



Regulatory Outlook

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

The spotlight development this month is the release of the long-awaited report by the UK government setting out its approach to regulating copyright and AI. See the [artificial intelligence](#) section for more

March 2026

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Advertising and marketing

Advertising and marketing

Online Advertising Taskforce: 2025 progress update and 2026 objectives

The UK government has published a progress [update](#) on the Online Advertising Taskforce's work in 2025 and its objectives for 2026, covering the activities and plans of its working groups:

- **Age assurance:** this working group aims to improve age assurance standards to reduce children's exposure to advertising for age-restricted products. It conducted a pilot with multiple brands and platforms to assess the effectiveness of ad targeting practices, and commissioned research to measure ad targeting accuracy across participating brands' campaigns in November and December 2025. The initial findings provided proof of concept for how ad targeting compliance can be monitored, and the group is considering how this may serve as a baseline for future work.
- **AI:** chaired by the Advertising Association (AA), this group explores AI's effect on trust, transparency and accountability in advertising content and placement. Its key achievement was the development of a Best Practice Guide for the Responsible Use of Generative AI in Advertising (see this [Regulatory Outlook](#) for more information), and its focus for 2026 is to maximise the guide's visibility and uptake. The group also considered issues around AI labelling in advertising.
- **The Gold Standard:** chaired by IAB UK, the group promotes awareness and uptake of IAB UK's Gold Standard, a certification scheme designed to address challenges in the online advertising ecosystem (including ad fraud, transparency and business trust in online ads). A new specification, launched in January 2025, expanded its scope to emerging advertising channels such as retail media and connected TV, and introduced a sustainability pillar. The group will conclude its taskforce activities, transitioning into a new ad fraud and standards working group co-chaired by IAB UK and government.
- **The Influencer Marketing:** chaired by ISBA, this group was set up to improve standards for incorporation into the Influencer Marketing Code of Conduct. In 2026, it plans to work with platforms to coordinate campaigns by content creators to promote the code and educate them on its provisions.
- **The Information Sharing:** chaired by the AA, this group examines barriers to sharing intelligence on malvertising (when malware is inserted into online ads) in the advertising ecosystem and developed a pilot for sharing online fraudulent ad signals.
- **The Intermediary and Platform Principles (IPP):** chaired by the Advertising Standards Authority (ASA), this group focuses on implementing a full-scale IPP framework to support platforms in promoting and enforcing the CAP Code. The aim for 2026 is to achieve industry and ASA agreement on the principles, with a full framework launch expected from summer 2026.
- **The Ad Fraud and Standards:** established in November 2025, this group focuses on ensuring industry understanding of existing transparency mechanisms that help minimise malicious advertising in the legitimate online advertising supply chain, and on identifying gaps to strengthen their efficacy or adoption.

CAP publishes advice note on advertising in-game purchases such as loot boxes

The Committee of Advertising Practice (CAP) has issued a short [guidance note](#) on the advertising of games containing loot boxes, which are in-game purchases involving an element of chance where the consumer does not know what they will receive until the transaction is completed. CAP references its [guidance](#) on advertising in-game purchases (reviewed in April 2025).

It states that to be in scope of CAP Code rules, loot boxes must be able to be purchased with real money or virtual currency that can only be obtained by purchasing. Ads for games containing such loot boxes are subject to the CAP Code when they appear in in-scope media, including app store listings targeting UK consumers regardless of the advertiser's location. CAP states that the presence of loot boxes is material information for consumers, particularly those with specific vulnerabilities.

The ASA has ruled that app store listings for games containing loot boxes must clearly and prominently state this, for example using a phrase such as "Includes random-item purchases" or "Contains loot boxes." A disclosure buried within an expandable "About this game" section (or similar) or further down a game description is unlikely to be sufficient. The ASA also did not consider generic "Offers In-App Purchases" labels offered by app stores, or references to products within an itemised list of in-game purchases, to be sufficient. The same disclosure requirements apply to ads on other platforms.

Seven social media influencers fined for issuing unauthorised financial promotions

Seven social media influencers have [pleaded guilty](#) to, and received fines for, issuing unauthorised financial promotions. Communicating unauthorised financial promotions is an offence under Sections 21 and 25 of the Financial Services and

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Markets Act 2000, punishable by a fine and/or up to two years' imprisonment. The UK Financial Conduct Authority has previously published [guidance](#) on financial promotions on social media, setting out its expectations for firms and influencers in this area.



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Artificial Intelligence

Artificial Intelligence

UK updates

Government sets out position on copyright and AI

On 18 March 2026, the UK government [published its report](#) on copyright and AI. Key highlights include:

- **No reforms to copyright law yet.** The government is not introducing reforms to copyright law at this stage, stating that it "must take the time needed to get this right."
- **Opt-out option.** A broad copyright exception with an opt-out mechanism is no longer the government's preferred option. It proposes to gather further evidence on how copyright laws are affecting the development and deployment of AI.
- **Transparency and labelling of AI-generated content.** The government proposes to work with industry and experts to develop best practice on input transparency, with any outcomes informing potential future legislation, and to explore best practice on the labelling of AI-generated content.
- **Licensing.** The government proposes not to intervene in the licensing market at this stage, keeping market-led approaches under review, and to identify and assess further levers to support access to valuable datasets, including through the Creative Content Exchange.
- **Computer-generated works.** Stating that copyright should incentivise and protect human creativity, the government proposes removing the specific copyright protection for wholly computer-generated works, while confirming that copyright should continue to protect works created with AI assistance.
- **Digital replicas.** The government proposes to explore options to address risks arising from the growing use of AI-generated realistic impersonation, including considering whether a new personality right may be appropriate.
- **Enforcement.** The government proposes to continue working with law enforcement and the judiciary to ensure the UK enforcement framework remains fit for purpose, undertake further work to identify and address enforcement barriers, and consider the case for regulatory oversight of transparency or other measures if legislation is introduced. No new regulator is proposed at this stage.

For more on this, see [this insight](#).

Lords Communications and Digital Committee calls on government to reject opt-out model and strengthen creator rights

Before the government's publication of its report on copyright and AI (see above), the House of Lords Communications and Digital Committee has published its [report](#), "AI, copyright and the creative industries", as part of its inquiry into AI and copyright.

It has called on the government not to introduce a new commercial text and data mining exception with an opt-out model, and instead focus on strengthening licensing, transparency and enforcement within the existing framework. It recommended that the government publishes a final, evidence-based decision on its approach to AI and copyright in the next 12 months, which should "make clear that strong copyright protection and fair licensing for UK rightsholders are the default".

The committee's other recommendations to the government include:

- **Digital identity protection:** introducing safeguards against unauthorised digital replicas and harmful "in the style of" AI outputs, giving creators and performers control over commercial use of their identity.
- **Training data transparency:** establishing a mandatory transparency framework for large AI developers regarding training data.
- **Fair licensing market:** fostering a sustainable licensing ecosystem for rightsholders and developers of all sizes, and exploring mechanisms to ensure that remuneration reaches individual creators.
- **Technical standards for control, provenance and labelling:** supporting the creation and adoption of open, interoperable and globally aligned technical standards for rights reservation, data provenance and the labelling of AI-generated content, and being prepared to legislate where necessary to ensure effective implementation.
- **Sovereign AI models:** focusing sovereign AI efforts on the development of AI models with transparency built in by design and respect for copyright.

CMA sets out consumer law expectations for businesses deploying AI agents

See [Consumer law section](#)

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EU updates

EU code of practice on marking and labelling of AI-generated content: second draft published

In November 2025, the European Commission began work on a voluntary code of practice on marking and labelling AI-generated content. The code aims to help providers and deployers comply with transparency obligations under Article 50 of the EU AI Act. A first draft of the code was published in December 2025, and the Commission has now [published a second draft](#).

The second version has been drafted by independent experts, integrating feedback from industry, academia, civil society, Member States and members of the European Parliament. The Commission states that the new draft has been "streamlined and simplified, providing more flexibility for the signatories, reducing the compliance burden and incorporating further technical considerations to improve legal clarity and practicality". It promotes the use of open standards for AI content marking and an EU icon for labelling, with the aim of simplifying compliance and reducing costs.

The Commission is collecting feedback on the second draft from participants and observers to the code until 30 March 2026. It is expected to be finalised by the beginning of June this year, and the transparency obligations are set to become applicable on 2 August 2026 (subject to the changes proposed by the Digital Omnibus on AI).

Digital Omnibus proposal: progress update

Discussions among EU institutions on the Digital Omnibus Regulation, the European Commission's proposal to make significant changes to the EU GDPR and other data legislation, are ongoing.

Separately, the EU legislative procedure on the Digital Omnibus on AI, which proposes changes to the EU AI Act, is progressing rapidly. The Council of the EU has adopted its position and the European Parliament is close to finalising its own.

See Osborne Clarke's [Digital Omnibus microsite](#) for the latest updates.

European Parliament calls for transparency, fair remuneration and new licensing rules

The European Parliament has adopted a [resolution](#) outlining a series of recommendations on protecting copyrighted creative work in the age of generative AI. It calls for a supplementary legal framework to clarify licensing rules for copyrighted material used in generative AI, address potential infringements and ensure effective cooperation between AI providers and rights holders.

The Parliament states that rightsholders, particularly in the press and news media sector, should be able to exclude their work from being used in AI training, and highlights the importance of full transparency. It calls on the Commission to explore mechanisms to ensure fair compensation from generative AI providers and to facilitate voluntary sector-level collective licensing agreements. It also considers that content fully generated by AI that does not meet the established criteria for copyright protection should remain ineligible for such protection.

International updates

International data protection authorities issue statement on privacy risks of AI-generated imagery

International data protection authorities, including the UK's Information Commissioner's Office and the European Data Protection Board, have published a [joint statement](#) on AI-generated imagery and the protection of privacy.

The statement addresses concerns about AI systems that generate realistic images and videos of real people, including non-consensual intimate imagery and defamatory depictions, without their knowledge. While noting that specific legal requirements vary by jurisdiction, the statement sets out fundamental principles for organisations developing and using AI content generation systems, including:

- Implementing robust safeguards to prevent misuse of personal information and generation of non-consensual intimate imagery, particularly involving children.
- Ensuring meaningful transparency about AI system capabilities, safeguards, acceptable uses and consequences of misuse.

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- Providing effective and accessible mechanisms for individuals to request prompt removal of harmful content involving their personal information.
- Addressing specific risks to children through enhanced safeguards and age-appropriate information.

The statement urges organisations to engage proactively with regulators and implement safeguards from the outset.



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Bribery, fraud and anti-money laundering

Bribery, fraud and anti-money laundering

Government publishes Fraud Strategy 2026-2029

The Home Office has published its [Fraud Strategy](#) for 2026-2029, setting out the government's new approach to tackling fraud against individuals and businesses. The government has committed over £250 million to deliver the strategy, which is structured around three pillars (disrupt, safeguard and respond).

Key measures include:

- **Online Crime Centre:** The government has committed £31 million to establish this new public-private body, which is set to begin operations in April 2026. Led by the Home Office and the National Crime Agency, the Online Crime Centre (OCC) will facilitate the sharing of data across different partners, analyse intelligence to inform and coordinate law enforcement interventions with a focus on fraud and high-volume cyber crime.
- **Expanding corporate liability:** The Home Office will continue to [consider](#) whether to introduce civil penalties for fraud and facilitating money laundering, potentially drawing on models such as the [Public Authorities \(Fraud, Error and Recovery\) Act 2025](#), which introduced powers to issue civil penalties for fraud.
- **Failure to prevent fraud:** The new corporate offence of [failure to prevent fraud](#) was introduced by the Economic Crime and Corporate Transparency Act 2023 and came into effect in September 2025. The strategy reminds large organisations that they must implement procedures to prevent fraud by associated persons. This signals that the offence will be an active enforcement priority, and organisations that have not yet fully implemented their fraud prevention frameworks should look to do so as a matter of priority.
- **Data sharing:** The Home Office has launched a [call for evidence](#) on economic crime information sharing. It seeks input on how cross-border and private sector data sharing could be improved, and will examine information sharing in relation to any economic crime activity, including fraud, money laundering, corruption and asset recovery. The call will also support work to build a public-private Data Strategy, as well as other [Economic Crime Plan 2](#) initiatives. The call for evidence closes on 18 May 2026.

For further details, see Lord Hanson's [speech](#) announcing the launch of the Fraud Strategy.

HM Treasury publishes guidance on using digital identities under the MLRs

HM Treasury has published [new guidance](#) on how digital identity services can be used by regulated businesses to meet their obligations under the UK's anti-money laundering rules.

This guidance explains how the UK digital identity and attributes trust framework interacts with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLRs), and is approved guidance for the purposes of compliance with those regulations.

A digital identity is defined as a digital representation that allows a person to prove their identity during transactions and interactions, without presenting physical documents, and can be used online or in person via a computer or smartphone.

The guidance confirms that digital identity services can be independently certified against the trust framework and, once certified, may apply to be listed on the digital verification services (DVS) register (a publicly available register that can be used by regulated entities as part of customer due diligence).

It highlights that certified and registered digital identity services are recognised as a reliable and independent source of information and can be used by regulated businesses as part of their customer checks. In particular, they can be used to fulfil identity verification obligations under Regulation 28 of the MLRs, including verification of company directors.

