

# Regulatory Outlook: Summer calls to action

## Advertising and marketing

Although there was no mention of any advertising or marketing bill in the King's Speech, that does not necessarily mean that no legislation will be forthcoming during this parliament. The King's Speech essentially outlines the government's priorities; it neither obliges the government to introduce all the bills covered nor prevents the government from introducing additional bills. The fact that the King mentioned legislating to restrict the advertising of junk food to children along with the sale of high caffeine energy drinks is indicative of a government that does intend to bring forward appropriate legislation during this parliament. It may simply be a question of the draft legislation not being ready just yet. It is certainly one to look out for.

## Artificial Intelligence

With the EU AI Act becoming law on 1 August, the implementation timetable is now fixed. Businesses only have until 2 February 2025 to ensure they comply with the ban on prohibited AI practices and one year to prepare for compliance with the general-purpose AI regime. As for the UK, there is no sign of any regulation being brought forward yet, but there are indications that the new Labour government may bring forward legislation to put the AI Safety Institute onto a statutory footing sooner rather than later, despite there being no mention of this in the King's Speech. There is also the prospect of a new consultation on various aspects of AI to look out for.

## Bribery, fraud and anti-money laundering

A reminder that anti-money laundering compliance is an ongoing process, and it is important to stay vigilant of the evolving approaches of regulators. The current trends in AML compliance are discussed in our [Insight](#) for financial services firms. Firms should also take note of our [Insight](#) on a recent Court of Appeal judgment involving money laundering in international supply chains.

The general election has delayed the implementation of the new failure to prevent fraud offences introduced in the Economic Crime and Corporate Transparency Act 2023 (see our previous [Regulatory Outlook](#)). It is possible that the prescribed statutory guidance will be published before Parliament adjourns for summer recess, but we now anticipate that there may be a longer implementation period, in which case the offence may be unlikely to take effect before the summer of 2025. We will provide updates as soon as further information is known.

The extension of the senior managers regime to attribute corporate criminal liability to all crimes has been similarly delayed after the Criminal Justice Bill failed to make it through the wash-up period. However, we anticipate that the expansion of the senior managers regime to include all crimes is likely to be included in a future bill.

## Competition

Businesses should be monitoring the implementation of the [UK Digital Markets Competition and Consumers Act](#) both in relation to digital markets and competition. The Competition and Markets Authority is currently consulting on a number of aspects of the digital market's regime and it is vital that businesses are up-to-date with the impact this may have on them as well as changes brought about by alterations to competition law more generally.

## Consumer law

The area of consumer law that businesses should be keeping a close eye on is the implementation of the [Digital Markets, Competition and Consumer Act](#) (DMCCA). At the time of writing, there has been no information from the new government as to when (if) it intends to introduce the secondary legislation necessary to bring the new Act into effect. The CMA will also be introducing new guidance, but again there is no information on timings yet. Businesses that offer subscription contracts to consumers or that allow consumer reviews on their websites need to start preparing now, as the new legislation introduces new regimes for both these areas. In fact, all consumer-facing businesses should be preparing, since the DMCCA also gives the CMA stronger powers to enforce consumer law, including the imposition of significant monetary penalties based on global group turnover.

## Cyber security

With the deadline for EU Member States to transpose the NIS 2 security requirements into national law fast approaching, it is important for organisations to ensure they have in place comprehensive security measures to protect their critical systems and services. Fines for non-compliance for essential entities can reach up to €10 million or 2% of the organisation's global annual turnover, whichever is greater, with fines of up to 1.4% of global annual turnover or €7 million for important entities. The directive also imposes obligations and liability on management bodies to approve and supervise implementation of the cyber security risk management measures.

## Data law

Data-oriented businesses and enterprises developing new and innovative products will be encouraged by the mention of a new Digital Information and Smart Data bill in the King's Speech and the potential for the setting up of smart data schemes. Although the priorities set out in the King's Speech do not represent actions that the government is obliged to take during the next Parliament, businesses should keep an eye out for any announcement of a publication date for the draft bill. Once published, it will need careful scrutiny to understand its full implications, not only in respect of smart data and digital identity verification, but also in relation to the "targeted" reforms to some data laws that the government mentioned, as these have the potential to affect businesses across the board. At the moment, it is unclear what the new Labour government means by "targeted" reforms as there was no mention of them in Labour's manifesto. In any event the devil will, as always, be in the detail. Businesses should be aware, however, that if there is nothing too controversial included that warrants lengthy debate, the new legislation could proceed through to enactment relatively quickly.

## Employment, contingent workforce and immigration

With Labour elected as the new government, it is anticipated it will soon start working on plans for introducing the proposals set out in its "[New Deal for Working People](#)". Proposals within the plan include: [the right to predictable hours](#); [a further crackdown on "dodgy" umbrella arrangements and increased IR35 enforcement](#); [a more powerful enforcement body](#); and [new "day one" rights for workers including agency workers](#). Businesses should start preparing now for these changes including staffing companies and platforms educating users about the new rights to predictable hours and platforms tightening commercial models for worker checks, payment roles, and charges, and consider restructuring to remain competitive and compliant. See more on in our [Insight](#).

