



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 UK government's publication of three consultations proposing the most significant overhaul of UK product safety law in 20 years. See the products section for more.

April 2026

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Advertising and marketing

Advertising and marketing

UK updates

ASA publishes first rulings on LHF advertising restrictions

The Advertising Standards Authority (ASA) has issued a series of rulings clarifying how the "less healthy" food (LHF) advertising restrictions, which came into effect on 5 January 2026, and the Committee of Advertising Practice's [implementation guidance](#) apply in practice.

The rules prohibit: advertising and sponsorship for "identifiable" LHF products on Ofcom-licensed TV services and Ofcom-regulated on-demand programme services between 05:30 and 21:00; and paid-for ads for "identifiable" LHF products intended to be accessed principally by persons in the UK, at any time.

The ASA addressed the "identifiability" test, whether the products featured were HFSS (high in fat, salt and sugar), and cases where an LHF product appeared purely incidentally.

UK government consults on applying the new NPM to advertising and promotions restrictions for LHF

All advertising and promotions restrictions (including the above) are currently underpinned by the UK nutrient profiling model (NPM) 2004 to 2005. NPM is a technical tool that determines which food and drinks are "less healthy" by balancing the beneficial nutrients against less beneficial nutrients in these products and producing a score.

There is a two-step process to determine which products are less healthy and in scope of the restrictions: (i) determine the product category (it must fall into one of the food and drink categories in the regulations); and (ii) calculate the NPM score: the product is only in scope of the restrictions if it is also assessed under the NPM 2004 to 2005 and receives a score of "4" or above for food or "1" or above for drinks. The technical guidance in the NPM 2004 to 2005 provides instructions on how to calculate the NPM score for different products.

Following a review of the NPM 2004 to 2005, the government has published an updated version (the [NPM 2018](#)) which also includes [updates to the technical guidance](#). The NPM 2018 has not yet been applied to policy.

The government's view is that it is now right to apply the NPM 2018 to advertising and promotions restrictions and, on 25 March 2026, it published a [consultation](#), closing on **17 June 2026**, seeking views on:

- The impact of its proposals on children, businesses and groups with protected characteristics. The main difference under the new NPM is that it implements the Scientific Advisory Committee on Nutrition (SACN) recommendation that free sugars make up no more than 5% of energy intake. This change means that some products that would be defined as "healthier" by the NPM 2004 to 2005 would be defined as "less healthy" using the NPM 2018. The new NPM is also slightly stricter on points for saturated fat and energy, meaning more savoury snacks will be classified as "less healthy".
- The timescales for implementing its proposals – the government proposes a 12-month adaptation period for businesses and enforcement authorities.

Regulators launch joint taskforce to address poor practice in motor finance claims

The ASA, together with the Financial Conduct Authority, the Solicitors Regulation Authority and the Information Commissioner's Office, has [launched a taskforce](#) to tackle the poor handling of motor finance claims by some claims management companies and law firms.

The regulators will share intelligence and take co-ordinated and targeted action to mitigate harm to consumers, addressing issues including unsolicited and misleading advertising, meritless claims, multiple representation and unfair exit fees. See also [fintech, digital assets, payments and consumer credit section](#).

International updates

ICC publishes guide on applying its Advertising and Marketing Communications Code to AI

The International Chamber of Commerce (ICC) has [published](#) a guide setting out how to apply the ICC Advertising and Marketing Communications Code when using AI.

Advertising and marketing

The [code](#) provides practical guidance to advertising industry stakeholders, including advertisers, advertising agencies, self-regulatory advertising organisations and national governments. The most recent update to it was published in 2024 and explicitly incorporated AI into its provisions.

The guide outlines: (i) an overview of relevant code principles and commentary on their application in the context of AI; (ii) a checklist for organisations looking to deploy AI in their advertising and marketing campaigns and for marketers already using AI; and (iii) suggested questions to consider to ensure compliance with the code and general advertising and marketing practices.



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Artificial Intelligence

Artificial Intelligence

UK updates

DRCF publishes paper on the future of agentic AI

The Digital Regulation Cooperation Forum (DRCF), which brings together the Information Commissioner's Office, the Competition and Markets Authority, the Financial Conduct Authority and Ofcom, has published a paper, [The Future of Agentic AI](#).

The DRCF describes the paper as a "forward-looking exploration of agentic AI", looking at ways in which UK regulatory frameworks can help realise the opportunities of this technology in a responsible and safe way. The paper is not a statement of regulatory policy, but rather aims to inform and foster stakeholder debate on potential future developments in agentic AI, and to provide insight into definitions, use cases, future scenarios and regulatory considerations.

The paper sets out early thinking on cross-regulatory implications across four categories: governance, data protection and cybersecurity, consumer rights and interests, and market dynamics and competition. The DRCF notes that existing principles and regulatory frameworks continue to apply to agentic AI across each of these areas, including obligations relating to transparency, fairness, safety, consumer protection and competition.

During 2026/27, the regulators plan to undertake horizon-scanning work. This will look at the future of interfaces between users, firms and digital services, and how these may be integrated into operating systems. It will also consider the future of consumer robotics and physical AI, which has an important agentic component. Finally, it will look at the consumer experience of the near-term future, exploring the kinds of changes to everyday life that may result from emerging technological developments.