Digital identity services that are not certified and not listed on the DVS Register cannot reliably be considered suitable for identity verification under the MLRs. Businesses should therefore ensure that any digital identity tool they use meets this standard. While digital identities can assist with identification and verification, they do not satisfy all aspects of customer due diligence: for example, assessing the purpose and intended nature of a business relationship. Businesses should ensure that existing processes for those wider checks remain in place.

Regulated businesses remain ultimately responsible for ensuring that customer due diligence is carried out correctly, even when using digital identity services. Businesses should also ensure that any digital identity service they use is capable of meeting the record-retention requirements set out in Regulation 40 of the MLRs.

Bribery, fraud and anti-money laundering

FATF releases report on stablecoins and unhosted wallets

The Financial Action Task Force (FATF) has published a [targeted report on stablecoins and unhosted wallets](#). The report highlights the risks associated with the criminal misuse of stablecoins and recommends actions, new technologies and blockchain analytical tools that can be deployed to mitigate risk and to detect and disrupt illicit activity.

The report also sets out good practice guidance for the private sector on mitigating the misuse of stablecoins. This includes recommendations for stablecoin issuers to implement risk-based technical and governance controls enabling them to freeze, burn or withdraw stablecoins where necessary.



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Competition

Competition

Universities and research institutions collaboration

The Competition and Markets Authority (CMA) has [issued new guidance](#) clarifying how higher education (HE) providers can work together without breaching competition law, as institutions increasingly look to pool resources in a challenging financial environment. Competition law applies to all HE providers (including universities and research institutions) that charge fees or carry out economic activities, even on a not-for-profit basis.

What counts as low risk

Most forms of collaboration are unlikely to attract regulatory scrutiny. Shared infrastructure, joint procurement, policy discussions with government or regulators, and research partnerships with non-competitors (such as businesses or non-university research institutes) all pose a low competition risk. Arrangements to help students or staff move between institutions, for example when a course closes, are also unlikely to raise concerns.

Where institutions should exercise caution

Information sharing and course collaborations carry greater risk. Institutions must not exchange competitively sensitive information (CSI), such as confidential pricing or admissions strategies, with rival providers.

Where benchmarking data is involved, engaging an independent third party can help ensure CSI does not pass between competitors. Course collaboration may also be problematic if it reduces the choices available to students, particularly where few similar courses exist or students are unlikely to travel.

While this guidance largely restates existing competition law through a higher education lens, it signals a concerted CMA effort to remove perceived barriers to collaboration and is consistent with the government's broader growth agenda. The CMA has previously indicated it would "not prioritise" investigating certain collaborations, such as those relating to cancer therapies, and there may in time be similar safe harbours identified for key university and research sectors. This would offer institutions much-needed certainty as they navigate an increasingly complex financial landscape. For a more in-depth analysis of these developments, see this [Insight](#).

Algorithms and competition law

In a [blog](#) published on 4 March 2026, the CMA set out its current thinking on competition law risks arising from algorithmic pricing and signalled a significant step-up in enforcement capabilities. It identifies four categories of algorithmic collusion risk:

- **Classic collusion implemented via algorithm:** Rivals explicitly agree to collude and use algorithms to implement, monitor and enforce the agreement. The CMA has already pursued enforcement action on this basis.
- **Hub-and-spoke arrangements:** Competitors use the same algorithm or data hub to exchange competitively sensitive information indirectly, even unintentionally, including by delegating pricing decisions or receiving recommendations based on co-mingled data.
- **Predictable agent behaviour:** Algorithms that react to market events, follow price leadership and punish deviations, producing collusive outcomes without explicit agreement.
- **Autonomous AI coordination:** Advanced AI systems tasked with profit maximisation may learn to reach coordinated outcomes without human intent to collude.

The CMA is also analysing the implications of agentic AI – please see the [consumer law section](#) for more information.

Private dental services market study

The CMA has [launched a market study into the supply of private dental services in the United Kingdom](#), examining whether the private dentistry market is working well for consumers (including preventative, clinically necessary and cosmetic dental treatments). The study follows [a request from the chancellor](#), who noted that the government would welcome any recommendations to ensure the market works well for consumers.

Why this matters

The combined publicly funded and private dentistry market in the UK is reported to be valued at over £12 billion, of which over £8 billion (two thirds) is accounted for by the private dentistry market, with a significant and growing proportion of households using private dental services, partly driven by people being unable to access NHS treatment or unable to access

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it quickly enough. Commentators have drawn attention to rising, and in many cases unaffordable, costs, with reports of some people resorting to DIY dentistry. These challenges are likely to be compounded by broader cost of living pressures.

Key areas under scrutiny

The CMA has identified several focal points for the study. These include the consumer journey and choice: specifically, how consumers access information to make informed decisions, and the availability of, and ease of switching between, private dental services.

It will also examine whether dentists engage in any unfair or anticompetitive practices that may adversely affect consumers or competition. Concerns already noted include dental practices conditioning children's NHS access on a parent becoming a private patient, and concerns around upselling. On market outcomes, the CMA will consider how prices have changed relative to inflation and assess the relative profitability of service providers and the different treatments they offer.

Timeline and next steps

The study is expected to run for a full 12 months: evidence gathering is expected to conclude by late August 2026, an interim update with emerging concerns and potential options is anticipated between October and November 2026, and a final report is due by 4 March 2027.

Potential implications

Possible outcomes range from a finding of no material concerns to recommendations to business or government, enforcement action, or a market investigation reference. These could include recommendations for reform of existing conduct regulation to improve transparency and empower consumers, or direct enforcement action where suspected breaches of consumer or competition law are identified.

Dental practices, insurers, and corporate dental groups should monitor the study closely, as its findings may prompt significant regulatory or operational change across the sector.

Government publishes consultation response on sensitive sectors under NSIA

The government has published [its response](#) to the consultation on proposed updates to the National Security and Investment Act (NSIA), the Notifiable Acquisition Regulations (NARs), confirming a package of amendments intended to sharpen the regime's focus on genuine national security risks while reducing the regulatory burden on lower-risk transactions.

The NARs came into force in January 2022 and have not been updated since. Building on stakeholder feedback to the previous government's Call for Evidence on the NSIA, this government published a statutory report on the NARs in December 2024, which found that the NARs were generally operating effectively but recognised that there was room for improvement. The government then launched a 12-week consultation proposing updates to the NARs on 22 July 2025, closing on 14 October 2025.

Key decisions

Following the consultation, the government has confirmed it will:

- Make further changes to the Critical Minerals, Semiconductors, Artificial Intelligence and Communications schedules to reduce capturing low-risk notifications.
- Make clarifying amendments to the scope and definitions of the Critical Suppliers to government, Data Infrastructure, Energy, and Suppliers to the Emergency Services schedules.
- Create a new schedule to cover acquisitions in the Water sector.
- Maintain the updated Advanced Materials and Synthetic Biology schedules as they are, to include emerging technologies and their diverse uses.
- Provide updated, more detailed guidance across the NARs to address topics frequently raised in feedback.

Timing

Implementing the changes will require secondary legislation, which the government will bring to Parliament in due course, and will also likely require updated guidance.

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The statutory instrument will also be accompanied by the publication of an updated impact assessment, which will draw on evidence from the responses to the consultation. Businesses should begin reviewing their portfolios and activities now in anticipation of these changes taking effect later in 2026.

What this means for businesses

The reforms are designed to make the self-assessment process clearer. Businesses involved in AI, for instance, should benefit from a narrowed scope that excludes the use of non-consumer AI systems for routine business activities, the use of licensed third-party AI systems, and certain modifications made to AI systems as part of routine business deployment activities and IT policies.

Similarly, in the communications sector, amendments address concerns around inadvertent capture of lower-risk entities. The addition of a standalone Water schedule confirms a longstanding expectation. However, these changes are unlikely materially to reduce the number of NSIA mandatory filings required; in fact, the changes could lead to a modest increase in the total number of deals that need to be notified, especially in AI.

UK/EU competition agreement

On 25 February, the United Kingdom and the European Union [signed the UK-EU Competition Cooperation Agreement](#). It is a supplementing agreement to the Trade and Cooperation Agreement (TCA), and provides a formal framework for cooperation and coordination in competition matters between the competition authorities of the EU and its Member States, on the one hand, and the UK's CMA, on the other. The full agreement has not yet been published and analysis of its key provisions is based on the draft text published by the European Commission, which is expected to be identical in all material respects.

It covers several key areas. It establishes notification obligations where enforcement activities are likely to affect the important interests of the other party, and provides for coordination of parallel or related enforcement activities. Negative comity provisions require competition authorities to give careful consideration to each other's important interests throughout enforcement proceedings. Significantly, the agreement empowers the European Commission and national competition authorities of EU Member States, when applying EU competition law, to share information with, and receive information from, the CMA, and to use such information in evidence.

Information sharing is subject to safeguards: shared information may only be used for competition law enforcement purposes and, where used in evidence, must relate to the subject matter for which it was initially obtained. Strict confidentiality obligations and restrictions on onward disclosure to third-country authorities apply.

The agreement builds on existing bilateral competition cooperation agreements the EU has concluded with the US, Canada, Japan and South Korea, and reflects the continued importance of structured cross-border enforcement cooperation post-Brexit.

A joint review of the agreement's implementation is envisaged within two years of entry into force. The agreement requires approval by both parties and will enter into force on the first day of the second month following the final notification of completion of internal procedures. Businesses operating across both jurisdictions should note that it may facilitate more coordinated and effective cross-border enforcement, particularly in cases involving parallel investigations or information requests from both the CMA and EU competition authorities.



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Consumer law

Consumer law

CMA sets out consumer law expectations for businesses deploying AI agents

The UK Competition and Markets Authority (CMA) has published guidance, [Complying with consumer law when using AI agents](#), setting out how businesses can use agentic AI to engage with their customers while complying with the law. It states that:

- The same consumer law rules apply regardless of whether customers interact with a person or an AI agent. A business is responsible for the actions of an AI agent in the same way as it is responsible for its employees, even where a third party has designed or provides the AI agent on the business's behalf. Businesses should therefore consider compliance at the procurement stage, for example by using this guidance to inform discussions with third-party providers.
- Businesses should consider whether they need to label the use of an AI agent to avoid misleading consumers into thinking that a real person is providing the service. The relevant test is whether the fact that a consumer is dealing with AI rather than a person might affect their decisions; if so, the business should disclose this. At the same time, businesses should not overstate the role of AI in providing a service, or its capabilities.
- Businesses should train AI agents to comply with consumer law and test them before deployment. In doing so, they should consider what data their AI agent will need and how it will be prompted to: respect customers' statutory rights and the terms of contracts (for example, to ensure that cancellation rights are not breached); avoid misleading customers (both through what they say and what they omit to say); and properly obtain any consents required by consumer law.
- Businesses should regularly monitor AI agents' performance and ensure that appropriate human oversight is in place.
- Businesses should act quickly where an AI agent does not perform as expected and such failure could result in non-compliance with consumer law.

The guidance provides examples of actions to consider in different scenarios (such as using an AI agent in marketing campaigns, processing refund requests, responding to customer service queries and providing services).

Commencement of DMCCA alternative dispute resolution regime

The [Digital Markets, Competition and Consumers Act 2024 \(Commencement No. 3 and Transitional Provisions\) Regulations 2026](#) bring into force, on 6 April 2026, Chapter 4 of Part 4 of the UK Digital Markets, Competition and Consumers Act 2024 (DMCCA) which governs alternative dispute resolution (ADR) for consumer contract disputes.

The DMCCA replaces the previous regime under the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015.

It prohibits ADR providers from carrying out ADR without accreditation. The new regulations create a transitional window, beginning on 6 April 2026, during which those prohibitions are disapplied for ADR that started during that period. The relevant period ends on 5 October 2026 or, if the ADR provider applies for accreditation under the DMCCA before that date, on the date that application is granted, refused or withdrawn.

A series of other regulations have been made to ensure the effective implementation of the regime. These include the [Digital Markets, Competition and Consumers Act 2024 \(Alternative Dispute Resolution\) \(Conferral of Functions\) Regulations 2026](#), which confer functions on the Chartered Trading Standards Institute in relation to ADR for consumer contract disputes under the DMCCA and make provisions in connection with the conferral of those functions.

CMA launches Clear Pricing campaign to raise awareness of misleading pricing

The CMA has [launched](#) its Clear Pricing campaign to raise consumer and business awareness of misleading pricing. It reminds businesses that "drip pricing" is a prohibited practice under the DMCCA, and has previously published [guidance on price transparency](#) covering the concepts of drip pricing, partitioned pricing and the core obligation on traders to present a total price wherever an invitation to purchase is made, including mandatory fees and charges.

As part of the campaign, the CMA has introduced a "3 Step Pricing Check" to help businesses ensure that their pricing complies with the law, distilling the rules into three actionable steps:

- "Show the total price up front."
- "Include all mandatory charges."

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- "If you can't give a total yet, is it clear how customers can work it out?"



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Cyber-security

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NCSC issues alert to UK organisations over conflict in Middle East

The National Cyber Security Centre (NCSC) has issued an [alert](#) advising UK organisations to review their cyber security posture in light of the ongoing conflict in the Middle East.

Directed in particular at organisations with a presence or supply chains in the Middle East, the alert recommends that organisations take steps to mitigate the risk of collateral impacts in the UK from Iran-linked hacktivists by:

- reviewing previous advisories on [DDoS attacks](#), [phishing activity](#), and [ICS Targeting](#);
- taking the steps outlined in the NCSC's guidance on [actions to take when the cyber threat is heightened](#); and
- considering [increased monitoring](#) of threats and network activity, and [reviewing external attack surface management](#).

