

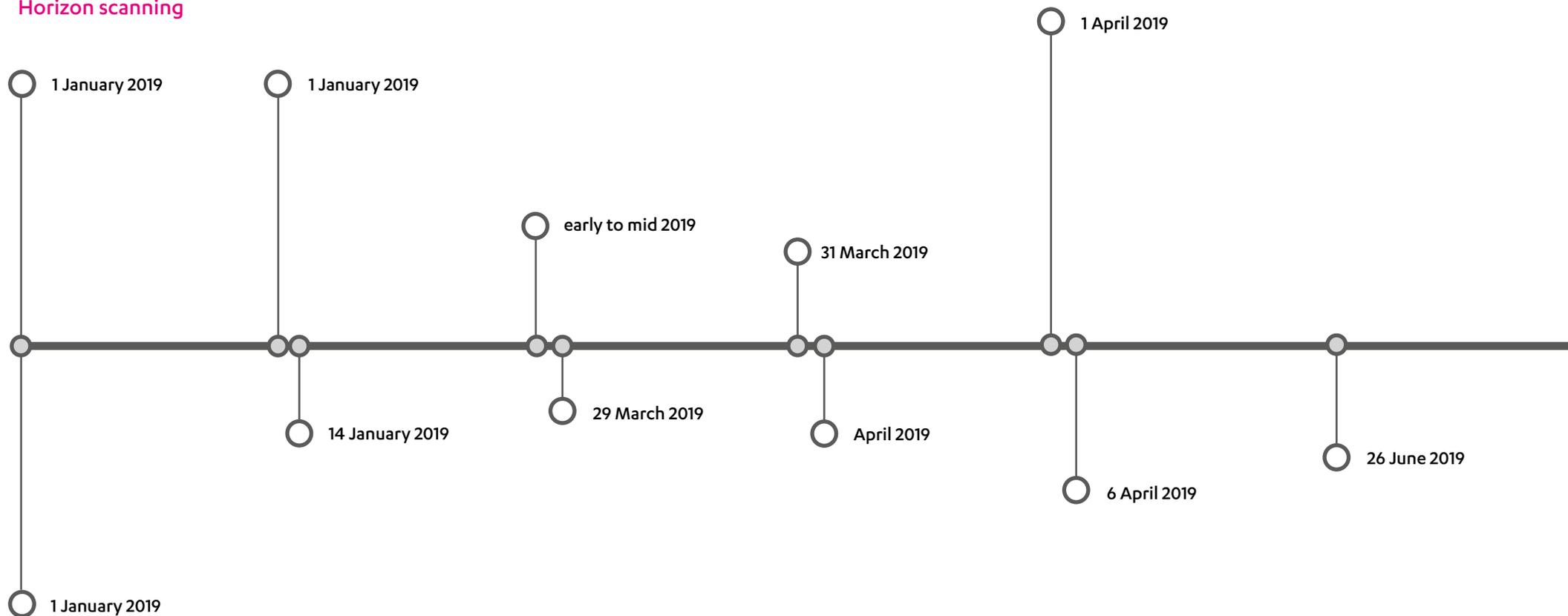


Retail Compass is designed by RPC's Retail Group to help steer you through key legal and policy changes over the next six months affecting businesses operating in the retail sector. It also reflects on recent events and how these are shaping the current retail landscape.

Retail Compass addresses six primary areas of relevance to retailers, namely: **Commercial** | **Data Protection** | **Corporate** | **Employment** | **Real Estate** | **Tax**

We focus on the UK but we have also flagged some notable international developments in: **Hong Kong** | **China** | **USA** | **Australia**

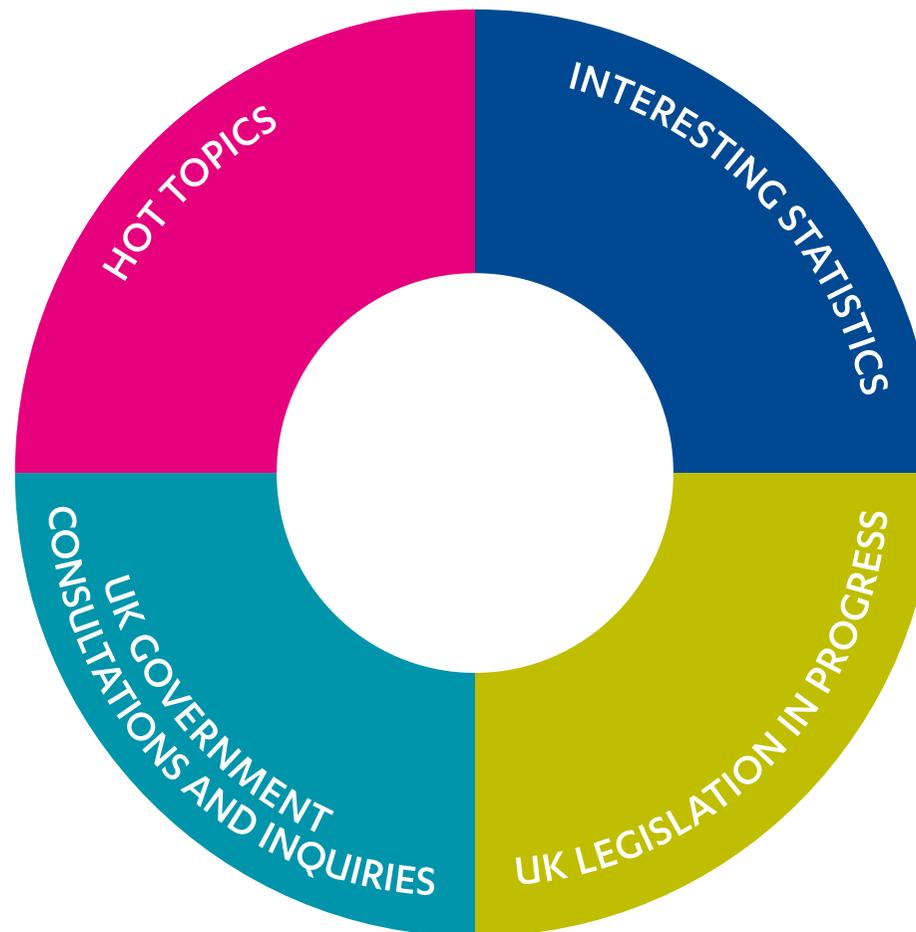
Horizon scanning





Other content

Please click on the icons below to view recent newsworthy items, key statistics and a glimpse at ongoing and future legislative and parliamentary committee work of relevance to the retail sector



1 January 2019

New Corporate Governance Code and Revised Guidance on Board Effectiveness in force

What is happening?

The new Corporate Governance Code (the Code) and the revised Guidance on Board Effectiveness have been published.

The Code applies to all companies with a premium listing, whether or not these are incorporated in the UK in respect of accounting periods beginning on or after 1 January 2019.

There are five sections:

1. board leadership and company purpose
2. division of responsibilities
3. composition, succession and evaluation
4. audit, risk and internal control, and
5. remuneration.



Why does it matter?

The Code particularly engages with the following matters:

- shareholder and wider stakeholder engagement
- creation of a corporate culture with an aligned purpose, strategy and values
- workforce policies which support long-term sustainable success
- consideration of regular refreshment of boards of directors, and
- proportionate remuneration.

The Code has been substantially re-written and focus has been placed on reporting on the application of the Code principles rather than “box-ticking” as a means of effecting governance. The Code also follows a different structure to previous codes. For example, there are no longer “supporting principles”. The matters which were previously supporting principles have now either become principles or provisions or have been included in the Guidance on Board Effectiveness.

The Code does continue to adopt a “comply or explain” approach. Key changes for accounting periods from 1 January 2019 onwards include reporting on:

- how the board has set purpose and strategy, met objectives and achieved outcomes
- how the board has engaged with shareholders and other stakeholders in fulfilling its duties and considering the factors under s.172 Companies Act 2006 (see [here](#))
- how the board has taken account of the wider views of the workforce through a designated non-executive director, workforce-appointed director, formal advisory panel or similar

However, companies should be aware that they will be required to publicly address any significant shareholder dissent (a vote of more than 20% against a board proposed resolution or a withdrawn resolution) before then.