Parliamentary inquiry into low-energy computing

The House of Commons Science, Innovation and Technology Select Committee has [launched](#) an inquiry examining whether low-energy computing could help address the rising energy demands driven by growing AI use, and what steps the government is taking to support R&D in this field.

In particular, the committee is interested in an emerging area of innovation – neuromorphic photonics, which combines silicon photonics with neuromorphic computing principles – that has been highlighted as a potential solution to the sustainability challenges posed by increasing AI-related energy demands.

Written evidence may be [submitted](#) until **14 May 2026**.

DfT publishes guidance for self-driving vehicle pilot schemes

See [products section](#).

Automated decision-making: ICO consultation on updated guidance

See [data law section](#).

EU updates

European Commission consultation on measuring AI energy use

The European Commission has launched a [consultation](#) as part of a broader study focused on measuring and promoting energy efficient, low emission AI in the EU. The responses will help shape the study, and feed into a framework for meeting the energy-related objectives of the EU AI Act and support the design of a potential AI energy and emission label.

The EU AI Act includes provisions on energy consumption and transparency. Providers of general-purpose AI models must record the known or estimated energy consumption of their models as part of their technical documentation requirements. Building a full picture of the energy efficiency and carbon footprint of AI models and systems requires gathering data across multiple stages of the AI lifecycle, including on computing resources, electricity use and hardware.

The consultation asks for views on the accessibility of data needed to assess the AI energy use during both development and day-to-day use, and which performance indicators work best.

Artificial Intelligence

Interested stakeholders can register to take part in the consultation until **10 May 2026**. Following validation, participants will receive an anonymous online questionnaire to complete by 15 May.



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Bribery, fraud and anti-money laundering

Bribery, fraud and anti-money laundering

SFO publishes Business Plan 2026 – 2027

The Serious Fraud Office (SFO) has published its [business plan for 2026 – 2027](#), setting out its priorities including investment into intelligence and technology to aid its investigations, and strengthening international partnerships to share best practice in tackling complex fraud, bribery and corruption.

2026 to 2027 marks the midway point of the SFO's [five-year strategy](#) which will see the organisation enter a period of significant change. The foreword begins by congratulating SFO director [Nick Ephgrave](#) on his retirement, which was announced in January 2026. Graham McNulty QPM was appointed as interim director pending a formal recruitment process.

The business plan signals a shift towards greater operational momentum, underpinned by £8.3 million of additional funding secured at the last Spending Review, with a commitment to earlier intervention through enhanced intelligence capabilities. In particular, the office will explore automation, artificial intelligence and big data to transform the SFO's approach to intelligence analysis, including proactive identification of suspects and suspicious activity.

On the threat landscape, the SFO acknowledged that criminal actors are becoming increasingly sophisticated, aided by the availability and capability of AI tools, while cryptoassets, which require no specialist knowledge of money laundering techniques, allow the proceeds of crime to be concealed rapidly and across borders.

Among the key operational objectives for the year, the SFO will look to deliver its corporate prevention programme to equip businesses with the tools and incentives to guard against bribery and corruption, develop its cryptoasset investigation capabilities, and implement the 2026 Disclosure Improvement Plan. The SFO will also host the International Anti-Corruption Prosecutorial Taskforce Economic Crime Conference and respond to the Financial Action Task Force's inspection of the UK.

The financial year will conclude with the SFO relocating to new offices in Canary Wharf, where it will be co-located with a number of its regulatory partners. Organisations should expect a more assertive and intelligence-led SFO as these plans are put into effect.

Draft Money Laundering Regulations 2026 laid before Parliament

The draft [Money Laundering and Terrorist Financing \(Amendment\) Regulations 2026](#) were laid before Parliament, proposing amendments to the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLRs).

The amendments implement the [government's response](#) to its 2024 consultation on improving the effectiveness of the MLRs, which require businesses to identify and prevent money laundering and terrorist financing. Among other things, the draft proposes:

- Amendments to refine customer due diligence (CDD), enhanced due diligence (EDD) and additional due diligence (ADD) requirements in relation to cryptoasset businesses, unusually complex or large transactions, high-risk jurisdictions and pooled client accounts.
- Strengthening of the anti-money laundering regime for cryptoasset businesses, aligning the MLRs with the new financial services regulatory framework for cryptoassets.
- New provisions relating to insolvent bank customers, permitting credit institutions, in limited circumstances, to establish a business relationship before completion of full CDD.

The draft regulations also propose technical amendments, including replacing references to euros with sterling throughout the MLRs and updating the definition of "high-risk third country".

The amendments are subject to approval by both Houses of Parliament, following which they will come into force 21 days after the day on which the regulations are made.

See also the [draft explanatory memorandum](#).

Bribery, fraud and anti-money laundering



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Competition

Competition

Digital markets

The Competition and Markets Authority (CMA) continues to exercise the powers granted to it under the Digital Markets, Competition and Consumers Act 2024 (DMCCA). In relation to the three strategic market status (SMS) designations it made last year, the CMA has:

- on 18 March, closed a consultation on conduct requirements (CRs) in relation to Search. It is likely that relevant CRs will be imposed imminently;
- accepted commitments in relation to some of its concerns in Mobile, requiring that these are implemented by 1 April 2026. These commitments are intended to address the CMA's concerns around the fairness of app review, app ranking and data use as well as objectivity and transparency around interoperability requests;
- carried out a call for evidence, which closed on 22 April 2026, on recent developments in relation to app store rules in relation to fees and design choices. This is ahead of a planned consultation on potential steering measures in the first half of 2026;
- carried out, and continues, an engagement programme on the importance of innovation in the digital wallet sector, with a specific focus on widening access to the near-field communication (NFC) chip with an update expected in the first half of 2026; and
- outlined an expectation to progress work in relation to browsers as well as interoperable access to functionality for connected devices over the course of this year.