Critical national infrastructure (CNI) organisations are also advised to pre-emptively review the guidance on [actions to take to prepare CNI organisations for severe cyber threats](#).

DSIT publishes survey on cyber security behaviours of UK organisations

The Department for Science, Innovation and Technology (DSIT) has [published](#) the results of wave five of the Cyber Security Longitudinal Survey. It tracks the cyber security behaviours of organisations over time to understand how their experiences evolve.

The latest research shows that cyber incidents continue to affect a significant proportion of UK organisations, underlining the need for continuous vigilance. Very large businesses (500+ employees) were significantly more likely to experience a cyber incident than medium-sized businesses (74% versus 62%), reflecting the heightened exposure that accompanies greater scale and complexity.

With regard to the prevalence of incidents, two-thirds of large businesses that experienced a cyber incident with a material impact or outcome at one point in time went on to experience a further such incident at the next point in time. Of these, 34% experienced the subsequent incident without a material impact or outcome, suggesting that steps had been taken to improve resilience or that the latter incident was less intrusive. This underscores that serious cyber incidents are rarely isolated events and highlights the limitations of purely reactive governance frameworks.

Supply chain cyber security management remains a low priority: only 40% of large businesses formally assessed the cyber security risks presented by their suppliers. For organisations with complex supplier networks, this represents a significant gap in cyber governance and an area of unmitigated legal risk, particularly as both national and international regulatory frameworks continue to raise standards around supply chain due diligence.

For a comparison with the results from wave four of the survey, see our [previous Regulatory Outlook](#).

Progress of the Cyber Security and Resilience Bill

The [Cyber Security and Resilience Bill](#) had its second reading in the House of Commons on 6 January 2026.

Throughout February, the Public Bill Committee met to hear from expert witnesses on their views on the bill and scrutinise it line by line. The committee stage has now concluded, and the bill will progress to the report stage when parliamentary time allows.

European Commission publishes consultation on draft Cyber Resilience Act guidance

As part of its ongoing efforts to strengthen the EU's cyber security resilience and capabilities, the European Commission has published a [consultation](#) seeking views on draft non-binding guidance designed to clarify the obligations and scope of the [Cyber Resilience Act](#) (CRA) for manufacturers, developers, microenterprises and SMEs.

The guidance focuses on remote processing solutions and free and open-source software, building on the [frequently asked questions](#) on CRA implementation published by the Commission in December 2025.

The consultation closes on 31 March 2026. Separately, the Commission proposed a [new cybersecurity package](#) on 20 January 2026, aimed at enhancing the EU's cyber resilience framework.

Cyber-security



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Data law

UK updates

ICO fines Reddit £14.47 million for children's privacy failures

The Information Commissioner's Office (ICO) has [fined](#) the social media platform Reddit £14.47 million for failing to use children's personal information lawfully on its platform, in breach of UK data protection law and the standards set out in the ICO's Age Appropriate Design Code (also known as the Children's Code). Key failings highlighted by the ICO include Reddit's lack of robust age assurance mechanisms and failure to carry out a data protection impact assessment to assess and mitigate risks to children.

See this [Insight](#) for more information.

ICO's open letter to platforms on strengthening age assurance

The ICO has published an [open letter](#) to social media and video-sharing platforms, calling on them to "act now" to strengthen age assurance measures to ensure that young children are not accessing services that are not designed for them. The letter follows closely on the ICO's fine imposed on Reddit (see above).

The key points are:

- Where a platform sets a minimum age (for example, 13), it generally has no lawful basis to process the personal data of children below that age. Platforms must therefore prevent access to children under their minimum age by implementing an effective age gate.
- In those circumstances, self-declaration is not an effective age assurance method and the ICO expects platforms to make use of current viable technologies when enforcing minimum age requirements. The ICO's recent fine against Reddit demonstrates that it is prepared to act swiftly where age assurance measures are ineffective.
- Viable, privacy-friendly age assurance technologies are now available, such as facial age estimation, digital ID verification and one-time photo matching. Platforms are expected to deploy such measures, provided that they comply with data protection law. The technology deployed must be lawful, fair, proportionate and secure, must minimise data collection, and must be clearly explained to users in an age-appropriate manner.

The ICO makes clear that it is actively monitoring practices and has begun direct engagement with the highest-risk services, expecting them to strengthen their measures within two months. It highlights that regulatory action may follow if platforms fail to cooperate.

The ICO points organisations to its [updated opinion on age assurance](#).

Court of Appeal confirms data controllers' security duty applies regardless of hacker's ability to identify individuals

The ICO has [succeeded](#) in its appeal against the decision of the Upper Tribunal in the case of *DSG Retail Limited* (DSG). The ICO had fined DSG £500,000 under the Data Protection Act 1998 (DPA 1998) in 2020, following a cyber attack in which attackers scraped transaction details from point-of-sale terminals, obtaining card numbers and expiry dates but, in most cases, not the cardholders' names or other identifying information. The First-tier Tribunal upheld the penalty, but the Upper Tribunal found in DSG's favour.

The ICO's appeal to the Court of Appeal concerned the scope of the "security duty": the obligation on data controllers to take "appropriate technical and organisational measures" to protect personal data. The court assumed that the cardholders were identifiable to DSG but not to the attackers. The Court of Appeal held that whether or not the hacked data constitutes personal data from the perspective of the hacker is irrelevant for the purposes of the security duty; if the controller can identify the data, they must secure it.

While the case was decided under the DPA 1998 (since the breach pre-dated the UK GDPR), it is likely that the court would have reached the same conclusion under the UK GDPR and the Data Protection Act 2018.

ICO issues fine and reprimand to Police Scotland for data security and breach reporting failures

The ICO has [issued](#) a £66,000 fine and a reprimand to Police Scotland for serious failures in handling sensitive personal information. Following an individual's report of an alleged crime, Police Scotland extracted the entire contents of their mobile

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phone without adequate safeguards, collecting a substantial volume of highly sensitive information unrelated to the investigation. The unredacted content was subsequently included in a misconduct disclosure bundle and shared with an unauthorised third party.

The ICO found that Police Scotland failed to: (i) implement appropriate organisational and technical measures to ensure data security; (ii) limit data sharing to what was strictly necessary; (iii) ensure that staff followed clear guidance and procedures; and (iv) report the breach to the ICO within the required 72-hour timeframe.

While the context of the fine is very specific to law enforcement, there are some broader points arising from it which are notable: (i) the ICO's public sector enforcement approach means that it does not generally fine public sector bodies – this case was evidently sufficiently egregious; and (ii) one of the infringements was that Police Scotland failed to notify the ICO of the breach in time – it contacted the ICO helpline 13 days after becoming aware of the breach.

International data protection authorities (including ICO) issue statement on privacy risks of AI-generated imagery

See [AI section](#).

EU updates

EDPB identifies problems preventing the full implementation of the 'right to be forgotten' under EU GDPR

The European Data Protection Board (EDPB) has adopted a [report](#) on its Coordinated Enforcement Framework (CEF) action on the right to erasure under Article 17 of the EU GDPR. The right to erasure was chosen for the CEF action in 2025 as it is one of the most frequently exercised GDPR rights and a consistent source of complaints to Data Protection Authorities (DPAs) across the EU.

The DPAs identified seven main compliance failures:

- lack of appropriate internal procedures for handling requests;
- absence of, or inadequate, training;
- insufficient information provided to individuals;
- misuse of, and legal uncertainty surrounding, the exceptions available to deny erasure requests;
- difficulties in defining and implementing data retention periods;
- deletion of personal data in the context of back-ups; and
- difficulties with the use of anonymisation as a means of responding to erasure requests.

As the right to erasure is not an absolute right, some controllers face difficulties in assessing and applying the applicable conditions for the exercise of this right, including in carrying out the relevant balancing tests between the right to erasure and other rights and freedoms.

The report sets out a series of recommendations addressing each of the issues identified, aimed at improving controllers' compliance with the right to erasure.

Digital Omnibus proposal: progress update

Discussions among EU institutions on the Digital Omnibus Regulation, the European Commission's proposal to make significant changes to the EU GDPR and other data legislation, are ongoing.

Separately, the EU legislative procedure on the Digital Omnibus on AI, which proposes changes to the EU AI Act, is progressing rapidly. The Council of the EU has adopted its position and the European Parliament is close to finalising its own position.

See Osborne Clarke's [Digital Omnibus microsite](#) for the latest updates.

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Digital regulation

Digital regulation

Online safety and age assurance

The UK government has published its much-anticipated [consultation](#) on children's wellbeing online. It seeks views on setting a minimum age for children to access social media (among other things).

The government also consults on:

- Children's use of AI chatbots, including which mitigation measures (such as minimum ages, restrictions on features and functionalities, or time limits) may be appropriate to apply to certain chatbots and, if so, how this subset of services should be defined.
- Whether the digital age of consent should be raised (currently set at 13 under the UK GDPR).
- Restricting certain functionalities and design features that encourage excessive use, such as infinite scrolling, autoplay, "likes" and comments, alerts and push notifications, and content recommendation algorithms.
- Whether there should be age restrictions on features such as live streaming, the ability to send nude images or videos, disappearing content, location sharing and connecting or talking to strangers.
- How age verification and age assurance technologies can support the effective implementation of any changes to the regulatory regime.

The consultation closes on 26 May 2026.

The government has already committed to taking action to improve the child safety online regulatory regime by, for example, ensuring that AI chatbots are brought into scope of the Online Safety Act 2023 (OSA), and to act swiftly on the consultation's findings. See this [Regulatory Outlook](#) for more information.

UK Online Safety Act updates

Ofcom and ICO call for stronger age assurance and child protection measures

Ofcom has published four [demands](#) directed at the sites and apps most used by children, requiring them to enforce their minimum age rules and implement highly effective age checks. Ofcom has outlined four areas of focus:

- **Effective minimum-age policies:** while acknowledging that enforcement of the minimum age for accessing these sites and apps (set at 13 years of age by the UK GDPR) is not explicitly required by the OSA, Ofcom is calling on platforms to ensure that they do this.
- **Robust grooming protections:** platforms must implement strict controls, including using highly effective age assurance to identify child users, to prevent contact between children and unknown adults.
- **Safer feeds for children:** Ofcom identifies algorithms as children's "main pathway to harm online" and is issuing legally binding information requests to large platforms to assist it in the assessment of their recommender systems. Ofcom acknowledges that this evaluation will take time, but makes clear that it will enforce if issues over the promotion of content to children are identified.
- **Pre-deployment risk assessment:** Ofcom reminds platforms that they are required by law to assess the risk of significant updates to their products, including new AI tools, before deployment, and to notify it accordingly.

At the same time, the Information Commissioner's Office (ICO) has published an open letter to social media and video-sharing platforms, calling on them to "act now" to strengthen age assurance measures to ensure young children are not accessing services that are not designed for them. This follows the ICO's [recent decision](#) to fine social media platform, Reddit, for failing to implement age assurance measures and for processing children's personal information unlawfully without conducting an impact assessment. See the [Data law section](#) for more information.

New regulations bringing child sexual exploitation and abuse reporting duty in effect

Section 66 of the OSA requires UK providers of regulated services to report all detected and unreported child sexual exploitation and abuse (CSEA) content on their service to the National Crime Agency (NCA). Non-UK providers are also required to report such content to the NCA, but only where it is UK-linked CSEA content.

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The [Online Safety Act 2023 \(Commencement No. 7\) Regulations 2026](#) bring these duties into force, as far as they relate to regulated user-to-user services, on 7 April 2026. The duties in respect of regulated search services are expected to be brought into force later in the year.

The secretary of state has also now made the [Online Safety \(CSEA Content Reporting by Regulated User-to-User Service Providers\) Regulations 2026](#), which set out the practical steps that regulated user-to-user services must follow to comply with the reporting duties, including registering with the NCA prior to reporting and details of the information to be included in the reports.

These regulations also state that if the service provider has registered with the NCA and is required, or decides, to report to a foreign agency instead (such as the National Center for Missing & Exploited Children in the US), it must inform the NCA of that decision or requirement; it will then no longer be required to report to the NCA as well.

Ofcom has published an [information page](#) to assist providers with compliance.

Ofcom finalises online safety fees framework by publishing Statement of Charging Principles

Ofcom has published the finalised version of its [Statement of Charging Principles](#), the final regulatory document required to implement the online safety fees regime under the OSA. While the fees regime has been in effect since December 2025, the OSA requires a statement of charging principles to be in force before Ofcom can request fees from regulated service providers.

The statement applies to the 2026-2027 charging year (beginning 1 April 2026 and ending 31 March 2027) and any subsequent charging year (each subsequent period of 12 months starting on 1 April). It sets out the principles that Ofcom will apply when determining the fees payable by providers of regulated services. Service providers subject to the regime (those with a "qualifying worldwide revenue" exceeding £250 million) must register on the [online safety fees portal](#) and notify Ofcom by 11 April 2026.

See this [Regulatory Outlook](#) for more information on the fees regime.

UK Media Act updates

Government publishes regulations on Tier 1 video-on-demand services

Recognising the increased use of video-on-demand (VoD) services by audiences and the regulatory imbalance between traditional broadcasting channels and VoD services, the Media Act 2024 introduced amendments to the UK's broadcasting regulatory framework to align the regulation of certain VoD services with broadcasting services.

