

Business Law Newsletter



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Professional Contract Drafting for Business

May Edition

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Editorial

[A QUEEN'S SPEECH WITH A DIFFERENCE](#)

When all is said and done, it's a tiny (a very tiny) minority of us who ever remember, let alone track, the progress of any government's law-making agenda after a [Queen's Speech](#).

The speech marks the State Opening of Parliament and the start of a new law-making programme by the government of the day.

The strong likelihood is that this May's Queen's Speech will be remembered, not so much for its extensive list of proposed new laws (38 Bills- and that's a lot!), but for the fact that Prince Charles, rather than the Queen, delivered it to Parliament.

Commentators focused almost as much on the constitutional implications of this arrangement as on the contents of the speech itself. Hardly surprising, given that it's only the third time in her long reign (and almost 60 years since the previous occasion) the Queen has not read the speech herself.

For those sufficiently interested in what's to come, rather than having a grip on what's already here- this Newsletter's objective- details of the Queen's Speech can be found [here](#).

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Companies House

[A NEW REGISTER](#)

Companies House has published an update regarding the progress on the new register of overseas entities which will be created and held by Companies House under the Economic Crime (Transparency and Enforcement) Act 2022 (EC(TE)A 2022). Companies House has reported that work is progressing at pace on the creation of the new register, and Companies House and the UK's land registries have been collaborating with the Department for Business, Energy & Industrial Strategy to make sure the new register is implemented as soon as possible.

[Read the full statement here](#)

See also [Economic Crimes](#) below

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Consumer Protection

[SCAM AD ALERT](#)

The Advertising Standards Authority (ASA) has published an update on its Scam Ad Alert system which was launched in June 2020 to help tackle scam ads online. The ASA reported that it continues to share all alerts with the National Cyber Security Centre (NCSC) which operates the government's takedown service and seeks to remove malicious email addresses and websites. The NCSC scans the alert for website addresses to find the host website and remove it, if it's found to be malicious.

The ASA's statement says:

“Consumers can [report scam ads](#) appearing in paid-for spaces online to us via our online form. We assess reports within 24 hours, enabling us to quickly and effectively alert platforms to scam ads so that they can promptly remove them, suspend the advertisers' accounts and stop similar ads appearing in future.”

[Read more about the ASA's scam ad alert system here](#)

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CONSUMER PROTECTION REFORM

The UK government has proposed a number of reforms to UK consumer law to protect consumers from certain business practices which have proliferated in recent years. The key reforms relate to:

- 'beefing up the enforcement of consumer protections' by giving the Competition and Markets Authority (CMA) enhanced powers including the power to levy civil fines of up to 10% of global annual turnover or up to £300,000 in the case of an individual;
- fake reviews
- subscription traps
- package travel rules

The proposals include:

Fake reviews to be tackled by consulting on a new law against:

- commissioning someone to write or submit a fake review;
- hosting consumer reviews without taking reasonable steps to check they are genuine;
- offering or advertising to submit, commission or facilitate fake reviews.

'Subscription traps' in which businesses make it difficult to exit a contract to be stopped.

Under new rules, businesses must:

- provide clearer information to consumers before they enter a subscription contract
- issue a reminder to consumers that a free trial or low-cost introductory offer is coming to an end, and a reminder before a contract auto-renews onto a new term
- ensure consumers can exit a contract in a straightforward, cost-effective and timely way.

[Read about the consumer protection proposals here](#)

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GENERAL PRODUCT SAFETY REGULATIONS- UPDATED

The Office for Product Safety and Standards (OPSS) has amended its guides on the General Product Safety Regulations 2005, [SI 2005/1803](#), to clarify the actions businesses must take if they are found to be in non-compliance with regulations.

[Read about the updated Product Safety Regulations here](#)

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E-commerce

DIGITAL MARKETS

The government is proposing to legislate on a range of things affecting digital markets, with a view to establishing a new pro-competition regime.

The proposed measures to be introduced include:

- the ability for the newly established Digital Markets Unit (DMU) to specify specific conduct requirements for firms with SMS depending on their specific situation;
- a broad discretion to be given to the DMU to design and implement remedies for those who have suffered competitive harm;
- the power for the DMU to impose financial penalties of up to 10% of a firm's global turnover for regulatory breaches;
- the power for the DMU to apply to the court for directors of businesses in breach of regulations to be disqualified;
- a requirement for SMS forms to report merger transactions to the Competition and Markets Authority prior to completion; and
- the introduction of a minimum revenue threshold for to help determine firms with Strategic Market Status ('SMS')

[Read about the new regime for digital markets here](#)

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Economic Crimes

The much-anticipated economic crime bill has now become law. Its full title is the Economic Crime (Transparency and Enforcement) Act 2022 (EC(TE)A 2022), or Economic Crime Act. Some of the key features of the new law include:

- **A new Register of Overseas Entities**, requiring those behind foreign companies which own UK property to reveal their identities, will also be created under the act. Entities who refuse to reveal their 'beneficial owner' will face tough restrictions on selling the property and those who break the rules could face a fine of up to £2,500 per day or up to 5 years in prison; and
- **Reforms to Unexplained Wealth Orders (UWOs)** to remove key barriers to their use increasing time available to law enforcement to review material provided in response to a UWO and protecting them from incurring substantial legal costs if they act reasonably in a case that is ultimately unsuccessful. UWOs will be more effective against those who hold property in the UK via trusts and other complex ownership structures.