Additionally, on [31 March, the CMA announced a package of actions on business software and cloud services](#), building on concerns identified in its cloud market investigation. This includes:

- active engagement with Amazon and Microsoft on egress and interoperability;
- launching a further SMS investigation, currently planned for May 2026. This will be into Microsoft's business software ecosystem and the impact of software licensing on competition in cloud.

Businesses should remain up-to-date with the CMA's work in digital markets given the economy-wide impact changes to digital products can have. Please see our [dedicated page](#) for more details on how Osborne Clarke can support with this.

CMA annual plan

The CMA published its final Annual Plan for 2026 on 23 March 2026, detailing how its new three-year strategy (2026 to 2029) will be implemented.

The overarching goal is to drive economic growth and improve household prosperity through promoting competition and protecting consumers. Five of its principal objectives are:

1. Promoting effective competition

The CMA will step up action to enable pro-growth business collaboration, particularly for the eight Industrial Strategy priority sectors and environmental sustainability agreements.

2. Championing consumers

Under the enhanced regime introduced by the DMCCA, the CMA will focus enforcement on egregious practices including aggressive sales tactics, fake reviews, hidden fees and unfair contract terms. A private dentistry market study has also been confirmed.

3. Advising government on pro-competition and consumer protection policy

The CMA is expanding its advisory role, identifying opportunities to remove anti-competitive regulation and helping government tackle illegal bid-rigging in public procurement alongside HM Treasury.

4. Fostering investor confidence through the 4Ps

The 4Ps framework (pace, predictability, proportionality and process) will be embedded across all areas of the CMA's work, with a clear commitment that every merger capable of being cleared unconditionally, or with effective remedies, should be.

5. Digital markets: a key priority

Competition

Following the first SMS designations, the CMA is designing proportionate interventions including fair ranking requirements for AI-powered search, choice screens on mobile devices, and improved interoperability for fintechs and app developers. The CMA is also monitoring commitments from Amazon and Microsoft to remove data egress fees, deploying AI to detect anti-competitive behaviour, and has announced a new SMS investigation into Microsoft launching in May 2026.

What changed from the draft plan released on 21 January 2026?

The core priorities are unchanged from the January draft plan, but notable additions include: a private dentistry market study commitment; collaboration with HM Treasury on bid-rigging; expanded digital markets detail; a reference to agentic AI; and an acknowledgement of geopolitical risk affecting cost of living pressures.

The bottom line

The message from the CMA is clear: it wants to be a more agile, proportionate and business-friendly regulator, without softening its resolve to tackle genuine harm. Now is the time for businesses to engage with this evolving regulatory landscape.

Fast-track market study into domestic heating oil

The CMA has launched [a market study](#) into the retail supply of heating oil for domestic use in the UK, amid concerns about rising prices driven by conflict in the Middle East.

Heating oil powers around 1.5 million homes across the UK, including almost two-thirds of all households in Northern Ireland. Ongoing conflict in the Middle East is driving up prices for key commodities including oil, leading to sudden and significant increases in the retail price of heating oil. Many consumers have also raised concerns about the terms on which they are supplied heating oil. The CMA has identified an urgent need to examine the heating oil market closely and assess whether it is working well for consumers.

Unlike other forms of home heating, the CMA notes that the heating oil market is not regulated by Ofgem or the Utility Regulator. This raises several concerns, including lack of protection for consumers suffering financial difficulty and absence of formalised regulations on charging, allowing scope for price discrimination.

Focus areas

The CMA will focus on a number of key areas including the impact of a sudden increase in global oil prices on heating oil retail prices and profit margins, as well as the reasons behind retail price rises and any corresponding increase in retail profits. In doing so, it will consider the challenges suppliers have faced in sourcing and maintaining sufficient stock, and how any shortages have affected pricing incentives.

The CMA will further consider any evidence of poor conduct on the part of suppliers which may harm customers, including during periods of volatile input costs.

Timeline and next steps

The study was launched on 20 March 2026 and the CMA aims to publish a report within three months (by June 2026). This is a significantly shorter timeline than usual, given the acute nature of the challenges currently faced by consumers.

Possible outcomes

The market study could result in a range of different outcomes. The CMA considers the most likely to be making recommendations to government on regulatory protections or price transparency, or taking direct enforcement action where breaches of consumer or competition law are identified.

Revision of the EU Merger Rules: encouraging European champions?

The European Commission is reviewing its Horizontal and Non-Horizontal Merger Guidelines, driven by the need to ensure that European companies can compete effectively on the global stage. Since they were adopted in 2004 and 2008, significant market trends and geopolitical developments including digitalisation, decarbonisation and global market shifts have put the existing framework to the test.

Competition

The revised guidelines are expected to place greater weight on innovation, investment and the resilience of the internal market in merger assessment considerations. Notably, corporate deals that drive technological progress, boost research and development and secure access to critical inputs may benefit from a more favourable assessment.