In particular, it provided powers for the secretary of state to designate certain VoD services as "Tier 1 services", bringing them under enhanced regulation by Ofcom. The government has now published the [On-demand Programme Services \(Tier 1 Services\) Regulations 2026](#), which will bring these provisions into effect on 1 April 2026.

Under the regulations, a VoD service based in the UK (referred to as an on-demand programme service (ODPS)), or a non-UK ODPS, will be a Tier 1 service if it has more than 500,000 users in the UK (excluding ODPS provided by the BBC, such as iPlayer, which is regulated separately by Ofcom under the BBC Framework Agreement).

The regulations also define "user" and provide that a person is not a user if they access the ODPS (whether UK or non-UK) through a user-to-user service (as defined by the OSA), for example via a channel on a video-sharing platform. However, this exception does not apply to a person using an ODPS provided by a public service broadcaster (PSB) other than the BBC.

The secretary of state will designate which services are to become Tier 1 services through further secondary legislation. Ofcom will also engage with services to determine those that qualify as Tier 1 services and will consult on draft VoD standards and accessibility codes.

The government has also published a [statement](#) on the designation of Tier 1 (VoD) services, in which it explains that it considered using other metrics as possible designation thresholds, such as turnover, catalogue size, and content spend and type, but ultimately decided to base the threshold on the number of users.

Government publishes statement on future regulation of TV EPGs

Digital regulation

The government consulted in September 2023 on the future regulation of currently unregulated TV electronic programme guides (EPGs) – the on-screen menus integrated into TVs, set-top boxes and apps. Currently, only channels appearing in regulated EPGs are subject to regulation, meaning that many newer EPGs and linear channels delivered over the internet (that is, using internet protocol (IP) technology) fall outside the regulatory framework. The government sought views on how this regulatory gap should be addressed.

It has now published a [statement](#) on the consultation, together with a summary of responses received. The government has decided to address the regulatory gap in two stages. First, it will introduce secondary legislation under existing powers to regulate: i) EPGs that are delivered by an already regulated EPG provider but currently fall outside the regulatory framework; and ii) portal services available through a regulated EPG. Second, the government will engage with stakeholders to determine next steps for addressing the regulatory gap arising from the development of new IP television services. This may involve using an audience reach threshold to bring such services within scope, but the government intends to consider the broadcasting regulatory framework more broadly, including whether it remains fit for purpose in relation to IP-delivered services.

Ofcom publishes statement on safeguarding local news and information on analogue commercial radio

The Media Act has changed Ofcom's duties in relation to the regulation of local analogue commercial radio. In particular, it gives Ofcom a duty to include new conditions in local commercial radio licences, which would require stations to broadcast local news and information regularly, including "locally-gathered" news. Following consultation, Ofcom has now published a [statement](#) setting out the new requirements, alongside guidance to assist licensees with compliance.

The new requirements include:

- Local analogue commercial radio stations must broadcast local news at least hourly during daytime weekdays and at least three times during peak time weekends and bank holidays, with reduced requirements for stations with very low turnover (under £50,000).
- Local news must include some news locally gathered by journalists physically present in the relevant areas.
- Local analogue commercial radio stations must also broadcast local information regularly throughout daytime weekdays and at peak times on weekends and bank holidays and maintain a public file detailing their compliance with these requirements.
- Licensees not previously required to provide local news will have two years before the new requirements come into force; all other licensees will have one year.

Ofcom recommends designation of radio selection services

The Media Act introduced rules to secure the availability of online streams of broadcast radio services via voice-activated devices, defining these as radio selection services (RSS). Certain designated RSS must reliably play an online stream of a UK broadcast radio service in response to a user's voice command. Before deciding which RSS to designate, the secretary of state must first receive recommendations from Ofcom.

Ofcom has published its [statement](#), following consultation, recommending the designation of three RSS. The secretary of state will now decide which RSS to designate, after which Ofcom will consult on a draft code of practice for designated RSS providers and provide information for internet radio services wishing to benefit from the new regime.

Ofcom publishes update on its implementation progress and plans

Ofcom has published an [update](#) on its implementation of the Media Act. Alongside its review of activities to date, it has set out the actions it plans to take in 2026. Among other things, Ofcom intends to consult on:

- a proposed VoD code following the government's designation of Tier 1 services;
- a new accessibility code for Tier 1 services in spring; and
- its proposed designation of PSB players in scope of the new prominence rules and publish its final code of practice and guidance for providers within scope of those rules later this year.

Digital regulation



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Employment and immigration

Employment and immigration

Employment

The government is pushing forward with its programme of employment law reforms and the new statutory rights and obligations set out in the Employment Rights Act 2025.

Visit Osborne Clarke's dedicated [employment law reforms microsite](#) for the latest updates on implementation dates and practical considerations, and [join us at our webinar](#) on 9 April 2026 about what employers and agencies should be doing to prepare for the 2026/2027 reforms.

New employment laws in force in April 2026

A number of legislative reforms will come into force on 6 April, and the government has published new guidance and consultations.

On 6 April, businesses will see:

- doubling of maximum protective award from 90 to 180 days' pay per affected employee for collective redundancy consultation failures;
- statutory sick pay payable from day one of absence with the removal of the lower earnings limit;
- statutory paternity leave and unpaid parental leave become day one rights and employees will be entitled to take paternity leave before or after shared parental leave;
- a new right to bereaved partners paternity leave;
- protected disclosures expressly extended to include sexual harassment concerns;
- simplified processes introduced for trade union recognition; and
- a new requirement to keep holiday pay records for six years.

The new Fair Work Agency is also set to launch in April 2026 (see further, in contingent workforce section below).

New [umbrella company tax legislation](#) which introduces joint and several tax liability between umbrella company and agency (or in some cases, end hirers) for any failure by the umbrella company to pay full PAYE and NICs to HMRC will also come into force on 6 April.

Increases to statutory pay rates

April will also see increases to the statutory minimum wage and the statutory minimum pay rates and family leave rates [coming into effect](#).

Increase to tribunal compensation awards and the rate of a week's pay

The limits that apply to certain awards in employment tribunals have been announced (which, as applicable, will apply to dismissals where the effective date of termination falls on or after 6 April 2026) including:

- The limit on a week's pay increases from £719 to £751.
- The maximum compensatory award for unfair dismissal increases from £118,223 to £123,543.
- The minimum basic award for certain unfair dismissals (including health and safety dismissals) increases from £8,763 to £9,157.
- The limit on the compensatory award for failure to have a written tips policy, or for failure to allocate and pay tips fairly, increases from £5,135 to £5,366.

The government still plans to remove the cap on the compensatory award for unfair dismissal from 1 January 2027.

Current consultations

The government's commitment to undertake "extensive engagement and consultation" on the implementation of its Plan to Make Work Pay and the Employment Rights Act 2025 has seen a number of consultations published including on flexible working; strengthening the law on tipping; fire and rehire; and changes to expenses, benefits and shift patterns; the recognition code of practice and balloting unfair practices; and modernising the agency work regulatory framework.

The outcome of these consultations will shape future regulations bringing the reforms in the Employment Rights Act 2025 into force.

Employment and immigration

Gender pay gap and menopause action plans

The government has [published new guidance](#) to help employers take practical steps to support women at work. Announced on 4 March 2026 by the minister for women and equalities, Bridget Phillipson, this marks a significant moment for workplace equality - and one that employers should [start preparing for now](#). Equality gender pay gap and menopause action plans will become mandatory from 2027 for large employers with 250 plus employees.

Ethnicity and disability pay gap reporting

The government has [published an announcement](#) confirming its commitment to introduce mandatory ethnicity and disability pay gap reporting for large employers. Firms with 250 or more employees will be required to publish six key pay gap metrics and new workforce composition data.

It has also published the response to its earlier consultation stating that this shows "widespread support for mandatory ethnicity and disability pay gap reporting by large employers to increase transparency and help tackle barriers in the workplace".

The consultation response also features indicative clauses for the new legislation and how it will work in practice. This has been drafted in collaboration with businesses that are already reporting on their ethnicity and disability pay differences on a voluntary basis. Legislation will seek to build on the current gender pay gap reporting to simplify the process and make it easy for employers to record their data.

The government's aim is that greater transparency on pay gaps will help ensure everyone can have a fair chance to get on in the workplace, drive economic growth and make work pay.

Contingent workforce

Developments affecting contingent workforce arrangements continue moving towards key deadlines:

- The UK [government's consultation](#) on modernising the agency work regulatory framework remains open until 1 May 2026, proposing to bring umbrella companies within the existing recruitment regulatory regime.
- From 6 April 2026, agency workers will [gain day-one statutory sick pay entitlement](#), removing both the lower earnings threshold and the three-day waiting period.
- 6 April 2026 also marks the [introduction of the new umbrella company tax legislation](#), under which agencies and end-user clients face joint and several liability where an umbrella company fails to meet its PAYE or national insurance obligations.

Look back to [last month's edition](#) for our full analysis and practical guidance on each of these developments.

The new Fair Work Agency [launches on 7 April 2026](#) under the Department for Business and Trade, as a unified, single regulator and enforcement body for workers' and agency workers' rights. It will enforce the national minimum wage, agency worker rules, and address labour exploitation, with powers to investigate, penalise and prosecute non-compliant employers. The current Employment Agency Standards Inspectorate (EASI) will become part of the Fair Work Agency.

Immigration

Nothing to report this month.



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Environment

Environment

Increased relief for energy intensive industries

The [Energy-Intensive Industry Electricity Support Payments and Levy \(Amendment\) Regulations](#) will come into effect on 1 April 2026, offering increased relief to energy-intensive industries under the network charging compensation scheme. The level of relief available under the scheme will be increased from the current level of 60% to 90% of network charging costs.

The regulations will also extend the application window for the scheme from one to two months, allowing applicants more time to apply for available compensation. This extension will be available from 30 June 2026.

The amendments to the scheme follow the government's consultation in 2025, with the response to this consultation being discussed in the [November edition](#) of the Regulatory Outlook.

Updated waste separation requirements for recycling in Wales

Amended waste separation requirements will come into effect in Wales on 6 April 2026. The [Waste Separation Requirements \(Wales\) \(Amendment\) Regulations 2026](#) will expand the duty on businesses and public sector bodies to separate unsold small waste electrical and electronic equipment (sWEEE) to a duty to separate all sWEEE. The amended regulations also remove expanded polypropylene from the plastic recyclable waste stream.

The amended regulations are accompanied by the Welsh government's final amended [code of practice for the separate collection of waste](#), which offers guidance on the separation requirements.

UK ETS auction reserve price amended

On 4 March 2026 the [Greenhouse Gas Emissions Trading Scheme \(Auctioning\) Regulations 2026](#) were made, amending the regulations governing the auctioning of UK emissions allowances in the UK Emissions Trading Scheme (UK ETS). The amendments come into force on 8 April 2026 and are accompanied by an [explanatory memorandum](#).

The amended regulations have the effect of increasing the minimum price at which UK emission allowances can be sold at auction from £22 to £28 per tonne of carbon dioxide equivalent. They also introduce a mechanism for annual inflation-based adjustments which will come into effect from 1 January 2027.

Additionally on UK ETS, the [Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2026](#) came into force on 11 March 2026, implementing proposals on free allocation and carbon leakage. The amendments will phase out annual free allocation over the 2027-30 allocation period for industrial installations covered by the UK Carbon Border Adjustment Mechanism, among other changes which help to clarify provisions on free allocation.

First restrictions introduced under UK REACH

The first restrictions under UK REACH (the UK's chemicals regulatory framework) were made on 2 March 2026 and will come into effect on 1 April 2026.

The restrictions relate to lead in ammunition and are aligned with UK REACH's role in restricting the sale or use of dangerous substances that pose an unacceptable risk to human health or the environment.

The restrictions limit the placing on the market and use of lead shot containing lead in a concentration equal to or greater than 1% by weight. They also restrict placing projectiles with a concentration of lead equal to or greater than 3% by weight on the market, as well as use of such projectiles.

Earlier this year, the government published its new [approach to the UK REACH Candidate List of substances of very high concern \(SVHCs\)](#), aiming to encourage more SVHCs to be substituted by less hazardous substances. See [products section](#) for more details.

Government publishes new guidance on litter offences and updates the litter code of practice

The Department for Environment, Food and Rural Affairs (Defra) has published draft [statutory guidance](#) on enforcement, alongside a draft of the [fourth statutory code of practice on litter and refuse](#), to assist local authorities with their duties and powers in relation to litter. The updated code of practice includes clearer explanations and updated legislative references, and sets out the recovery times for restoring local environmental standards for litter and refuse.

Environment

Defra's new enforcement guidance includes detail on issuing fixed penalty notices for littering or for the unauthorised distribution of free printed materials. Both this enforcement guidance and the new code of practice are expected to be confirmed as statutory guidance on 6 April 2026.

Draft regulations on mandatory digital waste tracking introduced in Wales

The Welsh government has set out the [draft Digital Waste Tracking \(Wales\) Regulations 2026](#) before the Welsh Parliament, with the regulations due to come into force on 1 October 2026. Other UK nations will introduce similar regulations shortly.