Smaller companies should also be aware that the old code included certain exemptions or relaxations for companies which were below the FTSE 350 in the prior year. These exemptions and relaxations have been reviewed and, in some cases, removed.

What action should you take?

As some of the Code provisions (such as taking account of the views of the workforce) may require a change in approach and potential cultural changes, we expect many companies to elect to start to implement their Code changes early.

Review the Code and the (useful) Guidance on Board Effectiveness with a view to putting in place practices and procedures to ensure and facilitate compliance with the new reporting requirements (particularly if you are a smaller premium listed company and previously benefitted from exemptions/relaxations).

Be aware of the need to address significant shareholder dissent if it arises.

If you would like any assistance, please contact [Karen Hendy](#) or your usual RPC contact.

1 January 2019

Business Contract Terms (Assignment of Receivables) Regulations 2018 in force

What is happening?

Applying to certain contracts created after 31 December 2018, the effect of the Business Contract Terms (Assignment of Receivables) Regulations 2018 (the Regulations) is that parties will no longer be able to prohibit the assignment of receivables in the UK.

These provisions are aimed at improving access to invoice financing for small and medium-sized enterprises (SMEs). The government speculates that this will provide a £1bn, long-term, boost to the economy.



Why does it matter?

Invoice financing allows businesses to assign their right to be paid by a customer (known as “receivables”) to a finance provider. In return the finance provider provides the business with up-front funds. Prior to 1 January 2019, smaller businesses would usually be forced to engage with larger businesses on their standard terms, which often contained non-assignment clauses. Therefore, smaller businesses were previously restricted from engaging with invoice financing opportunities. Under the Regulations, non-assignment clauses are void and unenforceable.

The Regulations apply to contracts for the supply of goods, services or intangible assets where the supplier has the right to be paid under the contract. They will not apply retrospectively (except where a contract has been extensively amended). Therefore, most retailers only need to consider new contracts entered into after 31 December 2018.

However, there are a number of exceptions, which retailers should be aware of, including:

- the Regulations do not apply if the supplier assigning is not an SME, but is a large enterprise or part of a large group
- contracts “for, or entered into in connection with, prescribed financial services” are excluded
- contracts for certain commodities, project finance, energy, land, share purchase and business purchase contracts and operating leases are excluded.

As a general rule, the Regulations only apply to contracts governed by English law but they prevent parties using a foreign law to evade the Regulations.

What action should you take?

When negotiating new contracts, note that any non-assignment of receivable clauses included in supply contracts (not subject to one of the exceptions) will be automatically void.

If you would like any assistance, please contact [Paul Joukador](#) or your usual RPC contact.

1 January 2019

New Accounting standards for leases introduced

What is happening?

The International Accounting Standard Board (IASB) has introduced a new lease accounting standard, IFRS 16. It will be effective for annual reporting periods beginning on or after 1 January 2019.

IFRS 16's objective is to promote reporting that accurately represents the amount, timing and cash flows arising from leases.



Why does it matter?

IFRS 16 introduces the following changes:

- It eliminates the distinction between “operating” and “finance” leases by requiring all leases to be recorded on the balance sheet as assets and liabilities (subject to limited exemptions).
- Two exemptions are recognised (and are dealt with using a simplified approach). Firstly, you do not have to report assets and liabilities for leases where the underlying asset is of “low value”. Secondly, you do not have to report leases where the term is for 12 months or less.
- All lessors will be required to disclose additional information about their leasing activities, in particular surrounding their exposure to residual value risk (ie the possibility that a lease can only be re-leased at a price below the asset's residual value).
- All leases reported on the balance sheet will have to be accounted for with a separate presentation of depreciation and interest.
- “Variable” and “optional” lease payments are simplified. Inflation-linked payments are included in calculating assets and liabilities, but variable payments linked to sales or usage are not. Furthermore, optional payments are only included when it is reasonably certain that the lessee will extend the lease beyond the cancellation period.

What action should you take?

Companies should obtain advice on how this may affect any financial covenants contained in existing facility agreements (and other finance documents). These changes may not change the company's ability to comply with their existing agreements but it may create an administrative burden if they are required to adjust their accounts to reflect previous accounting standards.

If you would like any assistance, please contact [Elizabeth Alibhai](#) or your usual RPC contact.

1 January 2019

Companies (Miscellaneous Reporting) Regulations 2018 in force

What is happening?

The Companies (Miscellaneous Reporting) Regulations 2018 (the Regulations) will come into force on 1 January 2019. The Regulations introduce new reporting requirements, including requirements for companies to declare their corporate governance arrangements and to report on how directors have considered the factors listed in s172(1)(a)-(f) of the Companies Act 2006.



Why does it matter?

(i) S172 Companies Act 2006

Companies which are obliged to prepare strategic reports (not including medium-sized companies) must include a statement to describe how their directors have had regard to the factors in s172(1)(a)-(f) of the Companies Act 2006 in the relevant financial year. Under the new Regulations, both quoted and unquoted companies are also required to make this statement available on a website.

(ii) Corporate Governance Code

Very large companies must provide a statement to say which, if any, corporate governance code they applied in the relevant financial year. This requirement does not extend to companies which are already required to provide a corporate governance statement, charitable companies or Community Interest Companies. The statement must explain how the code was applied, or if the code was departed from, how and why this was the case. If no code was applied, this fact must be stated and an explanation of the alternate corporate governance arrangements must be provided.

(iii) Engagement with stakeholders

Large companies (both quoted and unquoted) must report on the company's engagement with customers, suppliers and others in a business relationship with the company during the financial year. This does not apply to companies that satisfied two or more of the following requirements in the relevant financial year: turnover of not more than £36m; balance sheet assets of not more than £18m; and/or not more than 250 employees.

What action should you take?

Review the Regulations and identify those which may affect your business.

Where necessary, seek guidance on the extent to which the Regulations will apply to your company and the means by which they should be implemented.

Put in place practices and procedures to ensure and facilitate compliance with the new requirements.

If you would like any assistance, please contact [Christopher Newsholme](#) or your usual RPC contact.

1 January 2019

Annual Investment Allowance temporary increase from £200,000 to £1m

What is happening?

For two years, the Annual Investment Allowance (AIA) will be temporarily increased from £200,000 to £1m, the highest the AIA has ever been. Announced in the 2018 Autumn Budget (the Budget), this measure is designed to stimulate short-term business investment in the economy.

Enhanced Capital Allowances (ECA) were announced in the Budget as due to be scrapped from 6 April 2020. Therefore, after this point, businesses will no longer be able to take advantage of tax reliefs when investing in plant and machinery contained in the government-managed Energy Technology List (ETL).



Why does it matter?

Between 1 January 2019 and 31 December 2021, businesses can invest up to £1m annually in qualifying “plant and machinery” assets and obtain 100% tax relief.

Plant or machinery is widely defined, it includes (but it is not limited to) the following:

- computers, office furniture and equipment
- machines and tools, vans, lorries and diggers
- expenditure on altering land (as clarified in the Budget, expenditure spent on altering land will be treated as qualifying plant and machinery, so long as the alterations were for the purpose of installing qualifying plant and machinery).

Also, due to the discontinuance of the ECA scheme, businesses will no longer be able to claim for 100% tax relief on energy-efficient plant and machinery listed in the ETL (such as boilers, heating, ventilation and air conditioning, lighting, refrigeration equipment and solar thermal systems).

What action should you take?

If you are a business wanting to make any AIA-qualifying investments, take advantage of this opportunity to be as tax efficient as possible. Eligibility for the increased AIA hinges on when costs are incurred. You can only claim in the period you bought the item, therefore careful thought is needed in timing expenditure.

If your business’ accounting period straddles 1 January 2019, then your capital allowances may be subject to more complex calculations to apportion your qualifying expenditure.

If you are preparing to invest in energy-efficient plant and machinery you should check that it falls within the ETL specifications and take advantage of the ECA tax relief before the end of the 2019/20 tax year.

If you would like any assistance, please contact [Adam Craggs](#) or your usual RPC contact.

1 January 2019

New VAT rules for the supply of digital services

What is happening?

Following HMRC's policy paper: VAT Changes to the Supply of digital services 2019 (published on 11 September 2018, see [here](#)), new rules are expected in relation to the rules for businesses making sales of digital services to consumers across the EU.