President von der Leyen has been clear about the policy ambition: "merger guidelines that reflect the realities of the global market, not just the European one, and that enable the emergence of true European champions." The EU's competition chief Teresa Ribera has echoed this, while stressing that protecting consumer interests, ensuring a level playing field and preventing abuses by dominant players remains the Commission's core mission.

The review process has been extensive. A call for evidence was launched in Q2 2025, followed by two parallel public consultations from May to September 2025. Stakeholder workshops took place in December 2025 and January 2026, and a high-level conference was held in Brussels in March 2026. A consultation on the draft revised text is expected in Q2 2026, with formal adoption targeted for Q4 2026.

EU-UK Competition Cooperation Agreement

On 16 April 2026, the UK Foreign, Commonwealth and Development Office (FCDO) announced that the EU-UK Competition Cooperation Agreement [had been presented to Parliament for approval](#). This agreement will provide a framework for the CMA, Commission and EU Member State national competition authorities to cooperate.

Notable aspects of the agreement are:

- the duty on competition authorities to protect the confidentiality of information shared and requiring that the parties' consent is obtained before sharing this information. This is subject to each country's rules on information sharing under applicable domestic law;
- a negative comity agreement requiring the parties to carefully consider important interests of the other during their enforcement activities and a requirement to make "all reasonable efforts" to accommodate each other's important interests; and
- an obligation to review its implementation within two years of coming into force with a view to "further developing their cooperation" in competition law.

This is likely to affect all businesses, not only those with pan-UK and European operations. That is because both the Commission and the CMA are able to review agreements implemented outside of their jurisdiction as long as they have an impact on competition within their jurisdiction.



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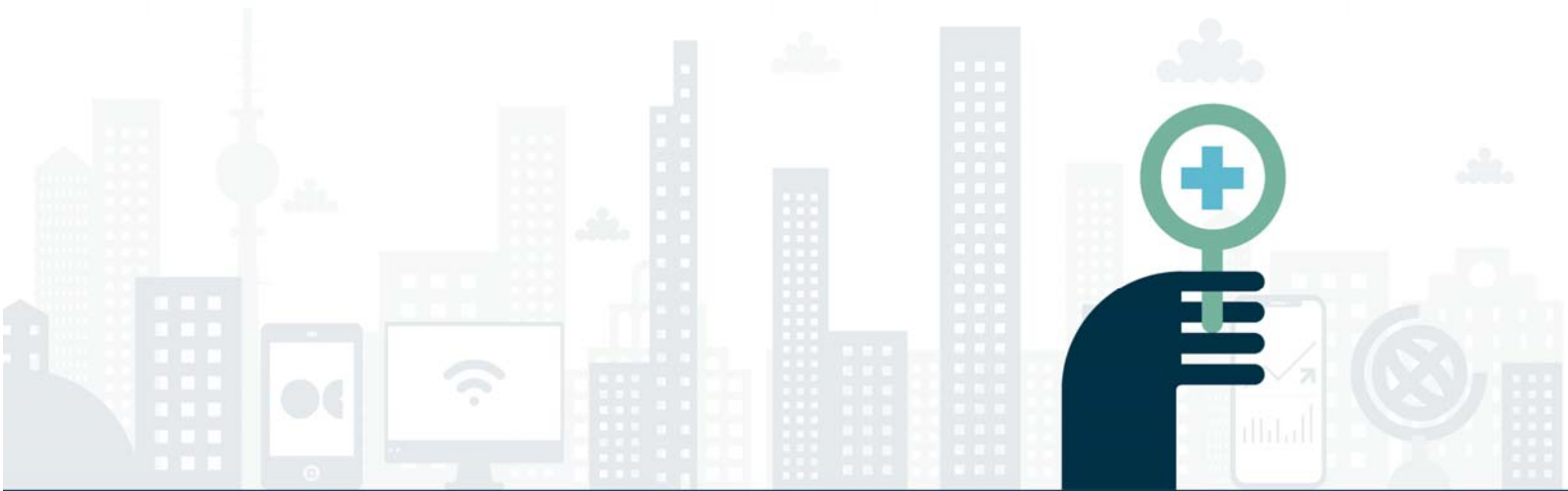
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Consumer law

Consumer law

UK government publishes consultation response on DMCCA subscription contracts regime

The UK government has published its [response](#) to the consultation launched in November 2024 on implementation of the new subscription contracts regime under the Digital Markets, Competition and Consumers Act 2024 (DMCCA).

While the unfair commercial practices provisions under the DMCCA have been effective since April 2025, the subscription contracts regime will not come into effect until spring 2027. The consultation response provides additional detail on how the new regime will work, although a number of questions remain outstanding.

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

CMA's areas of focus for year two of direct consumer enforcement regime

Emma Cochrane, Executive Director of Consumer Protection at the Competition and Markets Authority (CMA) has [outlined](#) what to expect from the CMA in year two since the regulator received its new direct enforcement powers under the DMCCA in April 2025, as well as reflecting on the achievements of its first year.

Ms Cochrane notes that the CMA's twofold approach is now well established: providing guidance to help the businesses who "want to do the right thing", while taking targeted enforcement action where it identifies egregious breaches. To date, its enforcement action has focused on three areas set out in its approach document published in April 2025: drip pricing, fake reviews and online choice architecture.