The regulations introduce the first phase of digital waste tracking in Wales, in which operators of sites controlling waste under an environmental permit will be required to upload information about the waste to the digital system. This new system replaces the current requirements to use waste transfer notes and hazardous waste consignment notes.

Government proposes broadening the compensatory measures available for offshore wind in England, Wales and Northern Ireland

[Draft regulations](#) expanding the compensatory measures available for unavoidable adverse impacts of offshore wind developments in Marine Protected Areas (MPAs) have been laid before Parliament. They place a duty on the appropriate authority to secure "appropriate" compensatory measures where any such adverse impact has occurred. Appropriate measures are those which benefit UK MPAs in a way that is reasonably proportionate to the potential damage caused by the offshore wind development.

Defra has published a [policy summary](#) to accompany the new regulations, including a proposed three-tiered compensation hierarchy for offshore wind projects. Compensatory measures must be selected in accordance with this hierarchy, as follows:

- Measures that benefit the impacted feature.
- Measures that benefit a similar feature.
- Measures that benefit the wider UK MPA network.

Government publishes the final UK Sustainability Reporting Standards: UK SRS 1 and UK SRS 2

The Department for Business and Trade has published the final UK Sustainability Reporting Standards (UK SRS), taking into account the feedback from its consultation on them. Examples of the amendments made following the consultation include:

- The transitional relief that permitted delayed reporting in the first year has been removed from the standards.
- The requirement from UK SRS S2 to use the Global Industry Classification Standard has been removed.
- A mechanism for financial institutions to explain why they have been unable to comply with the financed emissions disclosure requirements has been added.
- Changes to the reliefs within UK SRS S1 and UK SRS S2 relating to reporting on non-climate matters and Scope 3 GHG emissions.

Welsh Parliament has passed the Environment (Principles, Governance and Biodiversity Targets) (Wales) Bill

The Welsh Parliament has passed a new [bill establishing the environmental principles](#) of precaution, prevention, rectification at source, and polluter pays in Welsh law. It will also establish an independent body (the Office of Environmental Governance) to oversee the implementation of environmental law in Wales, and will introduce new duties on Welsh ministers to set biodiversity targets. The bill was passed on 24 February 2026, with the next stage being to submit it for royal assent.

Consistent with the long-term sustainability objectives for Wales, the Welsh government published a set of [sustainable investment principles for natural resources](#) earlier this year. These aim to guide funding for tackling biodiversity loss and supporting nature recovery, and increase funding for nature recovery across sectors.

Environment

Environment Agency publishes response to consultation on proposals to amend standard rules permits

The Environment Agency (EA) [published its response](#) to its October 2025 consultation on proposals to amend standard rules permits under the Environmental Permitting (EP) regime to reflect new decarbonisation readiness (DR) requirements. The new requirements stipulate that operators of new and substantially refurbished combustion plants must include a DR report in their EP applications, and that plants must be built in a way that allows for future decarbonisation.

The new amendments to EP rules mean that operators must keep a site-specific DR report, which is to be reviewed and updated at least every two years, and provide a copy of this to the EA on request. They also ensure that carbon capture readiness and hydrogen conversion readiness conditions under the regime are met.

Welsh government publishes a strategic priorities and objectives statement for water regulation transition in Wales

Following its green paper on water governance in Wales, discussed in our [February edition](#), the Welsh government has issued a [strategic priorities and objectives statement](#) (SPS) to Ofwat, setting out its strategic priorities and objectives for Ofwat during the Welsh transition to new water regulatory frameworks in England and Wales.

The SPS outlines what support is needed from Ofwat during the period between the publication of the SPS and establishment of a new integrated regulator, and for the period after the legislation is passed to establish a Welsh economic regulator for water. It sets out the need for Ofwat to continue to provide economic regulation for Wales during the transition period to ensure continuity of oversight, and the requirement that it facilitates the transition from the creation of a dedicated Welsh economic regulator for water to the point it becomes fully operational.

Draft regulations on a deposit return scheme for drinks containers in Wales laid before Senedd Cymru

From 1 October 2027, anyone supplied with specified drink containers will be obliged to pay a deposit which is refundable on the return of the container. This will apply to single-use and reusable containers from 150ml to three litres made from polyethylene terephthalate plastic, glass, aluminium and steel. The draft regulations governing this scheme will also set out a framework for enforcement, exemptions and the appeals procedure.

The [Welsh Deposit Return for Drinks Containers Regulations](#) are aligned with other such regulations across the UK. However, the Welsh regulations differ from those of other nations, as glass containers are not caught by the regulations in England and Northern Ireland, but are covered under the Welsh ones.

Government implements change to Climate Change Levy for hydrogen

Since 2001, the Climate Change Levy (CCL) has encouraged businesses and the wider public sector to be energy efficient by placing a tax on the supply of energy. However, the evolution of the wider energy landscape since it was introduced means that the applicability of CCL must continue to develop.

The [Climate Change Levy \(Fuel Use and Recycling Processes\) \(Amendment\) Regulations 2026 \(SI 2026/280\)](#) (CCL Amendment Regulations) aim to do just that and came into force on 12 March 2026. They were introduced in response to the [government's consultation, which concluded in November 2025](#).

The CCL Amendment Regulations mean that electricity which is used in the production of hydrogen through electrolysis, and natural gas which is used partly as fuel and partly as a carbon dioxide source for producing sodium bicarbonate, will now be considered "non-fuel uses" and therefore exempt from the levy. The government's hope is that the simplification of CCL in this sector will ensure that it does not act as a barrier to low-carbon electrolytic hydrogen production.

Proposals to amend UK ETS for CCS Pipelines

The UK Emissions Trading Scheme (UK ETS) Authority has published [a consultation on streamlining the regulatory requirements for cross boundary carbon capture storage \(CCS\) pipelines](#), which closes on 4 June 2026.

The consultation recognises that CCS pipelines may need to cross territorial (and therefore regulatory) boundaries in the UK before reaching their permanent geological storage sites, and that this process can be complex, burdensome and costly. The current regulatory framework could see up to five different regulators involved in permitting CCS pipelines.

The consultation looks at streamlining across two separate areas of regulation: onshore and offshore.

Environment

For onshore regulation, the consultation considers two options:

- determining a single onshore regulator for CCS pipelines (with reference to either the central control room, the location of the operator's registered office or the jurisdiction through which a majority of the pipeline passes); or
- jointly conferring regulatory functions where the various regulators determine a 'lead regulator' to exercise their joint functions.

For offshore regulation, the consultation considers the following:

- The onshore regulator remains the regulator up to the offshore storage site (which would then remain within the remit of the Offshore Petroleum Regulator for Environment and Decommissioning (OPRED)); or
- OPRED becomes the sole regulator for the entire offshore element of the CCS pipeline.

Amendment to UK ETS for merchant shipping

The government has recently published the [Merchant Shipping \(Monitoring, Reporting and Verification of Carbon Dioxide Emissions\) \(Revocation\) Regulations 2026](#), which will come into effect on 3 April 2026.

The regulations will remove legacy EU regulations on monitoring, reporting and verification (MRV) requirements for international shipping. The change will be accompanied by a change to the UK ETS from 1 July 2026, where eligible maritime operators will be required to meet updated MRV requirements in respect of their carbon dioxide (CO₂), methane and nitrous oxide emissions arising from certain activities.

The regulations are designed to avoid any potential confusion with the legacy regulations prior to the implementation of the new requirements.

Government response to EOR consultation

The government has published its [response](#) to the consultation on the introduction of Environmental Outcomes Reports (EOR) to replace existing, EU-derived, Strategic Environmental Assessments (SEA) and Environmental Impact Assessments (EIA). The response was published alongside a consultation outcome, [EOR: Roadmap to Reform](#).

Generally, the Ministry of Housing, Communities and Local Government's response suggests that it will continue to pursue its original consultation proposals. The government is expected to publish a further consultation on the draft EOR regulations, once available, in order to supplement the existing consultation feedback.

The government aims to bring forward EORs by the end of 2027, and the roadmap to delivering the regulatory framework for them is as follows:

- Phase 1 – Outcome Setting (this will be accompanied by guidance on demonstrating outcomes are being met).
- Phase 2 – Reforming the process (including drafting and consulting on EOR regulations).
- Phase 3 – Transition and testing (working with the planning advisory service and other stakeholders to ensure a managed transition).

Government lays plans to expand enforcement powers for waste offences

Defra has [announced](#) that the government is planning to expand the EA's powers of enforcement in order to tackle growing waste crime. Under the proposals, the EA and its enforcement officers will be given additional powers under the Police and Criminal Evidence Act and the Proceeds of Crime Act.

The changes will mean that EA officers can search premises, seize assets, and arrest individuals without a warrant. Criminals found guilty of transporting and handling illegal waste will also face up to five years in prison.

Defra is also exploring additional options, including information sharing between banks and finance providers to inform them of offences to prevent financial support, and confiscation of driving licences for those found to be fly-tipping.

Environment



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Environmental, social and governance

Environmental, social and governance

UK

FCA publishes good and poor practice guidance for sustainability disclosure labels

The Financial Conduct Authority has [published guidance](#) on good and poor practice for firms using labels under the Sustainability Disclosure Requirements (SDR) regime. The guidance covers all four sustainability labels: Sustainability Focus, Sustainability Improvers, Sustainability Impact, and Sustainability Mixed Goals. It is based on findings from the fund authorisations process and engagement with industry since firms became able to use the labels in July 2024. It is intended to help firms prepare pre-contractual disclosures, with reference to rules in the ESG sourcebook and the FCA's anti-greenwashing guidance (FG24/3).

The FCA noted that the quality of applications has improved as familiarity with the requirements has grown, but that it has not always been clear whether firms meet the labelling requirements or whether disclosures accurately reflect fund investments. The guidance does not introduce new requirements but serves as a practical steer for firms seeking to apply or maintain a sustainability label.

Asset managers and fund operators using or considering SDR labels should review the guidance carefully. The FCA's findings signal continued scrutiny of how firms substantiate and communicate sustainability claims, and firms should ensure that their pre-contractual disclosures and fund documentation accurately reflect the investments held.

UKGBC launches framework for nature-positive built environment

The UK Green Building Council has [launched its Framework](#) for a Nature Positive Built Environment, developed with 33 organisations, to provide a consistent approach for the sector to halt and reverse nature loss.

The framework establishes a common definition of "nature positive", covers the full asset lifecycle, and aligns with the Global Biodiversity Framework. It is intended for developers, designers, building owners, supply chain actors and public authorities, targeting the halting of biodiversity loss by 2030 and its reversal by 2050.

Businesses operating in the built environment (including developers, contractors and asset owners) should consider how it applies to their projects and portfolios. With nature-related disclosures increasingly expected by investors and regulators, early adoption of a consistent methodology will support both compliance readiness and stakeholder confidence.

Government publishes the final UK Sustainability Reporting Standards: UK SRS 1 and UK SRS 2

See [environment section](#).

House of Lords debate on PFAS 'forever chemicals' in consumer products

See [sustainable products section](#).

PackUK operational plan 2026-27: eco-modulation fees to apply in Year 2

See [sustainable products section](#).

UK-EU SPS Agreement: government sets out scope and asks businesses what they need

See [food section](#).

EU

EU Omnibus simplification package: directive amending CSRD and CSDDD enters into force

[Directive \(EU\) 2026/470](#), implementing the Omnibus I simplification package, has been published in the Official Journal of the European Union. It amends the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD), with the aim of streamlining sustainability reporting and due diligence obligations for businesses.

Environmental, social and governance

The directive was published in the official journal on 26 February and came into force on 18 March. Member States have until 19 March 2027 to transpose its provisions into national law, with the exception of Article 4 on the level of harmonisation, which must be transposed by 26 July 2028.

Under the [revised CSRD](#), the amended scope thresholds of 1,000 employees and €450 million net annual turnover are confirmed, as are the simplified reporting requirements and the voluntary nature of sector-specific reporting.

Under the [revised CSDDD](#), the narrowed scope applying only to businesses with more than 5,000 employees and €1.5 billion net annual turnover is confirmed, along with the removal of the climate transition plan obligation and the capped penalties of 3% of worldwide turnover.

Businesses should ensure they are aware of which requirements apply to them and when they come into force. The publication of the directive marks a significant step in the EU's efforts to reduce the regulatory burden on companies, and in-scope businesses should now review their reporting and due diligence frameworks in light of the confirmed thresholds and timelines.

European Commission proposes Industrial Accelerator Act

The European Commission [adopted a proposal](#) on 4 March 2026 for a regulation establishing a framework to accelerate industrial capacity and decarbonisation in strategic sectors, known as the Industrial Accelerator Act (IAA).

The proposal aims to strengthen Europe's industrial base, with a target of raising manufacturing's share of GDP to 20% by 2035, focusing on energy-intensive industries such as steel, cement and aluminium, as well as net-zero technologies including batteries, solar photovoltaics and electrolyzers, and the automotive sector.

The IAA introduces three key measures. First, it seeks to streamline and digitalise permitting procedures for industrial projects through a single digital one-stop-shop, with statutory deadlines and tacit approval at intermediate stages for energy-intensive decarbonisation projects. Second, it introduces targeted "Made in EU" and low-carbon requirements for public procurement and public support schemes across selected strategic sectors. Third, it introduces foreign direct investment safeguards for investments above €100 million in emerging sectors such as batteries, electric vehicles, photovoltaics and critical raw materials, to ensure such investment strengthens EU supply chains and supports job creation.