Why does it matter?

The changes are relevant to users, or prospective users, of the UK VAT Mini One Stop Shop (MOSS) and non-UK businesses who sell digital services to the UK and EU customers. The draft legislation seeks to make two changes:

- the introduction of a €10,000 threshold for total supplies to the EU in a year of sales of digital services which will mean that where relevant sales across the EU in a year fall below the threshold, businesses will only be subject to the VAT rules of their home country. Where the total taxable turnover is below the UK VAT registration threshold, the business will be able to de-register for VAT, and
- the opening of the MOSS scheme to non-EU businesses registered for VAT for other purposes, to account for VAT on sales of digital services to consumers in EU member states.

What action should you take?

Companies should check whether they will be subject to the changes identified in HMRC's policy paper and non-EU businesses will need to be aware of potential changes to their VAT returns upon entering into the MOSS scheme.

Taxpayers that do not exceed this new calendar year threshold need not register for the MOSS scheme.

If you would like any assistance, please contact [Robert Waterson](#) or your usual RPC contact.

1 January 2019

California leads the way with the California Consumer Privacy Act 2018 (USA)

What is happening?

All businesses that serve California-based consumers and either:

- have \$25m (or equivalent) in annual revenue, or
- hold data on at least 50,000 people, or
- collect more than 50% of their revenues from the sale of personal data

will need to comply with the California Consumer Privacy Act 2018 (the CCPA).

The CCPA comes into force on 1 January 2020, but from 1 January 2019 consumers may start requesting personal data under it.



Why does it matter?

Consumers in California will be empowered with certain rights regarding their data. Retailers should be aware of the key consumer rights included in the CCPA:

- **right to know/access** – businesses will need to comply with disclosure requests for information covering a 12-month period
- **right to opt-out** – consumers in certain circumstances will have a right to opt-out of the sale of their information
- **right to deletion** – consumers have the right to request that any personal information is deleted
- **right to equal service** – businesses are prohibited from discriminating against a consumer for exercising any rights under the CCPA
- **reasonable security** – retailers must implement reasonable security measures to protect against data breaches.

NOTE: The CCPA provides individuals with the ability to recover statutory damages ranging from \$100-\$750 per consumer per incident for data breaches.

In the medium to long term, there is likely to be wider regulatory change in the USA. Reflecting the EU's General Data Protection Regulation (GDPR), the introduction of the CCPA is a milestone in modernising the data privacy regime in the USA. Following the CCPA, two outcomes are widely speculated:

- the CCPA is still being fine-tuned by the state and there has already been one round of revisions. Other states will follow California and adopt similar GDPR-like approaches, or
- a federal-level data privacy framework will be enacted.

Either way, it is certain that we will see more a consumer-focused data privacy framework across the USA.

What action should you take?

Some retailers may be compliant with the CCPA already, by virtue of the GDPR. However, if not and your business activities fall within the scope of the CCPA you should:

- ensure you have sufficient data management systems in place to deal with disclosure requests
- review existing agreements with service providers to identify and resolve any potential gaps
- keep a close eye on state and federal-level developments to be aware of further data privacy developments more widely in the USA.

If you would like any assistance, please contact [Samantha Hardy](#) from Sheppard Mullin (a member of the TerraLex network) or your usual RPC contact.

1 January 2019

Amendments to the Therapeutic Goods Advertising Code (Australia)

What is happening?

On 1 January 2019, the Therapeutic Goods Advertising Code 2018 (2018 Code) will replace the 2015 Code.

The 2018 Code sets out the minimum requirements that advertisers must follow when promoting therapeutic goods to consumers. In essence, it aims to ensure the quality use of therapeutic goods and acts against advertising that misleads or deceives consumers.



Why does it matter?

Therapeutic goods include items such as medicines, first aid materials, vitamins, supplements and medical testing kits (including pregnancy tests). The 2018 Code introduces a number of changes, many of which are relevant to certain retailers, including:

- the term “advertise” will include any material intended to promote the use or supply of the goods (extending to indirect promotion, packaging, labelling and complementary information supplied)
- the content of advertisements when offering goods that are not available for physical inspection before purchase (ie online sales)
- disclosure is required for testimonials where any valuable consideration has been provided to the person giving the testimonial, or where the person is a relative/associate of an individual involved with the production/sale/supply of those goods
- advertising cannot be primarily directed to children under the age of 12 years
- health warnings/instructions must be included on the labels of goods that may lead to death, hospitalisation, or treatment by a medical practitioner for injury, disability, incapacity or impairment.

Failure to comply with the 2018 Code could result in action by the Therapeutic Goods Administration and range from an “educational” letter to criminal prosecution and/or civil action for persistent/flagrant breaches.

What action should you take?

If marketing therapeutic goods in Australia:

- become familiar with the 2018 Code and make any adjustments to existing advertisements, including those appearing online
- seek advice to clarify your obligations and to see whether you are in breach of the 2018 Code.

If you would like any assistance, please contact [Daniel Proietto](#) from Lander & Rogers (a member of the TerraLex network) or your usual RPC contact.

1 January 2019

New e-commerce law in force (China)

What is happening?

In recent years, China's e-commerce market has boomed and is now the world's largest.

In recognition of this, China is set to introduce its first comprehensive legislative framework governing e-commerce activities.



Why does it matter?

The new e-commerce law has several highlights to protect brand owners and consumers. The key changes affecting retailers include:

IP protection

- All e-commerce businesses will be required to register with an official body to obtain a business licence, except for individuals selling self-produced agricultural products, home-made handicrafts etc.
- E-commerce platforms will be held jointly responsible with merchants if they know or should know counterfeit items are sold. If the e-commerce platform operator fails to act on a report of counterfeit violations, they will face penalties of up to 2,000,000 RMB.
- The new law provides for a "notice and take down – counter notice and recovery" procedure. It is worth noting that upon receiving the counter notice, the rights owner shall lodge a complaint or file a lawsuit within 15 days. Otherwise, the platform operator will promptly terminate all measures it has adopted.

Unfair competition

- All operators online and offline will have fair competition obligations.

Reinforced consumer rights

- E-commerce operators will be banned from fabricating sales statistics and posting false user reviews and/or deleting genuine reviews. Also merchants must clearly disclose any unfair conditions they place on sales and cannot simply assume consumers' consent.

What action should you take?

- Seek advice on the effect of the changes on any of your e-commerce activities in China
- Register to obtain a business licence
- Take steps to ensure compliance with these new laws. Particular attention should be paid to brand protection, unfair competition and reinforced consumer rights.

If you would like any assistance, please contact [Michael Liu](#) from Hylands Law Firm (a member of the TerraLex network) or your usual RPC contact.

14 January 2019

New Trade Mark Regulations in force

What is happening?

Implementing the Trade Marks Directive (EU), the Trade Mark Regulations 2018 (the Regulations) will come into force on 14 January 2019.

The Regulations make amendments to the Trade Marks Act 1994 to ensure the UK's trade mark registration systems remain effective as technology develops and seeks to ensure consistency in the approach to trade mark protection across Europe.

These changes are already in effect for EU trade marks, as the EU Trade Mark Regulation was amended in 2017. The Regulations therefore bring UK legislation in line with European legislation.



Why does it matter?

The key changes affecting retailers include:

- definition of "trade mark" is amended to remove the requirement that it must be capable of being represented graphically (sounds, colours and smells may be registrable)
- counterfeiting related infringing activities are extended to preparatory acts (eg packaging, labels, tags or other authenticity features)
- counterfeit goods can now be stopped at UK borders, even if they are not intended for an EU market. Previously only goods placed into circulation in the EU could be detained, but this now also applies to goods in transit outside the EU
- during trade mark infringement proceedings it is now possible for the defendant to request proof of use of the trade mark without bringing a separate revocation action. If no proof is provided the infringement action will be dismissed
- businesses will no longer be able to rely on the "own name" defence and escape trade mark infringement liability where the trade mark asserted is a word matching their name
- comparative advertising referencing a registered trade mark is now considered an infringing act if the advertising is contrary to the Business Protection from the Misleading Marketing Regulations 2008.

What action should you take?

Review whether key aspects of your products or services, such as sounds and colours, could be registered as trade marks to give wider protection.