She emphasised that the CMA will continue to focus on "areas of essential spend where consumers feel the pinch most, as well as practices that are widespread and cause significant harm". Her message to businesses is to prioritise compliance in the following areas:

- **Price transparency** – businesses should not use hidden, "dripped" or unlawful partitioned pricing. Discount claims must be true, accurate and not misleading.
- **Fake reviews** – businesses must have robust policies in place to ensure that reviews give consumers an honest picture, and make sure that employees are implementing them.
- **Terms in contracts with consumers** – businesses should review their terms carefully (especially any that impose exit fees) against the CMA's updated guidance, which it intends to finalise in the autumn.
- **Subscription contracts** – new rules are expected to come into force in spring 2027 (see above), and businesses must ensure they are ready to comply.
- **Use of AI, including AI agents** – the CMA's guidance offers practical tips on using agentic AI responsibly (see this [Regulatory Outlook](#)).

In March 2026, the CMA [published](#) its annual plan for 2026 to 2027, outlining its priorities for the first year of its new strategy for 2026-2029. The consumer protection aspects are largely in line with the draft plan – see this [Regulatory Outlook](#) for more information.

Government Consumer Action Plan to be published later in the year

The secretary of state for the Department for Business and Trade, Peter Kyle, has [written](#) to the Business and Trade Committee setting out the steps the government is taking to review the consumer protection system.

The government has written to all secretaries of state and regulators asking them to set out what further action they plan to take to address consumer harms in their area, with a particular focus on eliminating contractual traps, making pricing clear and consistent and toughening enforcement actions against conduct and businesses "that do the most harm to the community". These actions will help shape the government's consumer action plan, which it intends to publish later in the year.

It will also review:

- The statutory consumer protection duties of local Trading Standards teams, working with relevant government departments, with a view to streamlining or removing duties where appropriate so that resources can be targeted more effectively.
- Consumer redress mechanisms, including the potential introduction of a Consumer Ombudsman for unregulated sectors, to provide a single point of resolution for consumers.

Consumer law

- The design and potential benefits of a dedicated opt-out collective actions regime for consumer law claims, on which the Law Commission has been engaged.

Consumer class actions regime under consideration by the Law Commission

The Law Commission of England and Wales has launched a new [project](#) to consider the potential introduction of a consumer class actions regime, having been asked by the government to assess whether the enforcement of consumer laws could be strengthened through such a mechanism.

The project will examine the potential benefits and risks of introducing such a regime, alongside existing mechanisms such as public enforcement action and alternative dispute resolution, and will consider how it should be designed.

The Law Commission is inviting anyone with an interest to respond to an [Initial Scoping Questionnaire](#) by **30 October 2026**. It intends to undertake wider stakeholder engagement as the project progresses, before publishing a consultation paper in which it will set out its provisional reform proposals.



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Cyber-security

Cyber-security

Government invites organisations to sign Cyber Resilience Pledge

The government has announced the introduction of a voluntary [Cyber Resilience Pledge](#), inviting organisations to commit to three actions to improve their resilience to cyber attacks.

Announced at the [CyberUK conference](#), the pledge, which will be formally launched in the summer, will require signatory organisations to commit to: ensuring board-level responsibility for cyber security (including implementing actions within the [Cyber Governance Code of Practice](#)); signing up to the [Early Warning](#) service (within one month of signing the pledge); and requiring [Cyber Essentials](#) certification across their supply chains.

Organisations will also be encouraged to publish the signed pledge declaration on their website and to promote adoption of these actions within their supply chains.

The requirement for board-level responsibility reflects a growing trend in cyber regulation, although this notably contrasts with the UK government's most high-profile new cyber law, the [Cyber Security and Resilience Bill](#) (CSRB), currently going through the legislative process. The CSRB, as currently drafted, imposes no statutory obligation on management bodies to approve cybersecurity measures or bear personal liability for non-compliance (in contrast to its EU sister legislation, the NIS2 Directive, which does both expressly).

DESNZ and Ofgem consult on cyber resilience regulation for downstream gas and electricity

The Department for Energy Security and Net Zero (DESNZ) and Ofgem have launched a [consultation](#) seeking views on proposals for a new approach to cyber resilience regulation for downstream gas and electricity (DGE) operators in Great Britain.

The proposals include introducing baseline cyber resilience requirements (through the Cyber Essentials certification scheme) for all Ofgem licensees, and exploring the possible expansion of scope of the NIS Regulations to cover DGE operators that can materially impact energy system stability. The consultation closes on 22 May 2026.

NCSC advisory on Russian APT28 group exploiting vulnerable routers for cyber attacks

The NCSC has published an [advisory](#) revealing how Russian cyber threat group APT28 have exploited vulnerable routers to hijack DNS, enabling adversary-in-the-middle attacks, thefts of passwords and authentication tokens, putting organisations at risk of credential theft, data manipulation and broader compromise.

The advisory contains details of tactics, techniques and procedures associated with APT28's exploitation of routers and notes that the activity is likely opportunistic in nature, beginning with targeting a wide pool of victims, before narrowing in on targets of intelligence interest as the attack develops.

The NCSC encourages organisations to follow the mitigation advice to protect against DNS hijacking attacks, ensuring devices and software are maintained and kept up to date and setting up multi-factor authentication.

Read the related [NCSC blog](#).