The proposal delivers on the recommendations of the Draghi report on EU competitiveness and will now proceed through the ordinary legislative procedure, requiring adoption by both the European Parliament and the Council before it can enter into force.

Businesses in energy-intensive and net-zero technology sectors should monitor the progress of the IAA through the legislative process, as it has the potential to significantly affect permitting timelines, procurement eligibility and foreign investment in strategic sectors. Companies with operations or supply chains in the sectors targeted by the foreign direct investment safeguards (including batteries, electric vehicles and critical raw materials) should consider how the proposed thresholds may affect their investment structures.

Commission launch call for feedback on Environmental Omnibus

On 12 March 2026, the European Commission invited [feedback](#) on its [Environmental Omnibus](#) which is a package of proposals aimed at achieving the EU's environmental goals more efficiently and at lower cost, including by reducing administrative burdens on businesses, streamlining permitting processes and facilitating the transition to a clean and digital economy.

Key proposals include reducing administrative burden concerning extended producer responsibility (EPR). Notably it looks to postpone the obligation to appoint an authorised representative under EPR schemes to 1 January 2035. This would apply to EPR across the battery, packaging, textile waste, single-use plastic and waste electrical and electronic equipment (WEEE) regimes.

The package also proposes to streamline environmental assessment and screening processes under the habitats, birds, environmental assessments and water framework regimes and to simplify requirements under the sustainable batteries, industrial emissions and waste regimes.

UK businesses that sell products into EU Member States and are currently navigating EPR obligations and those with operations subject to EU environmental assessment and emissions regimes should closely monitor these proposals. The

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Commission's feedback period closes on 7 May 2026, and businesses with views on the proposals should consider taking this opportunity to engage. The aim is that this feedback will feed into the legislative debate.



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Fintech, digital assets, payments and consumer credit

Fintech, digital assets, payments and consumer credit

Fintech

New cryptoasset regulated activities regime

[New cryptoasset regulations](#) were made and published on 4 February 2026, alongside an [explanatory memorandum](#). The rules establish a regulatory regime for cryptoasset activities, amending existing legislation to define the categories of regulated cryptoassets and specify activities related to these cryptoassets as regulated activities.

The new regulated activities include: issuing qualifying stablecoin; safeguarding of qualifying cryptoassets and relevant specified investment cryptoassets; operating a qualifying cryptoasset trading platform; dealing in qualifying cryptoassets as principal or agent, or arranging deals in qualifying cryptoassets; and qualifying cryptoasset staking. Firms will need to be FCA authorised or exempt to carry on these activities.

The new regulations also establish a new admissions and disclosures regime for public offers of qualifying cryptoassets and their admission to trading on a qualifying cryptoasset trading platform, together with a market abuse regime. There are also consequential amendments to other instruments, such as existing anti-money laundering and financial promotions requirements for cryptoasset firms, to reflect the new regulatory perimeter.

The new cryptoasset regime is expected to come into force on 25 October 2027. The application period for firms wishing to undertake the new cryptoasset regulated activities will be open from 9.00am on 30 September 2026 until 11.59pm on 28 February 2027.

The FCA has also published [financial promotions guidance](#) for cryptoasset firms which are not authorised or registered with the FCA under money laundering rules, and currently rely on an authorised firm to approve their financial promotions.

Consumer finance

FCA policy statement on buy-now, pay-later

On 11 February 2026, the FCA published its [final rules on regulating buy-now, pay-later products](#). The interest-free "pay-later" option increasingly offered at online and in-store checkouts is currently unregulated. That will change on 15 July 2026, when buy-now, pay-later – now defined as deferred payment credit (DPC) – is brought within the regulatory perimeter for the first time.

Following the consultation process and feedback from industry, the FCA has confirmed that it will implement the rules and guidance consulted on with only minor changes to ensure these work as intended and expectations are clear.

For more detail, please see this [earlier Insight](#).



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Food law

Food law

UK

UK-EU SPS Agreement: government sets out scope and asks businesses what they need

The UK government has [published further details](#) on the proposed UK-EU Sanitary and Phytosanitary (SPS) Agreement, originally agreed in principle on 19 May 2025 and expected to enter into force in mid-2027.

The agreement will require UK businesses to align with EU SPS legislation across a wide range of areas, including food and feed safety, food labelling, nutrition, organics, marketing and compositional standards, plant and animal health, pesticides and biocides, and veterinary medicines.

The government has also [launched a six-week call for information](#), running from 9 March to 23 April 2026, to gather stakeholder feedback on the support and guidance businesses need to prepare. Sector-specific guidance is expected from May 2026, alongside webinars, workshops and a new stakeholder advisory board.

The agreement will affect businesses across the agri-food supply chain (including farmers, food manufacturers, hauliers, importers and exporters, retailers and veterinarians), all of whom will need to [assess what changes](#) are required to their processes, certification, labelling and IT systems. Businesses should respond to the call for information before 23 April, engage with their trade bodies and sign up for Defra email alerts to stay up to date.

EU

EU provisional agreement reserves meat-related names for animal products

European Parliament and Council negotiators [reached a provisional agreement](#) on 5 March 2026 reserving the following meat-related names exclusively for products containing meat: beef, veal, pork, poultry, chicken, turkey, duck, goose, lamb, mutton, ovine, goat, drumstick, tenderloin, sirloin, flank, loin, steak, ribs, shoulder, shank, chop, wing, breast, liver, thigh, brisket, ribeye, T-bone, rump and bacon. More generic terms such as "veggie burger" and "vegan sausage" are not included: a step back from the European Parliament's earlier position, which had sought to ban terms like "burger" and "sausage" from plant-based products entirely.

The agreement also explicitly excludes cultivated meat products from using any of the above reserved terminology.

UK plant-based and cultivated meat businesses should monitor the agreement's progress, as the forthcoming UK-EU SPS agreement could bring UK labelling rules into closer alignment with the EU position once formally adopted.

European Commission launches AI platform to detect food fraud and safety risks

The European Commission has [unveiled TraceMap](#), a new AI platform designed to accelerate the detection of food fraud, contaminated food and foodborne disease outbreaks across the EU. The platform is now accessible to national authorities in all Member States and draws on data from existing EU agri-food systems to track trade patterns and production flows, including the Rapid Alert System for Food and Feed and the Trade Control and Expert System.

TraceMap is intended to improve food safety risk assessments, identify links between operators and consignments, and monitor the agri-food supply chain once a risk is identified, enabling faster recalls.

Food and drink businesses supplying the EU market should be aware that TraceMap may increase the speed and precision with which authorities can identify supply chain links following a food safety or fraud incident, raising the bar for traceability documentation and supply chain due diligence.

Guidance published on Scotland's promotion and placement restrictions on HFSS ahead of implementation date

Businesses operating in Scotland's food and drink retail sector should be preparing now for new restrictions on the promotion and placement of high fat, salt and sugar (HFSS) foods, which come into force on 1 October 2026.

[The Food \(Promotion and Placement\) \(Scotland\) Regulations 2025](#) will restrict the prominent in-store and online placement of targeted HFSS products in certain retail premises and will curb price promotion tactics such as multi-buy offers and free refills of sugary drinks. Qualifying businesses, which could include supermarkets and online food retailers, should note that non-compliance will constitute a criminal offence.

Food law

The regulations apply to pre-packed food and drink that falls within a category within the [Schedule](#) and is determined to be HFSS according to its nutrient profiling model score. Micro and small businesses, schools and restaurants are broadly exempt, though restaurants remain subject to the restriction on free refills of sugary drinks.

[Implementation guidance](#) was published on 17 March 2026, covering qualifying businesses, foods in scope and promotions. Qualifying businesses should review the guidance now and assess their current promotional and placement practices ahead of the October deadline.

The regulations align to those already in force in England, so businesses that operate in both England and Scotland can mirror the processes they have in place in England to comply in Scotland.



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Health and Safety

Health and Safety

Building Safety (Wales) Bill passes Senedd

The Senedd [passed the Building Safety \(Wales\) Bill](#) on 10 March 2026, establishing a new building safety regime for residents of multi-occupied buildings across Wales. Unlike the equivalent legislation in England, which focuses on higher-risk buildings above 18 metres, the Welsh regime applies to all multi-occupied residential buildings containing two or more residential units. The bill creates three categories of building, determined by height and number of storeys, with the tallest buildings subject to the strictest regulation.

Developed in response to the Grenfell Tower tragedy, the bill rests on three pillars: fire risk assessments must be carried out by competent persons, with criminal penalties for non-compliance; building managers will have clear, defined legal responsibilities for safety; and residents will have stronger rights of redress and a greater say in how their buildings are managed.

In addition, Category 1 and Category 2 buildings will be subject to registration by local authorities and will require structural risk assessments alongside fire risk assessments.

Building owners, managers and developers with assets in Wales should review how the new regime will apply to their portfolios. Given the bill's wider scope and use of categories, as compared to England, businesses that have structured their compliance around height thresholds should not assume their existing frameworks will be sufficient.



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Modern slavery

Modern slavery

Businesses should be continuing to prepare for the significant regulatory changes covered in previous editions.

In particular, suppliers to the NHS should be taking steps now to ensure they are ready for [the new NHS procurement regulations targeting modern slavery in supply chains](#), which come into force on 17 May 2026 and will require in-scope public bodies to conduct modern slavery risk assessments and take proportionate steps to address identified risks across all procurement activities regardless of value.

Meanwhile, UK businesses that place products on the EU market should be well advanced in their preparations for [the EU Forced Labour Regulation](#), which prohibits products made with forced labour from being sold in the EU and comes into full effect on 14 December 2027. With the European Commission due to issue implementation guidelines and establish a public database of forced labour risks by 14 June 2026, this year represents a critical window for ensuring compliance ahead of the deadline.



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Products

Products

General/digital products

Consultation on a general safety requirement for unregulated construction products

The Ministry of Housing, Communities and Local Government has [launched a consultation](#) seeking views on proposals to introduce a general safety requirement for construction products that are not currently subject to specific regulation. The proposals would require that such products placed on the market are safe, and would establish obligations for businesses across the supply chain (including importers, distributors and merchants) alongside enforcement powers for the national regulator for construction products.

The proposals cover mandatory risk assessment, product information, labelling and traceability, record keeping, and storage and transportation requirements, as well as measures for monitoring safety issues. The consultation closes on 20 May.

Separately, the British Standards Institution has [published PAS 2000:2026](#), a new code of practice for construction product manufacturers on bringing safe products to market. Developed following a recommendation from the Grenfell Inquiry, it sets out a practical framework for manufacturers to demonstrate that they have taken reasonable steps to ensure product safety, covering pre-market risk assessment, factory production control, product documentation, and the collection and use of market feedback.

The new regime, expected to come into force in 2027, will affect manufacturers, importers, distributors and merchants whose products are currently unregulated, which is estimated to be around two-thirds of the market. Businesses across the supply chain should consider engaging with the consultation before 20 May.

Commission consults on draft guidance for the EU Cyber Resilience Act

The European Commission has [published draft guidance](#) to assist businesses in applying the Cyber Resilience Act (Regulation (EU) 2024/2847), with a particular focus on micro-enterprises and small and medium-sized enterprises.

While the CRA applies in full from 11 December 2027, certain provisions come into force earlier: Chapter IV from 11 June 2026 and certain reporting obligations from 11 September 2026.

The non-binding guidance clarifies provisions for manufacturers, developers and other stakeholders, covering when standalone software and free and open-source software fall within scope, what constitutes a data connection, how cybersecurity requirements for complex systems should be assessed, when hardware or software modifications qualify as substantial modifications, and how to determine whether a product has a remote data processing solution. The Commission invites comments by 31 March.

Any business that manufactures or sells hardware or software products with digital elements on the EU market should review the draft guidance. With reporting obligations applying from September 2026, businesses should actively progress their CRA compliance programmes, particularly around vulnerability reporting systems and conformity assessment readiness.

Government response to the machinery safety call for evidence: strong support for continued EU alignment

The UK government has [published its response](#) to the call for evidence on machinery safety legislation, which sought views on whether Great Britain should continue to recognise EU rules on machinery and whether future UK legislative reforms should take a similar approach to the EU.

Of the 48 responses received, 45 were in favour of continued recognition of EU product requirements (including CE marking), and 43 were in favour of adopting a similar approach in GB legislation. Respondents cited efficiency, reduced administrative burdens, and the importance of maintaining access to EU and Northern Ireland markets as reasons for supporting alignment. Those opposed wanted the UK to go further by setting higher safety standards.

The government has indicated it will lay legislation to continue CE recognition for machinery products in Great Britain, and will update the Supply of Machinery (Safety) Regulations 2008 to introduce measures aligned with the EU Machinery Regulation 2023/1230, which substantively applies from January 2027. Full replication of EU rules is not possible, as any GB legislation must be tailored to national requirements, such as omitting references to EU institutions and providing for UK conformity assessment bodies and the UKCA marking.

Products

Manufacturers, importers and distributors of machinery in Great Britain should begin reviewing their product classifications against the EU Machinery Regulation 2023/1230. Connected and AI-enabled machinery is likely to face additional requirements, including third-party conformity assessment, and businesses should monitor progress of the secondary legislation accordingly.

Tobacco and Vapes Bill: amendment to delay implementation defeated in House of Lords

On 3 March, a government-backed majority in the House of Lords [defeated an amendment](#) at report stage that would have required a minimum 12-month lead-in period before the new retail licensing regime for tobacco and vape products under the Tobacco and Vapes Bill could take effect.