## Environment

Defra has revealed five main policy priorities under the new Labour government. The Secretary of State for Environment, Food & Rural Affairs, Steve Reed, [announced on X](#) that his core priorities will be: cleaning up British waterways, creating a roadmap to a zero-waste economy, boosting Britain's food security, ensuring nature's recovery and protecting communities from flooding. Make sure to keep an eye out for further publications from Defra and the Environment Secretary to stay up to date with the government's plans and actions for the environment and nature.

## ESG

The first reporting requirements under the Corporate Sustainability Reporting Directive are due in 2025. EU public interest entities already subject to the existing reporting requirements under the Non-Financial Reporting Directive need to begin reporting from 2025 for financial years starting on or after 1 January 2024. Those businesses that fall within this scope should be collecting and preparing the relevant information ready to meet this first deadline.

## Fintech, digital assets, payments and consumer credit

Firms operating in the areas of digital wallets or payment service providers (PSPs) should look to the Payment Systems Regulator's consultation on [draft guidance](#) which aims to help PSPs in their assessment of whether an APP claim made by a consumer is a private civil dispute and therefore not reimbursable under the reimbursement requirement.

The deadline for comments on the draft guidance is 8 August 2024, so firms operating in this space should consider providing feedback. The PSR expects to publish the final guidance in mid-September 2024.

## Food law

The government announced in the King's Speech 2024 that it plans to implement restrictions on the advertising of high fat, salt and sugar (HFSS) products as well as ending the sale of high caffeine energy drinks to under 16s. In

light of this, businesses should keep abreast of the impending developments and whether any consultations are published on these changes which they can respond to.

## Health and safety

Look ahead at safety objectives for the year and plan in an independent Directors Duties training session for your senior leadership team in the next half of the year. Our team is regularly delivering these sessions with fantastic feedback. Done that recently? Think about other senior leadership updates that would be helpful to get in the calendar, with the help of your Co Sec – we are regularly being asked to help with crisis response and H&S case updates to keep the topic on the board agenda.

## Modern slavery

It is worth considering the deadline that your modern slavery statement will be due for publication, and keeping this annual obligation in mind. Statutory guidance provides that statements should be published as soon as possible, and within six months of an organisation's financial year end.

## Products

The EU General Product Safety Regulation (GPSR) comes into force on 13 December 2024. This new regulation modernises the EU's overarching framework to ensure the safety of consumer products and will require all business to meet new responsibilities, impacts how products are manufactured and sold to consumers.

Every business associated with supplying or selling products in the EU will be affected and should be starting to prepare for these changes. To help you prepare, we have this month launched our dedicated [microsite](#) which will provide you with a series of helpful resources over the coming months.

## Regulated procurement

The new procurement regime comes into force on 28 October 2024, meaning both suppliers and authorities should be preparing themselves now for changes being introduced by the Procurement Act 2023. To help get your house in order ahead of the go live date, we have published further resources on our [microsite](#) providing you with practical actions to help you prepare.

## Sanctions

With the global landscape of sanctions regulations constantly evolving, it is crucial to regularly review the latest guidance from government departments such as OFSI and the Home Office. Our experts provide a helpful recap on how the UK sanctions regime against Russia has developed since the invasion of Ukraine in this [video](#).

## Telecoms

**Telecoms Security Act preparation:** The first implementation date for Tier 2 Providers (those with relevant revenue of £50million or more) is fast approaching (31 March 2025).

### Providers should:

- Start conducting due diligence exercises to understand more about their third party suppliers: the contracts they have in place with suppliers; look at where geographically suppliers are located, and whether their core operations are located outside of the UK; and what the realistic fallbacks are in the event of a security incident (for example, break clauses, indemnities, step-in rights, replacement suppliers)?
- Determine their dependency on a particular supplier. If the replacement of equipment from a supplier will be difficult or expensive to replace, providers may be creating a long-term reliance on the supplier to ensure their own network stays secure. Providers should ensure that the amount of equipment procured from an individual supplier is kept to an acceptable level in order to minimise the associated risks of over-dependence.

### Suppliers of telecoms providers caught by the Act should:

- Consider how the regulations actually affect them and their customers (that is, the regulated providers). If they have come to the conclusion that they do not directly affect them, the regulations may still be impacting their customers, so they will need to have an idea of the relevant requirements under the law.

- Begin conversations and gain an understanding of their customers' expectations and plans in relation to compliance with the law. Once a customer approach has been set out, suppliers will be in a better position to conduct an impact analysis, including the finances involved in compliance.
- Provide support to their account managers on how to have the right conversations with customers and provide internal training on the operational measures that will have to be put in place.