NCSC blog on frontier AI model benefits for cyber security defence plans

The NCSC has published a [blog post](#) outlining the evolution of frontier AI (referring to the most advanced models available at any given time), its cyber capabilities and how threat actors are already leveraging these capabilities to aid their attacks. It also highlights three ways in which organisations may deploy frontier AI within their own systems to strengthen defences, including system hardening, improving threat detection and investigation, and exploring automated response capabilities.

The NCSC notes that organisations that invest early in "strong security baselines and carefully deployed AI-enhanced defence will be best placed to retain defender advantage as AI increasingly shapes the cyber risk environment".

Government response to call for views on enterprise connected device security

The government has published its [response](#) to its [May 2025 consultation](#) on the security of enterprise connected devices (IoT devices), which include office printers, internet-connected telephones, building entry systems and room booking systems.

Cyber-security

In response to the feedback received, the government will:

- Review whether to expand the scope of this work beyond enterprise connected devices as part of its ongoing analysis of securing the broader technology landscape.
- Look to finalise the security principles, including making them modular within the broader set of secure by design [codes of practice](#) for technology, and explore the possibility of a certification scheme for manufacturers.
- Assess options for potential regulatory measures, in light of respondent feedback that the government should go further than voluntary adoption and incorporate some form of assurance or enforcement mechanism.

In the meantime, the government states that it expects [manufacturers](#) to use the [device security principles for manufacturers](#) to make their products secure by design and, where applicable, asks organisations to also apply the principles set out in the [software security code of practice](#) where they are embedding software into their devices.

EU Commission consults on draft guidance on Cyber Resilience Act

The European Commission is seeking views on its [draft guidance](#) intended to help manufacturers, developers and other stakeholders meet the obligations of the Cyber Resilience Act (CRA). The draft guidance focuses on remote data processing solutions, free and open-source software, "support periods", and the interplay between CRA and other EU legislation. The [consultation](#) closed on 13 April 2026.

To find out more, [sign up](#) for Osborne Clarke's Digital Regulation Download webinar, where our international expert panel will explore the interplay between the new cyber security regulations in the EU and UK, including the NIS2 Directive, the UK Cyber Security and Resilience Bill, the CRA and the UK Product Security and Telecommunications Infrastructure Act.



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Data law

Data law

UK updates

Data (Use and Access) Act 2025: ICO publishes new guidance

Following consultations, the Information Commissioner's Office (ICO) has published new and updated guidance reflecting the [changes introduced by the Data \(Use and Access\) Act 2025](#) (DUA Act) to the UK GDPR. The ICO has published:

- New guidance on [recognised legitimate interest](#), a new lawful basis added by the DUA Act. A list of "recognised legitimate interests" (set out in Schedule 4 to the Act) includes processing for certain purposes relating to security, defence, emergencies, crime and safeguarding vulnerable individuals, as well as responding to public body requests.
- Updated guidance on the existing [legitimate interests](#) lawful basis to reflect amendments introduced by the DUA Act. The legislation introduces an expanded range of processing purposes that are more likely to qualify as "legitimate interests", including processing for the purposes of direct marketing, intra-group transmission of personal data (whether relating to clients, employees or other individuals) where that is necessary for internal administrative purposes, and network and IT system security.
- Updated guidance on the [purpose limitation](#) principle to reflect amendments introduced by the DUA Act, which introduces clearer safeguards for when information can be reused for a new purpose.
- Accompanying guidance on the [compatible reuse of personal information](#) for a purpose other than that for which it was originally collected.

Automated decision-making: ICO consultation on updated guidance

The ICO has published for consultation draft [guidance on automated decision-making \(ADM\), including profiling](#), an update to existing guidance following the introduction of the DUA Act. According to the ICO, the key changes include:

- New content on how organisations can determine whether their processing falls within the scope of Article 22A of the UK GDPR, relating to solely automated decisions with significant effects.
- Clarification of the circumstances in which organisations' ability to undertake Article 22A automated decisions is restricted and the conditions which they must satisfy in those cases.
- A new section on the safeguards organisations must put in place, as well as the rights individuals have in relation to Article 22A automated decisions that affect them.

The [consultation](#) closes on **29 May 2026**.

This forms part of the ICO's broader [AI and biometrics strategy](#). The guidance is intended to inform parts of the ICO's AI and ADM code of practice, to be developed under secondary legislation committed to during the passage of the DUA Act.

Automated decision-making: ICO sets out expectations for employer use in recruitment

The ICO has also published a [report](#) examining how organisations use ADM in recruitment and setting out its regulatory expectations based on those findings. Its central finding is that many employers are likely relying on solely automated decisions – systems operating without meaningful human involvement – and that the decisions these systems take have "legal or similarly significant effects" on people. These fall within the scope of the UK GDPR's provisions on solely automated decision-making, thereby triggering a higher standard of safeguards than currently appears to be in place.

The ICO's findings suggest that:

- Employers must improve their transparency practices, ensuring candidates are adequately informed about the use of ADM in recruitment, and enabling them to make representations about and contest these decisions and request human intervention.
- Where human involvement is included, it must be applied consistently across all candidates at each hiring stage to ensure fairness and compliance.
- Employers should strengthen bias and fairness monitoring, including by asking developers about their own bias testing and conducting their own trials to verify that results minimise bias.