Supporters of the amendment argued that more time was needed for retailers, local authorities and specialist tobacconists to prepare for the administrative and financial burden of the new licensing system. The government opposed it on the basis that a fixed delay written into primary legislation would be too rigid, and maintained that retailers would receive appropriate notice through secondary legislation and consultation.

The defeat of this amendment means the licensing regime could come into force with less notice than the retail trade had hoped for. Retailers selling tobacco or vape products should begin assessing their licensing requirements, reviewing staff training and point-of-sale systems.

Life sciences and healthcare

UK

MHRA consults on indefinite recognition of CE marked medical devices

The Medicines and Healthcare products Regulatory Agency (MHRA) has launched a [targeted consultation](#) on proposals for the recognition of CE-marked medical devices in Great Britain, open until 10 April 2026.

The proposals include extending transitional arrangements for devices complying with the Medical Device Directive to align with EU timelines, indefinitely recognising devices compliant with the EU Medical Devices Regulation and EU In Vitro Diagnostic Medical Devices Regulation, and introducing an international reliance route for devices classified at a higher risk level in Great Britain than in the EU.

Around 90% of devices on the GB market currently rely on CE marking. Indefinite recognition, if adopted, would remove the need for separate UKCA conformity assessment for most products, providing long-term certainty and reducing duplicative compliance costs. Manufacturers and distributors should consider reviewing the proposals and submitting a response before 10 April, as the outcome will shape the GB regulatory framework..

House of Lords inquiry launched into personalised medicine and AI in the NHS

The House of Lords Science and Technology Committee has [launched an inquiry](#) into innovation in the NHS, with a focus on personalised medicine and artificial intelligence.

It will examine the current state of genomics and AI-driven diagnostics, the barriers preventing proven innovations from being deployed across the NHS, and how the NHS and regulators should balance the evaluation of new treatments with making them available to patients.

The committee is also seeking views on what strategic action the government should take to strengthen the relationship between medical research, the life sciences industry and the NHS. Evidence is sought by 20 April.

This is an opportunity for businesses developing personalised medicines or AI-enabled healthcare technologies to influence policy recommendations on NHS procurement, regulatory evaluation timelines and innovation deployment. Relevant businesses should consider submitting evidence by 20 April.

MHRA publishes updated guidance ahead of clinical trials regulations amendments

The MHRA has published and updated several guidance documents in preparation for amendments to the Medicines for Human Use (Clinical Trials) Regulations 2004 enacted by the Medicines for Human Use (Clinical Trials) (Amendment) Regulations 2025, which come into force on 28 April 2026.

Products

The updates include new draft guidance on good manufacturing practice for investigational medicinal products, with specific provisions for radiopharmaceuticals covering their manufacture, certification, labelling and use in clinical trials.

The updated and new guidance documents include:

- [Clinical trials for medicines: modifying a clinical trial approval](#)
- [Clinical trials for medicines: good manufacturing practice and radiopharmaceutical investigational medicinal products](#)
- [Clinical trials that include an in vitro diagnostic device](#)
- [Clinical trials: non-investigational medicinal products](#)
- [Clinical trials for medicines: labelling](#)
- [International Council for Harmonisation \(ICH\) annotations](#)

With the changes taking effect on 28 April, pharmaceutical manufacturers, clinical research organisations and trial sponsors should review the updated guidance and update their internal processes, trial protocols and good manufacturing practice documentation accordingly.

NICE cost-effectiveness threshold: ministers granted power of direction under new regulations

The [National Institute for Health and Care Excellence \(Amendment\) Regulations 2026](#) were laid before Parliament on 3 March 2026. The amended regulations grant ministers a limited power of direction to set the standard cost-effectiveness threshold that NICE applies when developing guidance, including technology appraisal and highly specialised technology evaluation recommendations, and remove the requirement for NICE to consult on procedural changes arising from a ministerial direction. The regulations come into force on 24 March 2026.

The NICE cost-effectiveness threshold is central to whether new treatments and technologies are recommended for NHS use. Pharmaceutical and medical technology businesses should monitor how ministers use this new power and factor potential threshold adjustments into their market access planning and health economic modelling.

UKRI publishes first artificial intelligence strategy with £1.6bn in funding through to 2030

UK Research and Innovation has [published its first artificial intelligence strategy](#), setting out how AI will be embedded across the UK's research and innovation landscape.

The strategy confirms £1.6bn in targeted funding through to 2030 and identifies six priority areas: advancing AI technology development; transforming research through AI; developing AI skills and talent; driving innovation to support economic growth and societal outcomes; promoting responsible and trustworthy AI; and building data and computing infrastructure.

Specific commitments include up to £137m to support AI-enabled scientific discovery, with an initial focus on drug discovery and new treatments, and £36m to upgrade the University of Cambridge's DAWN supercomputer.

Life sciences and AI technology businesses should review the funding opportunities available through UKRI and consider how partnerships with the research and innovation community could align with the strategy's priority areas, particularly around drug discovery and AI-enabled diagnostics.

EU

EMA publishes draft guidance on clinical trials during public health emergencies

The European Medicines Agency has published [draft guidance](#) from the Accelerating Clinical Trials in the EU (ACT EU) initiative on the conduct of clinical trials during public health emergencies, open for [consultation](#) until 30 April 2026.

The guidance recommends a harmonised approach to ensure trials can be initiated, adapted and continued efficiently and safely during emergencies, and outlines regulatory mechanisms to accelerate authorisation of new trials and modifications to existing ones. It also encourages sponsors to seek scientific advice from the EMA's Emergency Task Force and addresses the transfer of trial participants across investigational sites.

Drawing on lessons from the Covid-19 pandemic, the guidance constitutes a standing framework that permits certain adaptations (such as remote consent, direct-to-patient delivery of investigational medicinal products and remote monitoring) while setting clear boundaries on changes that remain unacceptable even during emergencies.

Products

Pharmaceutical companies and clinical research organisations should review the guidance as part of their emergency preparedness planning and consider submitting comments to the EMA before 30 April.

Sustainable products

UK

House of Lords debate on PFAS 'forever chemicals' in consumer products

The House of Lords has [debated the government's approach to regulating per- and poly-fluoroalkyl substances](#) (PFAS), following a question from Baroness Ritchie of Downpatrick on whether the [government's PFAS Plan](#), published on 3 February, would include an option to ban PFAS in all consumer products manufactured or sold in the UK.

The government indicated that the plan sets out its approach to minimising harm and transitioning to safer alternatives, but that there are no current plans to consult on an outright ban. It confirmed it will apply the precautionary principle when assessing PFAS risks and is engaging with industry and monitoring EU developments, as the [EU is developing its own broad PFAS ban](#).

Peers across parties raised concerns about PFAS in products including babies' mattresses, school uniforms and period products, as well as water contamination, and warned the UK risks becoming a dumping ground for products banned in the EU.

The direction of travel is towards more comprehensive regulation and greater transparency requirements. Businesses that use PFAS in consumer products should map their exposure across products and supply chains now, assess how EU restrictions may affect cross-border sales, and monitor upcoming UK REACH reform consultations.

UK REACH candidate list: new strategic approach to substances of very high concern

The government has [published a policy paper](#) setting out a new approach to the UK REACH candidate list of substances of very high concern (SVHCs). These are substances with carcinogenic, mutagenic or reprotoxic properties, or those that are especially persistent and bioaccumulative in the environment.

Inclusion on the candidate list places additional communication and notification duties on suppliers and can be a precursor to inclusion on the authorisation list, which restricts use of a substance after a specified sunset date.

The new approach, which took effect on 24 February 2026, replaces the interim principles that had applied since the UK's exit from the EU in 2021. The Department for Environment, Food and Rural Affairs and the devolved governments of Scotland and Wales have indicated that substances added to the EU REACH candidate list since 1 January 2021, and future EU additions, will be reviewed and added to the UK REACH candidate list "where appropriate", with the aim of aligning more closely with the EU and reducing business complexity.

Separately, the [REACH \(Amendment\) Regulations 2026](#) have been laid, adding further restrictions on the use and placing on the market of lead and its compounds under Annex 17. Those restrictions come into force from 1 April, with transition periods applying. See [environment section](#) for more details.

Closer alignment with the EU REACH candidate list means businesses that already comply with EU SVHC obligations will find UK duties easier to meet, but the candidate list will expand more rapidly.

Manufacturers, importers and distributors should audit their products against EU REACH candidate list additions since 2021, review the new lead restrictions taking effect from 1 April, and establish processes to monitor future UK updates.

Year 1 EPR for packaging: government steps in to cover funding shortfall

PackUK has [confirmed](#) that disposal fees for Year 1 of the extended producer responsibility for packaging (pEPR) scheme will remain unchanged from those set out in producers' notices of liability in October 2025.

A shortfall arose after producers resubmitted more accurate packaging data, resulting in lower reported tonnages than originally calculated. This would normally have triggered a recalculation of per-tonnage fees. The government has agreed to cover the shortfall on a one-off basis. Local authorities across the UK will receive the payments they were expecting, with the scheme set to provide £1.4bn in the 2025/26 financial year.

Products

The government's intervention provides short-term certainty, but producers should treat this as a prompt to invest in robust data collection and submission processes.

PackUK operational plan 2026-27: eco-modulation fees to apply in Year 2

PackUK has [published its operational plan](#) for 2026 to 2027, setting out its priorities as scheme administrator for the UK's pEPR scheme. A central development for Year 2 is the introduction of eco-modulation, under which producer fees will be differentiated based on the recyclability of packaging.

Fees will be categorised as green, amber or red under the recyclability assessment methodology (RAM), with illustrative fee rates having been published in December 2025. Year 2 (2026-27) is the first year in which RAM ratings will directly affect fees.

Producers are required to submit RAM data for the second half of 2025 (H2) by 1 April 2026. Where producers did not include RAM data in their first-half (H1) submissions, PackUK will apply ratios from their H2 data to calculate H1 figures, though H1 data may be resubmitted at a later date.

PackUK has forecast total fee recovery of approximately £1.56bn for the year. To improve stability, it will cease accepting new local authority data after 1 May 2026 and will limit recalculations of producer notices of liability to set points in the year.

With the H2 2025 RAM data deadline of 1 April 2026 imminent, producers should prioritise accurate data submissions and review their packaging portfolios against the green/amber/red categorisations. Those using less recyclable packaging will face higher fees, creating a direct financial incentive to consider reformulation ahead of the forthcoming RAM 2027 update, due by 1 July 2026.

Updated waste separation requirements for recycling in Wales

See [environment section](#).

EU

EU Critical Raw Materials Act: Council adopts position on supply security and circularity

The Council of the European Union has [adopted its position](#) on amending the Critical Raw Materials Act (Regulation 2024/1252), which would shift responsibility for identifying large companies using critical raw materials from Member States to the European Commission.

The Council's position requires the Commission to inform Member States and the European Critical Raw Materials Board about identified companies and their vulnerabilities, clarifies the Commission's authority to propose risk-mitigation measures, and permits the use of digital product passports for information on permanent magnets. Negotiations with the European Parliament will begin once it has adopted its own position.

Large EU industrial businesses using critical raw materials, particularly in defence, clean energy and advanced manufacturing, should monitor the trilogue negotiations, assess their supply chain exposure, and consider digital product passport readiness.

Pallet wrapping and straps exempted from reuse requirement under EU PPWR

The European Commission has [adopted a delegated decision](#) exempting wrapping and straps used to secure goods on pallets during transport from the 100% reuse requirement under the Packaging and Packaging Waste Regulation (Regulation 2025/40).

The exemption reflects the Commission's conclusion that requiring exclusively reusable solutions for these items would impose disproportionate costs on operators. The core obligation to achieve 40% reusability for transport and sales packaging by 2030 remains in force.

Businesses in logistics, manufacturing and retail should update their PPWR compliance plans to reflect the exemption, while ensuring their overall reusability trajectory remains on course for the 2030 targets.

Commission launches call for feedback on Environmental Omnibus

Products

See [ESG section](#).



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Regulated procurement

Regulated procurement

Procurement Act 2023: new guidance published on payment and performance reporting requirements

The Government Commercial Function has [published a new "Complete Guide to New Legislative Requirements under the Procurement Act 2023"](#) to help both contracting authorities and suppliers to the public sector understand the latest requirements under the Procurement Act 2023.

The guidance covers four areas:

- publication of payments compliance notices (section 69), with the first reporting period running from 1 October 2025 to 31 March 2026 and publication due by end of April 2026;
- publication of contract performance notices (section 71) for contracts valued above £5 million;
- linking of payment information to contracts (section 70), due to start in April 2026; and
- new registration requirements for suppliers on below-threshold contracts.

The requirements in the above areas are complex so this is a welcome addition to the suite of guidance documents on the Procurement Act 2023. Both authorities and suppliers should review it to make sure they fully understand the obligations.

Crown Commercial Service to become Government Commercial Agency from 1 April 2026: action required for suppliers

From 1 April 2026, the Crown Commercial Service (CCS) will be replaced by the Government Commercial Agency (GCA), a new body intended to streamline how contracting authorities across the public sector procure common goods and services.

From 1 April 2026, invoices to CCS must be addressed to the GCA and include the updated organisation name, the correct invoicing address and email, and all mandatory information required under any relevant contract or framework.