Put in place robust strategies to prevent the transit of counterfeit goods by working with customs officials to seize any potentially infringing goods at the UK border, irrespective of their ultimate destination. This includes any components for the making of the counterfeit goods, including labels, tags and packaging.

If you would like any assistance, please contact [Ben Mark](#) or your usual RPC contact.

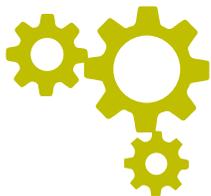


Early to mid 2019

Government formally to respond to the National Infrastructure Assessment

What is happening?

Between January and July 2019, the government will respond to the National Infrastructure Assessment (NIA) prepared by the National Infrastructure Commission (the Commission) and set out the recommendations which are to be taken forward.



Why does it matter?

One of the focuses in the NIA was on how we can recycle more and incinerate less. The Commission set out a number of recommendations to help achieve this:

- clear two symbol labelling (recyclable or not recyclable) on packaging across the UK by 2022
- restrictions on the use of hard-to-recycle plastic packaging (such as PVC and polystyrene) by 2025
- incentives to reduce packaging and for product design that is more easily recyclable by 2022
- a common data reporting framework for businesses handling commercial and industrial waste by the end of 2019, ideally through voluntary reporting but if necessary by legislation.

If these recommendations are endorsed by the government, they will have a major impact on how businesses package their products.

What action should you take?

- Keep your eyes open for the government's response to the Commission's proposals
- When published, consider how the recommendations (if endorsed) may impact the packaging used by your company in the coming years.

If you would like any assistance, please contact [Jamie Key](#) or your usual RPC contact.

29 March 2019

Brexit

What is happening?

On 29 March 2019 the United Kingdom is set to leave the European Union after the referendum in 2016.

The ultimate relationship between the UK and the EU is still being negotiated, and will inevitably change the impact it will have on both retailers and the wider business landscape.

Even in the absence of a concrete agreement, there are certain areas that will undoubtedly impact retailers, among many other topics, particularly relating to the movement of goods.



Why does it matter?

Supply chains

Depending on the agreement struck between the parties (if any), there will be varying degrees of delays at the UK border. This will impact deliveries to locations and/or consumers, and will be a big risk for the delivery of any perishable goods. Retailers will also have to consider the allocation of risk when it comes to delays or the spoiling of goods and whether the company or its suppliers are liable for any additional costs.

Tariffs could also be introduced when importing goods to and from the EU, and delays will impact logistics costs. Inevitable fluctuations in exchange rates will also have potentially adverse effects on the cost of goods and their subsequent sale price.

Customs

Should the UK fully leave the EU Customs Union, goods that move across the border will have to go through the customs control process, including filing of the necessary paperwork.

Additionally, any goods entering the EU and then the UK would potentially be subject to fees and taxes at both borders, including duties and import VAT, which prior to this would only be payable when the goods entered the EU.

What action should you take?

- Continue to audit your supply chains and the risks associated with them. This includes the routes goods take, and any contractual relationships that underpin them
- Prepare strategies to mitigate any delays and/or fines, working with HMRC and register the company as an "Authorised Economic Operator" to benefit from quicker processing times
- Set up accounts and administrative processes that allow for the efficient processing of VAT and other customs costs with HMRC, and requisite paperwork for both imports and exports.

If you would like any assistance, please contact [Ciara Cullen](#) or your usual RPC contact.

31 March 2019

Modern Slavery Act Review and Modern Slavery Database

What is happening?

The government is conducting an independent review of the Modern Slavery Act 2015 (MSA) and is also introducing a Modern Slavery Database (MSD).



Why does it matter?

After three years of the MSA being in force, the independent review will focus on the operation and effectiveness (and any potential improvements to) of the MSA. Findings of the review are set to be published in March 2019.

The Home Office has also requested that relevant companies register for a MSD, and publish up-to-date statements by 31 March 2019, following which the government plans to publish a list of non-compliant businesses.

What action should you take?

Your company should consider signing up to the MSD if they have not done so, though strictly speaking there is no legal requirement (yet) to do so under the MSA.

By 31 March 2019, you should also ensure that your company's statements are up-to-date and fulfil the requirements set under the MSA (c. 40% of all companies reaching the turnover threshold have not yet done so). Whilst the 31 March 2019 deadline might not align with any legal deadline under the MSA, companies should consider publishing their statement early to avoid potential reputational issues associated with appearing on a list of non-compliant businesses.

If you would like any assistance, please contact [Amelia Cave](#) or your usual RPC contact.

April 2019

New National Minimum Wage expected

What is happening?

National Minimum Wage (NMW) rates are expected to increase as of April 2019.



Why does it matter?

The 2018 Autumn Budget included the NMW rates put forward by the Low Pay Commission (LPC). As a result, the National Living Wage (applicable for workers aged 25 and over) will increase by 4.9% from £7.83 to £8.21 with effect from April 2019. NMW rates for workers under 25 will increase above inflation and average earnings.

The NMW increases are smaller than those recommended by the LPC in last year's report. This is due to the comparatively weaker labour market conditions for young people over the past year. However, the April 2019 increases will still be some of the highest on record.

Obviously, increased NMW means higher costs of production for businesses. However, a less obvious outcome we anticipate is a likely increase in wages of more qualified workers in order to maintain wage differentials.

What action should you take?

Ensure that there is a plan in place for how best to deal with the higher costs of production.

If you would like any assistance, please contact [Patrick Brodie](#) or your usual RPC contact.

1 April 2019

New Carbon Reporting Regulations in force

What is happening?

As of 1 April 2019, the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme will be abolished and replaced by the Streamlined Energy and Carbon Reporting (SECR) Regulations.



Why does it matter?

Environmental, sustainability and social issues are becoming ever more pressing for retailers in the wake of recent government consultations/inquiries. Retailers in the fashion industry known for “Fast Fashion” are particularly under the spotlight. For example, the investigations of the Environmental Audit Committee (EAC) in relation to Sustainability of the Fashion Industry launched in June 2018. In November 2018, online retailers including Asos, Boohoo and Missguided appeared before the EAC to give evidence as a part of this.

Pressure is greater than ever to improve efficiency and reduce social environmental impacts related to over-production and consumption. This includes greater verification to ensure fair wages within UK and global supply chains. Product care (including the issue of micro-fibre release), recycling and disposal are also key areas. Retailers are being urged to increase consumer awareness and engagement and lead the way to encourage circular consumption.

Carbon reporting is closely connected to the above. Under the SECR Regulations, reporting obligations are expected to grow to require businesses to disclose various details in their directors’ reports, including:

- annual quantity of energy consumed
- measures deployed to increase energy efficiency
- various emissions reports.

Exemptions to the above will apply where:

- annual energy consumption is less than 40,000kWh for the year
- it would be “seriously prejudicial” to disclose the information, or
- if a subsidiary, the information is in the parent company’s report.

Failure to comply with the SECR Regulations will be an offence. Further guidance on reporting and monitoring is expected in January 2019.

What action should you take?

- Consider existing and potential new sustainability initiatives and how consumer engagement in these can be increased
- Be ready to improve carbon and energy reporting under the SECR Regulations and consider obtaining advice on how to practically measure and capture required information
- Check if any exemption will still apply once the SECR Regulations are in force.
- Keep an eye out for further updates on compliance with the SECR Regulations.

If you would like any assistance, please contact [Jeremy Drew](#) or your usual RPC contact.

1 April 2019

New requirements to manage VAT accounting records and returns

What is happening?

On 1 April 2019, the Value Added Tax (Amendment) Regulations 2018 (the Regulations) come into force imposing new requirements on VAT-registered businesses to manage their VAT accounting records and returns digitally. The Regulations take effect for taxpayers from the start of their first prescribed accounting period beginning on or after 1 April 2019.



Why does it matter?

VAT is the first tax to go digital with other taxes following in 2020. The Regulations provide for a “soft landing” in the first year of Making Tax Digital (MTD) whereby the “copy and paste” function into the HMRC portal may still be used for VAT return submissions.

The Regulations provide that VAT registered businesses whose taxable turnover exceeds the VAT registration threshold (£85,000) must ensure they use software to:

- keep and preserve their VAT accounting records in a digital format, and
- use these digital records to electronically submit their VAT returns.