Data law

- The use of ADM in recruitment is likely to be an activity that requires a data protection impact assessment (DPIA) to be conducted, and the ICO would consider it to be good practice to do so.
- Where employers are currently relying on contract or consent as their lawful basis (due to the position in relation to ADM before the changes in the DUA Act), the ICO anticipates that it is now easier to rely on alternative bases, such as legitimate interests.

The ICO has written to employers that are likely to be conducting ADM in their recruitment process, setting out specific recommendations. Looking ahead, the ICO intends to revise its guidance on recruitment and selection in 2026 following the changes introduced by the DUA Act.

ICO and Ofcom joint statement on the overlap between online safety and data protection in relation to age assurance

Ofcom and the ICO have published a [joint statement](#) on age assurance, setting out what online services need to do to meet their obligations under both the Online Safety Act 2023 (OSA) and UK data protection law simultaneously.

This follows the [ICO's open letter](#) to social media and video-sharing platforms, calling on them to strengthen age assurance measures and Ofcom's [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.

The statement is aimed at any service that is likely to be accessed by children and is implementing age assurance measures because they are in scope of either or both the OSA and/or UK data protection legislation. It provides practical examples as to which types of services need to comply with which regimes.

Key takeaways for online services:

- Both regulators view age assurance as a single, integrated issue and are aiming to take a more aligned and coordinated regulatory approach to protect children.
- Services must choose the age assurance method most appropriate to reduce risks and potential harms to children online.
- The OSA does not require services to set a minimum age. However, a user-to-user service allowing primary priority content, or a service publishing pornographic content, must use highly effective age assurance. Where a service does set a minimum age, it must apply it consistently and explain it in its terms of service.
- If a service does not use highly effective age assurance to enforce a minimum age, it must assume underage children are present and reflect this in its children's risk assessment.
- The duty to employ age assurance is not limited to those in scope of the OSA. Services that set a minimum age of use of the service must use an effective age gate to prevent access (thereby complying with the ICO's Children's Code).
- Where a service does not set a minimum age, but is not suitable for children under a certain age, it will generally have no lawful basis for processing the personal data of users below that age – using age assurance technology is recommended to avoid this.
- Services that are suitable for children or children above a certain age, should use age assurance methods to help ensure that the experience is age-appropriate (in line with the Children's Code).
- Where the age assurance technology used is likely to result in a high risk to children's rights and freedoms, age assurance technologies that "give the highest possible level of certainty on a user's age" should be used.
- Both regulators agree that self-declaration alone is insufficient.
- The ICO considers profiling for age assurance an ineffective way of preventing underage users from accessing the service.
- As all age assurance methods inherently involve data processing, they must be necessary, effective for the purposes of preventing children from accessing the service, proportionate to the risks and comply with data protection laws.
- Circumvention risks must be addressed when complying with either regime.
- Services are not expected to deploy methods that are not technically feasible or introduce risks to rights and freedoms disproportionate to the benefits.

Data law

DRCF publishes paper on the future of agentic AI

See [AI section](#).

EU updates

CJEU rules that a first data access request may be refused as 'excessive' under the GDPR in exceptional circumstances

In [Brillen Rottler GmbH & Co. KG v TC \(Case C-526/24\)](#), the Court of Justice of the EU (CJEU) delivered its judgment on an interpretation of Articles 12(5) and 82(1) of the EU GDPR, addressing the scope of the right to refuse "excessive" data access requests and the right to compensation for infringement of the right of access.

The case concerned an individual in Austria who subscribed to the newsletter of Brillen Rottler, a German optician, and thirteen days later submitted a data access request under Article 15 of the GDPR. Brillen Rottler refused the request as abusive under Article 12(5) but the individual maintained the request and claimed €1,000 in non-material damages under Article 82. The company sought a declaration that the individual was not entitled to any compensation, relying on publicly available reports indicating that he had systematically subscribed to newsletters, submitted access requests and brought compensation claims against multiple controllers for alleged infringements that he had deliberately provoked.

The CJEU held that a first access request may be refused as "excessive" under Article 12(5), but only in exceptional circumstances, with the burden falling on the controller. The controller must demonstrate both an objective element (that the purpose of the GDPR has not been achieved despite formal compliance) and a subjective element (an abusive intention, for example where the request was made not to verify lawfulness of processing but to artificially create conditions for obtaining compensation). The controller must take into account all the circumstances of the case, in particular the fact that the data subject provided personal data voluntarily, the aim of providing those data, the time elapsed before the access request, and the data subject's conduct. Publicly available information indicating a systematic pattern of access requests and compensation claims may be considered, provided it is supported by other relevant material.

The CJEU further held that the right to compensation under Article 82(1) is not limited to damage resulting from the processing of personal data, since the provision refers to "infringement of this Regulation" without qualification. Restricting it in that way would exclude infringements of Chapter III rights, such as the right of access, thereby undermining the effectiveness of Article 82.

As regards non-material damage, the CJEU confirmed that loss of control over personal data may suffice, with no minimum threshold of seriousness, but the data subject must demonstrate actual damage distinct from the bare infringement. The causal link may be broken where the data subject's own conduct (such as submitting personal data with the deliberate aim of generating a compensation claim) is the determining cause of the alleged damage.

The CJEU left it to the referring court to determine whether, in the light of all the relevant circumstances, Brillen Rottler had established that the individual made the access request with an abusive intention.