Invoices that do not meet these requirements may be delayed or rejected.

Internal systems must also be updated to reflect the new name. Contact email addresses will move to GCA domains from 1 April 2026, though existing CCS addresses will remain active and redirect for three months.

Ongoing procurements will continue as normal, with communications and any framework awards made after 1 April 2026 being made by the GCA.

Social Partnership and Public Procurement (Wales) Regulations 2026 made

The Welsh government made the [Social Partnership and Public Procurement \(Wales\) Regulations 2026](#) on 4 March 2026, supplementing the [Social Partnership and Public Procurement \(Wales\) Act 2023](#), which sets out a framework to promote the well-being of people in Wales through social partnership working and socially responsible procurement. Most provisions come into force on 25 March 2026, with the exception of the requirements relating to annual socially responsible procurement reports, which come into force on 1 April 2026.

The regulations define key terms and set out the information required in annual socially responsible procurement reports. This must include data on the estimated value of contracts awarded to contractors meeting certain conditions, such as providing opportunities for staff to use or develop Welsh language skills and recognising a trade union.

Welsh contracting authorities should review the regulations against their procurements and reporting systems ahead of the 1 April 2026 commencement of the annual reporting requirements. Suppliers bidding for above-threshold Welsh public contracts should also be aware that fair work and well-being considerations will carry greater weight in procurement decisions.

Launch of the Procurement Compliance Service

The Procurement Compliance Service (PCS) [opened for referrals](#) on 23 February 2026. It works with contracting authorities across the public sector, including central government, the NHS, local authorities and universities, to improve capability, processes and compliance with the Procurement Act 2023.

Regulated procurement

Unlike the existing Public Procurement Review Service, which investigates individual supplier concerns about specific procurements, the PCS takes a broader view, examining systemic patterns or institutional issues. Anyone can make a referral, and following an investigation the PCS may issue recommendations to the relevant contracting authority.

Suppliers to the public sector who encounter recurring non-compliance by contracting authorities should consider making a referral to the PCS, which may help to drive improvements in procurement practices across the sector.



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Sanctions and Export Control

Sanctions and Export Control

UK government publishes strategic approach to sanctions enforcement

The government has published a [policy paper](#) outlining its strategic approach to the civil and criminal enforcement of breaches of UK sanctions. It includes the four key enforcement principles, mitigating and aggravating factors in enforcement, and the roles of key government departments, regulators and enforcement bodies. The paper fulfils a commitment made in a [cross-government review](#) of sanctions implementation and enforcement to help industry understand the consequences of non-compliance with sanctions regulations.

UK government publishes summaries of sanctions regimes

The government has published [summaries](#) of UK sanctions regimes with the aim of helping businesses and organisations understand what sanctions are and how they work.

The new summaries give an overview of the sanctions in place under a particular regime, covering, where applicable:

- the regime's scope;
- what applies to designated persons and specified ships;
- wider financial and trade sanctions;
- sanctions on goods and services; and
- additional sanction types.

These regime summaries are not intended to be comprehensive, and organisations should continue to refer to the relevant statutory guidance and regulations.

OFSI publishes blog on licence application prioritisation framework

The Office of Financial Sanctions Implementation (OFSI) has published a [blog post](#) on how it prioritises applications for sanctions licences.

Due to the high volume of applications OFSI receives (900 licensing decisions were made in the year 2024–2025), it is unable to deal with all applications immediately. By publishing its prioritisation framework, it hopes to help applicants understand how applications are prioritised, and urges applicants to submit licence applications well in advance, wherever possible, as complexities may mean that even an urgent licence application can take time to process.

The blog post sets out the seven criteria against which licence applications are assessed, and provides advice on how applicants can help OFSI process their applications more efficiently by submitting clear, complete and well-evidenced information.

OFSI publishes blog on 'reasonableness' in licence applications

OFSI has published a [blog post](#) which sets out how it assesses "reasonableness" in licence applications under UK financial sanctions regimes. It should be read alongside its June 2021 [guidance](#) on reasonableness in licensing and its [general guidance](#).

The updated guidance covers:

Legal services: Costs Draftsperson's Reports

Where applications for legal fees relate to ongoing, complex matters, OFSI will now require an independent Costs Draftsperson's Report (CDPR) to be submitted as part of the application in certain circumstances.

A CDPR is mandatory where, within any six-month period, total legal and counsel fees (instructed via solicitors) exceed £2 million (inclusive of VAT), or where counsel instructed directly exceeds £1 million. These thresholds apply per firm or counsel, per designated person, and accumulate across all related applications.

Maintenance of frozen funds and economic resources licensing ground

Sanctions and Export Control

For high-value, novel, or complex maintenance applications, such as those relating to superyachts or significant construction works, applicants are now encouraged to submit an independent expert report, which OFSI may require on a case-by-case basis.

Evidence to demonstrate reasonableness

OFSI states that evidence submitted to demonstrate reasonableness should generally be no more than six months old. Where evidence older than six months is relied upon, applicants must provide an explanation of why more recent evidence could not be obtained and why it remains reliable as a basis for assessing reasonableness.

Court of Appeal upholds UK sanctions designation against Belarusian developer

The Court of Appeal has unanimously dismissed an [appeal](#) by Dana Astra IOOO (DANA), one of Belarus's largest real estate developers, against its designation under the Republic of Belarus (Sanctions) (EU Exit) Regulations 2019, upholding the High Court's decision.

DANA was designated in December 2020 on the basis of its sponsorship of the Belarusian National Olympic Committee and its involvement in the Belarusian construction sector — a sector of strategic significance to the Lukashenko regime. It brought a review application under section 38 of the Sanctions and Anti-Money Laundering Act 2018, arguing the designation was disproportionate and irrational.

The Court of Appeal held:

- DANA, a company with no presence, business or assets in the United Kingdom, was not "within the jurisdiction" of the UK for the purposes of Article 1 of the European Convention on Human Rights (ECHR). It noted that Article 1 "requires control over the person himself or herself rather than the person's interests as such", and that to hold otherwise would "entail a radical departure from established principles under Article 1."
- Rejecting DANA's argument that potential future "goodwill" in a business yet to be started in the UK could bring it within the ECHR's jurisdictional reach, the court observed that on DANA's logic any company anywhere in the world wishing to do business in the UK would be "within the jurisdiction" for Article 1 purposes. Goodwill is limited to the "marketable and presently capitalisable product of a business's past work and reputation". DANA had no such goodwill in the UK.

See the [press release](#).

OTSI publishes guidance on countering Russian sanctions evasion

The Office of Trade Sanctions Implementation (OTSI) has published [updated guidance](#) to support UK businesses in understanding Russian circumvention practices and reducing the risk of their businesses being targeted by those seeking to evade sanctions.

The UK goods at higher risk of circumvention list has been amended to include machines for crushing or grinding earth, stone, ore or other mineral substances; enamel and lacquers; and heterocyclic compounds containing a pyrimidine ring or a piperazine ring in the structure.

Israel has also been added to the list of third-country exporters in respect of which businesses should consider conducting enhanced due diligence.

OFSI consultation on ownership and control test in UK financial sanctions regulations

OFSI has launched a [call for evidence](#) seeking industry views on how the ownership and control provisions in UK financial sanctions regulations are applied in practice, including how firms implement the regulations and the challenges they face. Firms, representative bodies and interested stakeholders are asked to share evidence and practical examples of:

- how often "hypothetical control" is present in real financial sanctions cases;
- the impact it has on compliance costs, legal risk and business decisions; and
- whether existing legal concepts and typologies of control are helpful in applying ownership and control regulations.

The call for evidence closes on 13 April 2026.

Sanctions and Export Control

Further information on the background and scope of the consultation is available on the [OFSI blog](#).

OFSI general licences and FAQs

OFSI has issued the following:

- [General Licence INT/2026/8893924](#), which allows for the winding down of insurance policies written by Maritime Mutual entities and their subsidiaries before their designation. The general licence takes effect from 24 February 2026 and expires on 9 April 2026.
- [General Licence INT/2026/8889196](#), which allows persons to wind down transactions involving PJSC Transneft to which they are a party. The general licence takes effect from 24 February 2026 and expires on 9 April 2026.

OFSI has amended the following:

- [General Licence INT/2025/8031092](#), which allows for the continuation of business operations with Lukoil International Entities, has been extended. The general licence took effect from 27 November 2025 and now expires on 25 August 2026. [FAQ 174](#) has been amended to reflect the new expiry date.
- [General Licence INT/2025/5635700](#), which allows for the continuation of business operations with the relevant subsidiaries of Gazpromneft-Sakhalin LLC in relation to Russian oil exempt projects, has been amended to include any entity owned or controlled by PJSC Transneft following their designation.
- [General Licence INT/2024/4761108](#), which allows persons to make use of the retail banking services of a designated credit or financial institution for personal remittances. The definitions of the general licence have been amended, a separate permission has been added, the cumulative limit of permitted payments has been increased from £50,000 to £55,000, and the reporting requirements have been amended. The general licence took effect on 22 May 2024 and expires on 23 February 2028.



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Telecoms

Telecoms

Ofcom publishes the voluntary Telecoms Consumer Charter

Following a [recent exchange of correspondence with Ofcom](#) and meetings with a number of communications providers, the Department for Science, Innovation and Technology (DSIT) has published the [Telecoms Consumer Charter](#). The charter is a voluntary code of conduct that includes a number of commitments intended to provide additional transparency and protection for consumers.

In addition to restating existing obligations under Ofcom rules, the charter also requires providers to make the following additional commitments:

- Where a contract includes a mid-contract price increase, the core subscription price that customers sign up to is the price they will pay, with any exception strictly limited to unforeseeable and externally driven events that materially affect the cost of providing services.
- For any customers still on legacy inflation-linked terms, April 2026 will be the final increase expressed in those terms, after which all such contracts will move to the pounds-and-pence system.
- Issuing end-of-contract and best tariff notifications in plain English, and keeping switching processes, including One Touch Switching and Text-to-Switch, quick, simple, and seamless.
- Making social tariffs easy to find for eligible customers and supporting those facing financial difficulty through access to cheaper packages without charge or penalty, or manageable payment plans.

These additional measures go beyond the existing regulatory framework and require the providers concerned to adapt without the usual adjustment period provided by regulatory change. In particular, providers have only recently updated contracts and processes for the requirement for pounds and pence price increases implemented last year, and their ability to adjust pricing has been further curtailed, even in situations where a right of exit is provided to the customer.

Providers who are not currently signatories to the charter will now need to weigh up the risks of potential negative public perception for those who do not volunteer against the additional obligations that would be placed on their business.

Time will tell if the creation of this charter signals a change in approach from the government to a more interventionist and hands-on role in the management of the telecoms sector.

Ofcom publishes second Telecoms Security Act annual report

Ofcom has [published its second telecommunications security report](#), covering the period from 1 October 2024 to 30 September 2025. It sets out communications providers' levels of compliance with the Telecoms Security Act, the actions Ofcom has taken, and its intended regulatory approach for the year ahead.

Telecoms providers are now approaching the halfway point for the implementation timeline for the measures set out in the government's Telecommunications Code of Practice and Ofcom's monitoring has identified three significant compliance gaps:

- **Supply chain security** - almost a quarter of Code measures relate to supply chain security, and evidence shows that just under 50% of Tier 1 and 10% of Tier 2 providers may not be properly applying these measures where a supplier is itself a regulated telecoms provider.
- **Security testing for new equipment** - over 50% of Tier 1 and 25% of Tier 2 providers find meaningful security testing of new equipment prior to contract award uneconomic or impractical, with testing in most cases only occurring after a contract has been awarded.
- **Identity and access management** - around 50% of Tier 1 and 10% of Tier 2 providers are likely to miss the expected implementation dates for identity and access management Code measures, in some cases because providers are implementing longer-term "strategic" security solutions which will only be fully delivered later in their improvement programmes.

This report provides a valuable insight into the areas of the Telecoms Security Act that are likely to face the most intense Ofcom scrutiny over the next 12 months. Providers should therefore ensure that compliance with these elements of the Code has been reviewed and plans put in place for any necessary remedial actions.

Regarding supply chain obligations in particular, providers should take note that the fact that a supplier may itself be subject to the Telecoms Security Act does not negate obligations to carry out due diligence and to include the required security commitments in their supply agreements.

Telecoms

Government mobile review – net neutrality rules

The UK's net neutrality rules have long operated on the baseline principle that internet service providers (ISPs) must treat all internet traffic equally, preventing them from favouring certain services, providers or users.

In [October 2023](#), Ofcom revised its guidelines to provide greater operational flexibility, acknowledging rising traffic volumes driven by large-scale content providers, the emergence of new gatekeeper platforms, and the growth of advanced services such as augmented and virtual reality.

Now, as part of its broader [Mobile Market Review](#), the government is consulting on whether further targeted changes to the net neutrality rules are needed to better support investment and innovation. The proposals under consideration include:

- Allowing ISPs to offer differentiated connectivity packages to specific commercial partners (such as car manufacturers requiring low-latency connections for connected vehicles).
- Enabling more focused traffic management controls targeted at specific companies during congestion events.
- Permitting additional scope for zero-rating access to certain websites.

These proposals represent significant net neutrality reform. If they are implemented, they will present providers with a rare opportunity to implement a range of innovative new products and commercial models.

Providers have until 21 April 2026 to provide their views on the proposed changes.



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