Businesses in the scope of the Regulations will now be required to maintain digital records using “functionally compatible software” which is capable of connecting to HMRC’s platform. Businesses must source and use software which is able to:

- create a VAT return from the digital records
- provide HMRC with this information digitally
- keep the required records in a digital form (preserving these for up to six years)
- provide HMRC with additional data on a voluntary basis, and
- receive information from HMRC about the business’ compliance record.

HMRC will not be supplying the software but does provide a list of approved software suppliers.

The following exemptions apply to the MTD obligations:

- religious beliefs that are incompatible with the use of electronic communications
- where it is not reasonably practical due to age, disability, remoteness of location or other reason
- the business or person is subject to an insolvency procedure, and
- the business is voluntarily registered for VAT and is trading under the VAT turnover threshold.

What action should you take?

- Assess whether the Regulations apply to your business
- Consider seeking advice on the most appropriate software for your business and ensure you have the software in place and operational ahead of the first VAT accounting period following 1 April 2019
- Ensure your business is equipped to meet the more onerous record-keeping obligations.

If you would like any assistance, please contact [Robert Waterson](#) or your usual RPC contact.

1 April 2019

Corporation Tax (Instalment Payments) (Amendment) Regulations take effect

What is happening?

For accounting periods beginning on or after 1 April 2019, the new Corporation Tax (Instalment Payments) (Amendment) Regulations (the Regulations) will take effect and introduce a new corporation tax payment regime for “very large companies”.



Why does it matter?

The Regulations split large companies as defined under the current regime into “large” and “very large” companies, each with different requirements for the payment of corporation tax.

Large companies

- Have taxable profits in an accounting period of more than £1.5m but less than £20m.
- Payments due at months 7 and 10 of the accounting period the liability relates to and months 1 and 4 of the following accounting period.

Very large companies

- Have taxable profits exceeding £20m in any accounting period.
- Within a 12-month accounting period, payments will be due on the 14th day of months 3, 6, 9 and 12 of the accounting period the liability relates to.

In summary, payments for corporation tax are due four months earlier for very large companies.

The profits threshold and payment due dates for large and very large companies are adjusted proportionately for accounting periods of less than 12 months or companies which are a 51% owned subsidiary of the other or both are 51% subsidiaries of a third company.

What action should you take?

- If your company’s taxable profit exceeds £20m in an accounting period, review the Regulations and technical guidance to ensure that any amendments required to remain compliant are put in force in good time
- Read the payment date examples set out in the technical guidance and make a note of the corporation tax payment due dates
- Ensure your payments are made on time to avoid any potential penalties.

If you would like any assistance, please contact [Ben Roberts](#) or your usual RPC contact.

1 April 2019

Increase in Climate Change Levy rates

What is happening?

From 1 April 2019, a modified formula for calculating the reduced rate of Climate Change Levy (CCL) payable by businesses in the climate change agreement (CCA) scheme will apply as a result of the Climate Change Levy (General) (Amendment) Regulations 2018 coming into force.



Why does it matter?

The 2019-2020 increase to the main rate of CCL is greater than an increase in line with the Retail Price Index (RPI) because the government is seeking to recover the tax revenue lost from the closure of the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme. The new rates (and the old) are as follows:

Taxable commodity	Rates from 1 April 2018	Rates from 1 April 2019
Electricity (£ per kilowatt hour)	0.00583	0.00847
Natural gas (£ per kWh)	0.00203	0.00339
Liquefied petroleum gas (LPG) (£ per kg)	0.01304	0.02175
Any other supplies (£ per kg)	0.01591	0.02653

However for business with a CCA the government decreased the percentage of the CCL main rates that it must pay. This is to ensure that the CCL paid by such businesses does not increase by more than inflation. The new (and old) percentage of the main rates payable by businesses in the CCA scheme are set out below.

Taxable commodity	Rates from 1 April 2018	Rates from 1 April 2019
Electricity	10%	7%
Natural gas	35%	22%
LPG	35%	22%
Any other supplies	35%	22%

What action should you take?

If your company does not have a CCA consider entering into one to avoid paying increased CCL rates on your energy consumption.

If you would like any assistance, please contact [Jamie Key](#) or your usual RPC contact.

6 April 2019

Automatic pension enrolment minimum contributions increase

What is happening?

As of 6 April 2019, minimum contributions for automatic enrolment pension schemes will increase for both employers and their employees.



Why does it matter?

Depending on the type pension scheme used by an employer and the rules of that scheme, contribution rates for automatic enrolment pension schemes will increase. The new minimum contribution rates will be the following percentages of the relevant employee's qualifying earnings:

- 3% for employers, and
- 5% for employees

This will bring the total minimum pension contribution to 8%. If an employer chooses to cover the total minimum contribution, employees will not be required to make any further contribution.

If you are using a defined benefits pension scheme, the increases will not apply.

Under the Pensions Act 2008 it is the employer's responsibility to make sure that the right minimum contributions are paid for all employees.

What action should you take?

Ensure that the total minimum contribution is paid into the relevant automatic enrolment schemes you use, and make any necessary increases by 6 April 2019.

No further action will be required if you do not have any employees in an automatic enrolment pension scheme or if you are already paying above the increased total minimum contribution of 8%.

If you would like any assistance, please contact [Charles Suchett-Kaye](#) or your usual RPC contact.

6 April 2019

New laws in force relating to itemised pay statements

What is happening?

From 6 April 2019, the Employment Rights Act 1996 (Itemised Pay Statement) (Amendment) (No 2) Order 2018 (SI 2018/529) and Employment Rights Act 1996 (Itemised Pay Statement) (Amendment) Order 2018 (SI 2018/147) will come into force and introduce specific requirements in relation to itemised pay statements, ie payslips.



Why does it matter?

The right to receive a written itemised payslip will apply to workers as well as employees.

All payslips must include:

- the gross amount of the wages or salary
- net amount of wages or salary payable
- amounts of any variable or fixed deductions, and the purposes for which they are made
- total number of variable hours worked (when workers and employees get a different wage depending on the hours they have worked).

What action should you take?

Review current pay statements to identify any missing information which you will be obliged to supply when making payments.

Ensure your payroll software is updated to be able to implement these changes.

If you would like any assistance, please contact [Rachel Lord](#) or your usual RPC contact.

26 June 2019

Deadline for compliance with Regulation on plastic materials and food contact articles

What is happening?

Following recommendations by the European Food Safety Authority (EFSA), in June 2018 the European Commission amended the rules on plastics and articles which come into contact with food.

Allowing companies a one year grace period, the amendments introduced by the Commission Regulation (EU) 2018/831 amending Regulation (EU) No 10/2011 on plastic materials and articles intended to come into contact with food) (the Regulation) will apply from 26 June 2019.



Why does it matter?

Aligning the law with the latest EFSA research, the Regulation introduces two key changes:

- two new substances are authorised for use in plastics and food contact materials and articles (ie packaging and food/drink processing machines), and
- the specific migration limit (ie the amount of a specific hazardous substance which can migrate from the material to the food and still be safe to consume) is altered for various substances.

As mentioned, food retailers have been given a one year grace period to comply with these changes. Plastic materials and articles which complied with the law before this amendment may be placed on the market until 26 June 2019, and may remain on there until exhaustion of stocks.

What action should you take?

Retailers should:

- check with all food suppliers that they have updated their declaration of compliance for food contact materials (which is written evidence that the materials comply with legal requirements) and keep a record of these in case you are asked for these by trading standards or environmental health officers
- conduct a review of the food contact materials currently in circulation and plan towards the implementation deadlines.

If you would like any assistance, please contact [Ciara Cullen](#) or your usual RPC contact.



Hot topics

Below is a selection of recent key developments and relevant trends currently affecting the retail sector

UK

Digital Single Market Directive (DSM) Copyright Directive

Copyright is a key pillar of the EU DSM reform programme. If adopted, the Copyright Directive will introduce controversial changes for online platform providers and press publishers. Qualifying content-sharing platforms could be liable for copyright infringements arising from user-generated content. Furthermore, these platforms will be obliged to proactively monitor user-generated content for copyright breaches using content-recognition technology. Another controversial proposal (dubbed as a “link tax”) would enable publishers to demand paid-licenses from platforms like Google News when they share news snippets or articles from other sites. The draft Directive has been approved by the EU Parliament at first instance, which will have to ultimately approve it after further closed-door negotiations between stakeholders.