[Read more about the Economic Crime Act here](#)

See also [Companies House](#) above

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Information Technology

DDaT PLAYBOOK

The government has released its Digital, Data and Technology (DDaT) Playbook, setting out its guidance on getting DDaT projects and programmes right. The government's Playbook says:

“The UK tech sector is world leading and growing at 2.5 times the rate of the rest of the economy. It contributes £149 billion to the UK and supports almost three million jobs, making the sector a pivotal part of our future growth. Our relationship with industry is a key part of how the digital transformation of our public services will contribute to delivering skilled jobs across the country to level-up the economy and achieve our 2050 net zero emissions goal.”

Key policies covered by the Playbook include for:

- Commercial pipelines
- Market health and capability assessments
- Delivery model assessments
- Cyber security
- Effective contracting
- Assessing the economic and financial standing of suppliers

[Read about the Playbook here](#)

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The Internet

DECLARATION FOR THE FUTURE OF THE INTERNET

The UK, European Union, the United States, amongst other countries have proposed a Declaration for the Future of the Internet, setting out the vision and principles of a trusted Internet.

*“The partners in the Declaration affirm that the Internet must reinforce **core democratic principles, fundamental freedoms and human rights** as reflected in the Universal Declaration of Human Rights. They share the belief that the Internet should operate as a single, decentralised network of networks, where digital technologies are used in a **trustworthy way**, avoiding unfair discrimination between individuals and allowing for **contestability of online platforms**, and for **fair competition among businesses**.”* From [EU announcement 28th April 2022](#)

[The Declaration's 60+ signatories can be found here](#)

[A Factsheet on the Declaration can be downloaded here](#)

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Media

[ONLINE SAFETY- OFFENCES FACTSHEET](#)

The Department for Digital, Culture, Media & Sport (DCMS) has recently published a new communications offences factsheet which provides a series of case studies regarding harmful communications, false communications and threatening communications proposed by the Law Commission and included within the Online Safety Bill. The factsheet sets out example communications and assesses whether they meet the criminal threshold under the proposed revised offences. These new offences aim to ensure that criminal law is focused on the most harmful behaviour online, while protecting free expression.

[Access the Factsheet here](#)

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[BROADCASTING REFORMS](#)

The Department for Digital, Culture, Media & Sport (DCMS) has published a white paper setting out the government's vision for the future of the broadcasting sector. The government plans to overhaul and simplify old broadcasting laws, more notably by affording public service broadcasters greater freedom to fulfil their public service obligations by showing content via online platforms and not solely on their main channels. The government confirms it is proceeding with plans to move Channel 4 out of public ownership in an effort to diversify its revenue streams by producing and selling its own content. The white paper confirms the TV licence fee will be frozen at £159 for two years and other proposals include plans to better protect viewers of video-on-demand services from harmful content with Ofcom to be given new regulatory enforcement powers to this effect, as well as reforms to the listed events regime which would allow the public to view sporting events of national significance free on digital platforms.

Some of the other key proposals in the white paper are:

- Increase the BBC's commercial borrowing limit from £350 million to £750 million;
- Bring larger TV-like video-on-demand providers that are not currently regulated in the UK but who target and profit from UK audiences under Ofcom jurisdiction;
- Make the importance of programmes broadcast in the UK's indigenous regional and minority languages clear in legislation;
- Give public service broadcasters greater flexibility in how they deliver their remits.

[Read more about the proposed reforms here](#)

[The White Paper in full can be found here](#)

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Public Procurement

The Cabinet Office released the government's response to its consultation with stakeholders on its Green Paper- Transforming Public Procurement issued in December

2020. The government response outlines various amendments to the initial proposals for new legislation as well as further detail on what can be expected to be included within the new regime.

The Cabinet Office intends to give six months' notice before any new procurement regime goes 'live' and that the new regime is unlikely to come into force until 2023, at the earliest.

[Read the government's response to its public procurement consultation here](#)

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Ukraine

LIFTING OF TARIFFS

The Department for International Trade has announced new trade measures as part of broad UL economic support to Ukraine.

As part of the UK's economic support to Ukraine, all tariffs on imports from Ukraine, including on barley, honey, tinned tomatoes, and poultry, will be lifted and all quotas will be removed under the existing UK-Ukraine Free Trade Agreement (FTA). In addition, an export ban on products and technology that Russia could use to repress the people of Ukraine such as interception and monitoring equipment will be enforced. The DIT's announcement follows a direct request from President Zelensky's government to liberalise tariffs and support the Ukrainian economy.

[Read about the DIT's announcement here](#)

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NEW SANCTIONS ON RUSSIA AND BELARUS

The Department for International Trade (DIT) announced on 9th May a new package of sanctions on Russia and Belarus targeting £1.7bn worth of trade, including platinum and palladium. It will bring the total value of products subjected to full or partial import and export sanctions since Russia's illegal invasion of Ukraine began to more than £4 billion.

This is the third wave of trade sanctions announced by the UK government and, excluding gold and energy, will bring the proportion of goods imports from Russia hit by restrictions to more than 96 percent, with more than 60 percent of goods exports to Russia under whole or partial restrictions.

[Read more about the latest trade sanctions here](#)

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RUSSIA BANNED FROM UK ACCOUNTANCY, MANAGEMENT CONSULTING AND PR

Foreign Secretary Liz Truss on [4th May announced a ban](#) on services exports to Russia, cutting them off from doing business with UK sectors that are critical to the Russian economy. The new measures will mean Russia's businesses can no longer benefit from the

UK's world class accountancy, management consultancy, and PR services, which account for 10% of Russian imports in these sectors.

The Foreign Secretary has also announced 63 further sanctions which will impose asset freezes and travel bans on mainstream media entities and individuals associated with them.

[Read the Financial Sanctions Notice here](#)

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Publisher's Notice:

Publisher: Atkins-Shield Ltd: Company No. 11638521

Registered Office: 71-75, Shelton Street, Covent Garden, London, WC2H 9JQ

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E&OE

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