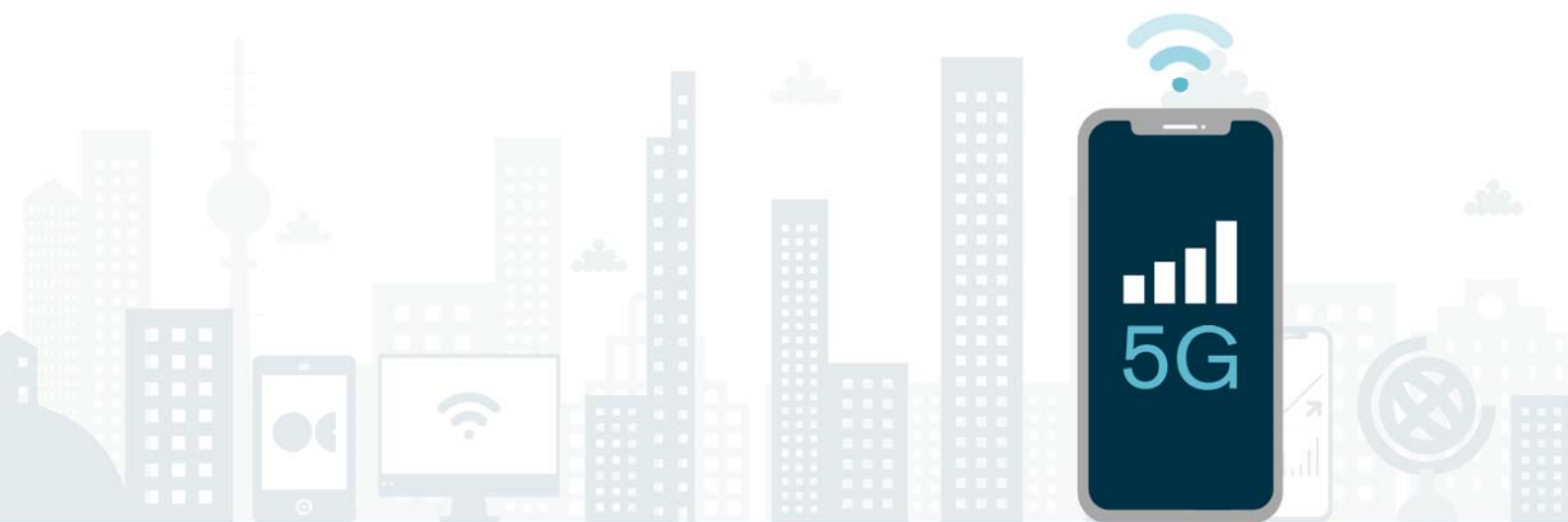
Sanctions and Export Control



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Telecoms

General election 2024: telecoms aspects

The two leading parties, [Labour](#) and [Conservative](#), competing to form the next government after the general election on 4 July have published their manifestos. While both parties have given commitments on the rollout of gigabit broadband, they provide little indication of how the telecoms regulatory landscape may be altered based on the outcome of the vote.

Labour has, however, announced that it will create a new Regulatory Innovation Office to "*help regulators update regulation, speed up approval timelines, and co-ordinate issues that span existing boundaries*" which may suggest a more proactive approach to regulation should it win.

Ofcom statement enabling future use of the unpaired 2100 MHz (1899.9-1920 MHz) spectrum

On 1 December 2023, having considered responses to its proposal to revoke the unpaired 2100 MHz spectrum licences, Ofcom released a statement confirming the start of the statutory process for revoking those licences.

Ofcom stated that it made this decision because:

- revocation to enable reallocation of the spectrum to future users is appropriate and proportionate to meet its objective to secure optimal use of the spectrum; and
- this will in turn secure the greatest benefits to consumers and citizens by enabling the introduction of new services using the spectrum.

On 18 June Ofcom [published an update](#) to confirm that it has decided to revoke all licences in the unpaired 2100 MHz band, with five years' notice. The revocations will take effect on 3 April 2029.

Ofcom sets out its vision for hybrid sharing of the upper 6GHz spectrum band for both Wi-Fi and mobile services

In July 2023, Ofcom consulted on an approach that would allow both Wi-Fi and mobile services to share spectrum in the upper 6GHz band, known as "hybrid sharing".

Ofcom has now [published](#) its vision for the future of the Upper 6 GHz band. While Ofcom has stated that it is too early to identify a preferred approach, it has outlined two possible solutions that could form part of a sharing framework:

1. **Variable spectrum split:** both Wi-Fi and mobile would be able to use any part of the band where the other is not deployed, but have sections of it they are prioritised in. This could be done by each technology transmitting a specific signal so they can sense and avoid each other.
2. **Indoor/outdoor split:** the band could be managed to prioritise the indoor use of Wi-Fi while also prioritising mobile use outdoors.

Ofcom has stated that the most important factors in making its decision will be:

- achieving the greatest overall consumer benefits;
- being commercially attractive; and
- coexisting with current users of the spectrum.

Factors that Ofcom said are highly desirable to achieve are:

- a phased approach to sharing; and
- flexibility to recognise national and local priorities.

Ofcom will be setting out further details next year on how it intends to make the upper 6GHz band available in the UK.

Telecoms



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