GDPR eight months on

During its implementation in May 2018, the General Data Protection Regulation (GDPR) caused severe headaches for businesses that process consumer data. Having now been in force for almost eight months, what kind of an impact has the legislation had on businesses?

According to data acquired from the Information Commissioner’s Office, in the year from September 2017 to 2018 the average financial penalty levied for a data breach has doubled from £73,000 to £146,000. The total value of penalties also rose 24% from £4m to nearly £5m.

Despite the above, many companies could still be non-compliant. According to data collected by the Ponemon Institute in April 2018, 40% of surveyed companies expected to achieve compliance only after the GDPR came into force (even with an average compliance budget of \$13m). This shows that many companies were behind on their GDPR preparations a month before the deadline, and still could be non-compliant.

Business rates and pop-up stores

Business rates have become a thorny issue for traditional retailers in recent times, exacerbated by the fact that online retailers pay significantly less than their bricks-and-mortar counterparts. The government has made some steps to address this in the 2018 Autumn Budget, giving a temporary one-third cut to retailers in smaller premises (with a rateable value of up to £51,000). There are also proposals for a new Digital Services Tax that would tax the sales of large digital companies in the UK, including retailers.

This is all welcome news. However, many commentators suggest not enough is being done and larger retailers, who have arguably suffered the most in recent years, are being offered nothing. A 2.4% increase in inflation is expected to add an additional £186m to retail business rates in April 2019.

Plastic packaging tax

In the 2018 Autumn Budget, the government announced an intention to introduce a Plastics Tax, which is projected to come into force in April 2022. The tax will apply to the production and import of plastic packaging that does not contain at least 30% recycled plastic.

The government is also intending to reform the Packaging Producer Responsibility System with a view to increasing producers’ responsibility for the costs of their packaging waste, including plastics. The new system would encourage producers to innovate on their packaging and make it easier to recycle, while penalising those using packaging that is difficult to recycle.

The initiatives above are still subject to consultation in the near future.



Hot topics – UK continued

Draft Finance Bill due to come into force

Retailers will have to consider the tax implications once the Draft Finance Bill comes into force. Expected later this year, the Bill will have significant impact on property disposals (Capital Gains Tax, Corporation Tax and Stamp Duty Land Tax) and benefits-in-kind (company cars and expenses). Some provisions are proposed to apply retrospectively.

Collateral warranties: know your rights

Collateral warranties provide a direct contractual link between parties and for example, allow a retailer to make a claim against a building contractor under the warranty if it later discovered the contractor's work was defective. A recent High Court judgment held that the beneficiary of a particular warranty could not bring its claim later than could have been brought under the underlying building contract. As details of the building contract are not usually clear from the collateral warranty itself it is important for beneficiaries (such as retailers) to ascertain the extent (and duration) of both the collateral warranty in question and the underlying contract to understand the value of the collateral warranty.

High Fat, Salt and Sugar (HFSS) Foods

HFSS advertising remains very much on the regulatory agenda, with the Committee of Advertising Practice conducting a review on its non-broadcast food advertising rules 12 months after them having come into effect. The review closed on 31 July 2018 and whilst the results have not yet been published there seems to have been a significant increase in the number of adjudications in this area, with brands such as KFC, Burger King and McDonald's all having been reprimanded by the Advertising Standards Authority (ASA). An interesting development in November 2018 was the ASA's reversal of its previous decision against Kellogg's. The ASA eventually found that an advert for Coco Pops Granola was not "synonymous with" the Coco Pops brand generally and so was not considered a HFSS advert.

On the political front Sadiq Khan, the Mayor of London, has also announced a ban on the advertising of "junk food" on the London transport system (including the Underground and

buses) from 25 February 2019 onwards. The Department of Health has also announced plans for the introduction of new rules preventing stores from displaying unhealthy food at checkouts or including it in buy-one-get-one-free deals.

Sugar taxation and advertising of "junk food"

After the introduction of the Soft Drinks Levy (ie sugar tax) in April 2018, the government is now looking at introducing an additional Levy to target sugary confectionery. Public Health England announced plans to introduce the Levy in October 2018, with the tax stated to take effect sometime in 2020. The Soft Drinks Levy is also planned to be extended to milk-based drinks, including milkshakes and yoghurts.

Linking to the HFSS piece above, the Food Advertising (Protection of Children from Targeting) Bill was also proposed in UK Parliament to prevent the marketing and advertising of food that does not meet certain nutritional requirements from being targeted at children. This Bill has since been withdrawn, but this does not mean that the government will not re-address this in the future.

Potential legal protections for consumers of insolvent retailers

The government is to consider new laws and other potential measures to protect consumers that have prepaid for, but not received, goods from a retailer that becomes insolvent.

Some common forms of consumer prepayment include internet orders, gift cards/vouchers and money paid into savings clubs (such as Christmas savings clubs).

There are no concrete timelines beyond the government confirming that its consultation will take place in 2019.

The consultation forms part of the government's "Modern Industrial Strategy" to make markets fairer for all (see note on the Consumer White Paper below for more information).

Hot topics – UK continued

Publication of the government's "Consumer White Paper"

In April 2018, the government published its "Consumer Green Paper" on "Modernising Consumer Markets" the purpose of which was to "seek views on a range of issues in relation to modern consumer markets" against the backdrop of its aim to create "a UK business environment that is powered by new technologies, shaped by competition and contestability, where the best businesses of all sizes can thrive and where consumers can get high quality goods and services at the lowest possible prices."

The Green Paper included looking at markets which are not working fairly for consumers (part of the government's Modern Industrial Strategy is to make markets fairer to all).

The government is due to publish its Consumer White Paper next year (but hasn't said when). This should be of material interest to all retailers because a "White Paper" is generally seen as a statement of government policy (whereas a "Green Paper" often takes the form of a consultation with several potential policy alternatives).

Given the government's statements in respect of providing new legal protections for consumers of insolvent retailers we anticipate that legislative change in certain areas is likely to follow.

New ePrivacy Regulations

Following on from the last edition of Retail Compass, the draft ePrivacy Regulation has been postponed further. While the draft Regulation was initially intended to be simultaneously introduced with the GDPR (May 2018), it is now expected to come into force in late-2019 or 2020. The draft Regulation will be further deliberated at an EU Transport, Telecommunications and Energy Council meeting on 7 June 2019.

The draft Regulation focuses on the privacy of users' electronic communications. Critically it will now apply to almost all services with a communication element, rather than only traditional communication service.

It will regulate activities such as: direct marketing; website audience measurement; the transmission of communications across devices and browsers; and cookies and online tracking devices.

Also the draft Regulation proposes enforcement mechanisms mirroring the GDPR, with potential fines of up to the higher of €20m (EUR) or 4% of global annual turnover.

How the ASA plans to make its impact online over the next five years

In November 2018, the Advertising Standards Authority (ASA) launched its five-year strategy titled "More Impact Online". The new strategy shows a clear intention by the ASA to regulate current and emerging forms of online advertising more strictly, with technology, greater collaboration with platforms and process simplification all being core features.

Particularly, the ASA will tackle the perception that online is a "Wild West" (ie wrought with consumer-targeted scams, fake news and data breaches). The ASA will also improve its own approach to dealing with non-compliant online advertisers, which has previously been likened to playing a game of "whack-a-mole", by seeking further cooperation with platforms and utilising technology (AI/machine learning/algorithms) to proactively combat non-compliant online advertising eg by using algorithms to proactively search the web to identify non-compliant adverts which may breach the UK Code of Non-Broadcast Advertising and Direct & Promotional Marketing (Cap Code).



Hot topics – UK continued

Government launches The Good Work Plan

Following the 2017 Taylor Review (an independent review of rights and labour laws), in December 2018 the government published its plans on the future strengthening of the UK labour market (the Good Work Plan). This has been done with a view to maintaining competitiveness post-Brexit. This ties in with the UK's Labour Market Enforcement Strategy also published in December 2018.

The Good Work Plan seeks to tackle many aspects of the labour market, including:

- a commitment to maintain workers' rights after leaving the EU, and further strengthening them
- enabling workers to request more stable work contracts through new legislation, to seek clarity on their employment status, and outright banning the use of zero hours contracts
- establishing a new labour market enforcement agency to protect workers and their rights, and
- improving the quality of work, making it fairer and more decent for all workers.

The government has not yet given an indication as to when these changes will come into force.



Hot topics

International

Taxation on e-commerce vendors out of state (USA)

In the landmark decision of *South Dakota v Wayfair*, the US Supreme Court ruled that a retailer does not need to have a physical presence in a state in order to have a sales or use tax collection obligation. This means that states can require retailers to collect tax on online (and other) sales, in accordance with the laws of the state where the customer is located. Eyes now turn to Congress to determine if an alternative federal solution will be introduced. Previous efforts, such as the Remote Transactions Parity Bill 2017 and the Marketplace Fairness Bill 2017, have been thwarted.

United States-Mexico-Canada Agreement (USMCA)

On 30 November, 2018, the USA, Canada and Mexico signed a new trade deal known as USMCA. If Congress approves it in 2019, it will replace the North American Free Trade Agreement (NAFTA). USMCA includes major changes on automobile manufacturing, labour policies and environmental standards. For retailers, it includes new provisions to deal with the digital economy, which have some significant implications for emerging technologies. Duties on digital products (like music and e-books) are prohibited. Also the terms of copyright are extended to 70 years beyond the life of the author (up from 50 years). Finally, across the countries which are a party to the agreement, data localisation restrictions are banned.

Tech companies team together to pursue a federal level privacy legal framework (USA)

In a drastic change of direction, tech companies are now leading a campaign to introduce federal-level privacy regulation. Taking a proactive approach, these companies are aiming to move away from the increasingly fragmented regulatory framework, which differs from state-to-state. Also, it is clear that they are seeking to pre-empt the tougher privacy standards recently set by the California Consumer Privacy Act and the EU General Data Protection Regulation.

Modern Slavery Bill proposed by the Australian Federal Government (Australia)

Combatting Modern Slavery continues to be a global focus point. Following a discussion paper in 2017, the Australian Government has introduced a Modern Slavery Bill that will affect approximately 3,000 companies.

Large businesses and other entities that have revenues exceeding AUD\$100m, will be required to evidence any strategies that they have implemented and any progress they have made in relation to eliminating modern slavery. Despite being a key recommendation of the Modern Slavery Inquiry, the Bill includes no proposals for breach penalties.

Proposed Reform to the Measures for the Administration of Strategic Investments in Listed Companies by Foreign Investors (China)

China's capital markets are continuing to open up for foreign investors. The Chinese Ministry of Commerce released draft amendments to the current foreign investment regulations on 30 July 2018 and now is soliciting public comments. If introduced, the amendments would be a breakthrough in terms of approval and filing management, streamlining investment approval, foreign investor qualifications, and strategic investment requirements. The current amendments would substantially align the regulations with the latest policy approach. In addition, further amendments might be made before the reform is enacted.

Cashless retail (China/Hong Kong)

Retailers in Asia are pioneering autonomous technologies, such as facial recognition, heat mapping and RFID (Radio-Frequency Identification), to introduce cashless stores in China and the wider Asian marketplace. This shift to cashless retail aims to meet consumers' growing expectations of a seamless and convenient shopping experience. Many retailers, including Alibaba and 7-Eleven, have launched these types of stores, similar to Amazon Go in the UK and USA, with great success. However, in New Jersey (USA) lawmakers are seeking to advance a bill that would ban cashless stores on the basis that it discriminates against people who do not have bank accounts or people who cannot afford the technology. Even with these concerns however, the Asian market is pushing forward with the implementation of the technology.

Interesting UK statistics



Source: British Retail Consortium



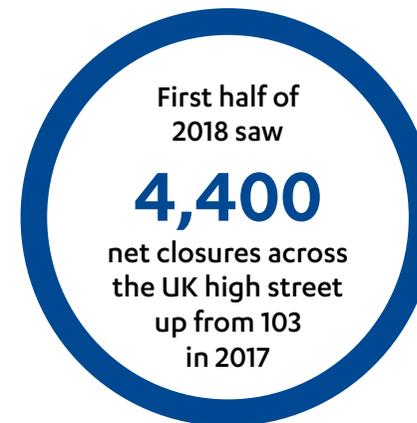
Source: Office for National Statistics



Source: UK Parliament



Source: UK Parliament



Source: Deloitte

Interesting International statistics

China



Source: National Bureau of Statistics



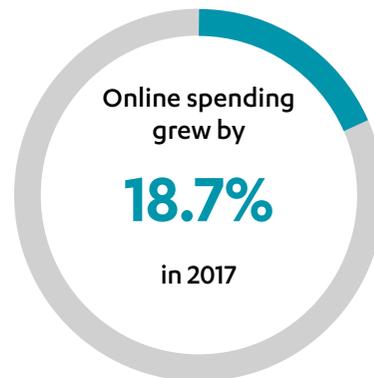
USA



Source: US Census



Australia



Source: Australian Post Corporation



Source: Australian Bureau of Statistics

Key UK consultations and inquiries: a snapshot

There are numerous ongoing Government consultations and inquiries affecting retailers. A snapshot of these is below.

Healthy, balanced diets

Date started	Type	Subject matter	Status
10 July 2018	Inquiry	Energy drinks inquiry The Science and Technology Committee is conducting an inquiry into the consumption of energy drinks.	Ongoing
14 September 2018	Consultation	Calorie labelling for food and drink served outside of the home Views sought on plans to make outlets serving food and drink outside of the home display calorie information. Part of High Fat Salt Sugar (HFSS) food and drink.	Closed on 7 December 2018
1 November 2018	Consultation	Airside alcohol licensing at international airports in England and Wales: call for evidence Views sought on alcohol-related disruptive behaviour at airports and the impact airside alcohol licensing could have on reducing this problem.	To close on 1 February 2019
6 November 2018	Consultation	Food labelling: amending laws Views sought on amending food labelling laws to make sure they remain operable after Brexit.	Closed on 4 December 2018

Sustainability and the environment

Date started	Type	Subject matter	Status
16 March 2018	Consultation	Proposals regarding setting standards for smart appliances Views sought on the introduction of regulatory requirements and technical standards for smart appliances.	Closed on 8 June 2018
22 June 2018	Inquiry	Sustainability of the fashion industry inquiry Examines carbon, resource use and water footprint of clothing throughout its lifecycle.	Ongoing
23 July 2018	Inquiry	Technologies for meeting clean growth emissions reduction targets inquiry The Science and Technology Committee is undertaking an inquiry into the technologies needed to meet clean growth emissions reduction targets.	Ongoing

Key UK consultations and inquiries: a snapshot continued

Date started	Type	Subject matter	Status
18 July 2018	Consultation	Helping businesses to improve the way they use energy Views sought on a package of measures to support business to improve how productively they use energy.	Closed on 26 September 2018
23 July 2018	Inquiry	National Audit Office's (NAO) report on Packaging Recycling Obligations inquiry Following the NAO's report, which found significant gaps in oversight and enforcement, the Environmental Audit Committee is holding a one-off session with key stakeholders, the Minister and the regulators of the system. The session will explore what the Packaging Recycling Obligations have achieved, their position in the wider recycling policy landscape and how they could be reformed in light of the NAO's findings.	Ongoing
22 October 2018	Consultation	Single use plastic: banning the distribution and/or sale of plastic straws, stirrers and plastic-stemmed cotton buds and plastic drink stirrers in England Views sought on plans for a ban. Further information is expected to be announced in early 2019.	Closed on 3 December 2018

Digital and online

Date started	Type	Subject matter	Status
29 October 2018	Consultation	Digital Services Tax Views sought on the detailed design and implementation of a Digital Services Tax that will be introduced in April 2020.	To close 26 February 2019
4 November 2018	Research	Government and Competition and Markets Authority to research targeting of consumers through personalised pricing The research will explore how widespread the practice of targeting consumers through personalised pricing and search results is for items such as holidays, cars and household goods.	Ongoing

Legislative bills tracker

Below is a list of bills currently in the UK Parliament which have relevance to the retail sector. Degree of progress as of January 2019 is listed. Although these are not yet in force, they give a flavour of developments to come.

Degree of progress

- 1 – Just started
- 2 – Mid-phase
- 3 – Likely to pass imminently

Name of Bill	Overview	Progress
<u>Alcohol (Minimum Pricing) (England) Bill</u>	Bill to make provision about the minimum price at which alcohol may be sold from licensed premises in England.	2
<u>Clean Air Bill</u>	Bill to require the Secretary of State to set, measure, enforce and report on air quality targets, to make provision about mitigating air pollution, including through the use of clean air zones, to make provision about vehicle emissions testing, and to restrict the approval and sale of vehicles with certain engine types.	2
<u>Deregulation Bill</u>	Bill to make provision for the reduction of burdens resulting from legislation for businesses or other organisations or for individuals and to make provision for the repeal or amendment of regulations.	2
<u>Drone (Regulation) Bill</u>	Bill to regulate the purchase and use of drones weighing 5 kilograms or more.	2
<u>EEA Nationals (Indefinite Leave to Remain) Bill</u>	Bill to amend the Immigration Act 1971 to grant indefinite leave to remain in the United Kingdom to all EEA nationals, their family members and extended family members who are resident in the United Kingdom on the date of exit from the European Union.	2
<u>Electronic Cigarettes (Regulation) Bill</u>	Bill to make provision for the regulation of the sale and use of electronic cigarettes, and to exempt electronic cigarettes from UK law derived from the Tobacco Products Directive.	2
<u>Employment and Workers' Rights Bill</u>	Bill to make provision about employment conditions and workers' rights.	2
<u>Employment Guarantee Bill</u>	Bill to require the Secretary of State to guarantee paid employment for six months for claimants of Jobseeker's Allowance, or the jobseeker's component of Universal Credit, who have been unemployed for six months or longer.	2
<u>Employment Opportunities Bill</u>	Bill to introduce more freedom, flexibility and opportunity for those seeking employment in the public and private sector.	2

Legislative bills tracker continued

Degree of progress

- 1 – Just started
- 2 – Mid-phase
- 3 – Likely to pass imminently

Name of Bill	Overview	Progress
<u>Equality Act 2010 (Amendment) (Disabled Access) Bill</u>	Bill to amend the Equality Act 2010 to improve access to public buildings by introducing six-inch and 12-inch rules for step-free access.	2
<u>Fisheries Bill</u>	A Bill to make provision about policy objectives in relation to fisheries, fishing and aquaculture; to make provision about access to British fisheries; to make provision about the licensing of fishing boats; to make provision about the determination and distribution of fishing opportunities; to make provision enabling schemes to be established for charging for unauthorised catches of sea fish; to make provision about grants in connection with fishing, aquaculture or marine conservation; to make provision about the recovery of costs in respect of the exercise of public functions relating to fish or fishing; to confer powers to make further provision in connection with fisheries, aquaculture or aquatic animals; to make provision about byelaws and orders relating to the exploitation of sea fisheries.	1
<u>Fruit and Vegetables (Classification) Bill</u>	Bill to make provision for fruit and vegetables to be classified by flavour, condition and size for the purposes of sale in the UK.	2
<u>Import Tariff (Reduction) Bill</u>	Bill to make provision for the reduction of tariffs on goods imported into the United Kingdom.	2
<u>June Bank Holiday (Creation) Bill</u>	Bill to make provision for a national public holiday on 23 June or the subsequent weekday when 23 June falls at a weekend.	2
<u>Legalisation of Cannabis (Medicinal Purposes) Bill</u>	Bill to allow the production, supply, possession and use of cannabis and cannabis resin for medicinal purposes.	2
<u>Manufactured Goods (Trade) Bill</u>	Bill to remove certain restrictions on the production and sale of goods manufactured in the United Kingdom for use in the United Kingdom, in connection with the withdrawal of the United Kingdom from the EU.	2
<u>Modern Slavery (Transparency in Supply Chains) Bill</u>	Bill to make further provision for transparency in supply chains in respect of slavery and human trafficking.	2

Legislative bills tracker continued

Degree of progress

- 1 – Just started
- 2 – Mid-phase
- 3 – Likely to pass imminently

Name of Bill	Overview	Progress
<u>National Living Wage (Extension to Young People) Bill</u>	Bill to extend the National Living Wage to people aged 18 to 24.	2
<u>Opticians Act 1989 (Amendment) Bill</u>	Bill to make provision for the sale of adjustable focus spectacles.	2
<u>Packaging (Extended Producer Responsibility) Bill</u>	Bill to require producers of packaging products to assume responsibility for the collection, transportation, recycling, disposal, treatment and recovery of those products.	2
<u>Parental Leave and Pay Arrangements (Publication) Bill</u>	Bill to require employers with more than 250 employees to publish information about parental leave, and pay in the course of such leave.	2
<u>Parking (Code of Practice) Bill</u>	Bill to make provision for and in connection with a code of practice containing guidance about the operation and management of private parking facilities.	2
<u>Pension Benefits (Ill Health) Bill</u>	Bill to require pension providers to make lump sum payments and other pension benefits available to people with ill health, including people with a terminal diagnosis, prior to such people reaching minimum pension age.	2
<u>Pensions (Review of Women's Arrangements) Bill</u>	Bill to establish a review of pension arrangements for women affected by changes made by the Pensions Act 1995 and the Pensions Act 2011.	2
<u>Pensions (Review of Women's Arrangements) (No. 2) Bill</u>	Bill to establish a review of pension arrangements for women affected by changes made by the Pensions Act 1995 and the Pensions Act 2011, and to require the review in particular to undertake costings for a compensation scheme and consider the operation of section 1(4) of the Pensions Act 2011.	2
<u>Plastics Bill</u>	Bill to require the Secretary of State to set, measure, enforce and report on targets for the reduction and recycling of plastic packaging, to require that such targets following the United Kingdom's withdrawal from the European Union at least match such targets set by the European Union, to establish enforcement mechanisms in respect of such targets and associated provisions, and to make provision for support for the development of sustainable alternatives to plastic packaging.	2

Legislative bills tracker continued

Degree of progress

- 1 – Just started
- 2 – Mid-phase
- 3 – Likely to pass imminently

Name of Bill	Overview	Progress
<u>Shared Parental Leave and Pay (Extension) Bill</u>	A Bill to make provision about shared parental leave and pay for workers, including those that are self-employed.	1
<u>Trade Bill</u>	Bill to make provision about the implementation of international trade agreements, to make provision establishing the Trade Remedies Authority and conferring functions on it, and to make provision about the collection and disclosure of information relating to trade.	2
<u>Tobacco Bill</u>	A Bill to require the Secretary of State to report on means of requiring tobacco companies to meet the costs of smoking cessation services; to make provision about the advertising and marketing of products that are alternatives to tobacco; to require tobacco companies to publish information about their activities in relation to such products; to create an offence of selling tobacco without a licence; and for connected purposes.	1
<u>Unpaid Trial Work Periods (Prohibition) Bill</u>	Bill to prohibit unpaid trial work periods in certain circumstances.	2
<u>Unpaid Work Experience (Prohibition) Bill</u>	A Bill to make provision for the prohibition of unpaid work experience exceeding four weeks.	1
<u>Unsolicited Calls (Prevention) Bill</u>	Bill to make provision to prevent unsolicited calls.	2
<u>Value Added Tax Bill</u>	Bill to enable the maximum turnover threshold for exemption from the requirement to register for VAT to be raised and to make provision for the exemption of certain goods and services from liability to VAT.	2
<u>Workers (Definition and Rights) Bill</u>	Bill to amend the definition of worker and to make provision about workers' rights.	2
<u>Working Time (Regulations) Bill</u>	Bill to make provision for the expiration of the Working Time Regulations 1998 and to provide for regulations governing working time.	2

Key UK contacts



Or your usual RPC contact.

RPC is an innovative professional services firm, providing a full business law service to UK and international clients across a wide range of industry sectors. With over 300 lawyers in London, Hong Kong, Bristol and Singapore – and as a founder-member of global network TerraLex – RPC offers a seamless service in more than 100 jurisdictions across the world.

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