EDPB adopts Data Protection Impact Assessment template

The European Data Protection Board (EDPB) has adopted a [DPIA template](#), which is subject to public consultation until **9 June 2026**. Following the consultation, all data protection authorities will initiate the necessary steps to adopt the template either as their sole standard or as a "meta-template" to which national-specific templates will be aligned. In the meantime, organisations are encouraged to use the template and to provide feedback as part of the public consultation.

EDPB consults on guidelines on processing of personal data for scientific research purposes

The EDPB has adopted [guidelines on processing of personal data for scientific research purposes](#), subject to consultation until **25 June 2026**.

Data law

Among the issues addressed by the guidelines are the concept of scientific research within the meaning of the GDPR, the storage limitation and transparency principles, consent, legitimate interests and the processing of special categories of personal data.



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Digital regulation

Digital regulation

Online safety and age assurance

Crime and Policing Bill

UK government makes amendments to the Crime and Policing Bill to address online pornography

The government has [announced](#) amendments to the Crime and Policing Bill to:

- Make it a criminal offence to process or publish pornography depicting incest or adults pretending to be children. Both offences would be designated as priority offences under the Online Safety Act 2023 (OSA).
- Make senior tech executives criminally liable (with sanctions including fines or imprisonment) if their platforms fail to comply with Ofcom's enforcement decisions requiring the removal of non-consensual intimate images.

These amendments form part of the government's mission to tackle violence against women and girls.

European Commission presents the final EU age verification app

In April 2026, the European Commission [presented](#) the final EU age verification app, describing it as "the most privacy-preserving and user-friendly solution". The app, which allows users to prove their age when accessing online services, is technically ready but has not yet been made available.

In July 2025, the Commission published guidelines on the protection of minors under the Digital Services Act, which, among other things, recommend the use of age-verification technologies to restrict access to adult content. At the same time, it released the first version of an age-verification blueprint, which it provided to Member States to test and develop. In October 2025, the Commission released a second version of the blueprint. See this [Regulatory Outlook](#) for more information.

Once available, users of the app will be able to set up an identity, using a passport or ID card, and, according to the Commission, verify their age without sharing any personal information, thanks to the cryptographic "zero-knowledge proof" method that the app deploys. The app works on any device and is fully open source to allow it to be used across the world. Online platforms can, according to the Commission, "easily rely on our age verification app".

Seven frontrunner Member States – France, Denmark, Greece, Italy, Spain, Cyprus and Ireland – are piloting the app and plan to integrate it into their national eID wallets. All Member States will be able to customise the app before offering it to their citizens.

ICO and Ofcom joint statement on the overlap between online safety and data protection in relation to age assurance

See [data law section](#).

UK Online Safety Act updates

Transparency reporting under the Online Safety Act

Under the OSA, providers of categorised services will be required to publish annual transparency reports based on requirements that Ofcom will set out in formal transparency notices. Ofcom intends to publish its categorisation register in summer 2026.

In July 2025, Ofcom published its [Transparency Guidance](#), setting out its approach to transparency reporting and how it will decide what information service providers must include in their reports. It has also committed to engaging with civil society organisations, researchers and the wider public with relevant expertise throughout each transparency reporting cycle, including during the development of the transparency notices.

In line with this commitment, it is [seeking views](#), until **30 April 2026**, from civil society organisations and the public on the information they would like service providers to publish in their transparency reports. Ofcom will use this input to inform the transparency notices it is currently developing.

Ofcom's proposed updates to illegal harms regulatory documents: tackling self-harm and cyberflashing

Digital regulation

In March, Ofcom [consulted](#) on proposed changes to its codes of practice and guidance due to the addition of: (i) making, encouraging or assisting serious self-harm; and (ii) cyberflashing to the list of priority offences under the OSA (see this [Regulatory Outlook](#) for more details). The consultation closed on 24 April 2026.

Among other things, Ofcom proposed to:

- Merge the new priority self-harm offence with the existing offence of encouraging or assisting suicide, creating a single category of illegal harm, "suicide and self-harm". This will involve updates being made to Ofcom's Risk Assessment Guidance and Illegal Content Codes of Practice.
- Include cyberflashing as a new, separate type of illegal harm, with corresponding updates to the Guidance and Codes.
- Extend existing measures under the codes, where relevant, so that they also apply to self-harm and cyberflashing.

In practice, consolidating the suicide and self-harm offences into a single category will require providers to assess both harms together and assign one overall risk level for "suicide and self-harm", while conducting a separate risk assessment for cyberflashing. These changes mean that providers will need to revisit and update their existing risk assessments.

Ofcom's year-two illegal harms risk assessments

Under the OSA, service providers must assess and mitigate the risk of people in the UK encountering illegal content. Platforms likely to be accessed by children must also assess and mitigate the risk of under 18s being exposed to certain types of harmful material. Providers are obliged to review these risk assessments at least once a year and update them before making any significant change to their service's design or operation. Such reviews must also be conducted if Ofcom makes any significant changes to its regulatory documents (as above).

Services that were in-scope of the OSA when the illegal content and child protection duties came into effect last year had to complete their first illegal content and child safety risk assessments in March and April 2025 respectively. With the annual deadline rolling round again, Ofcom has [issued](#) formal requests for information to 30 providers covering 43 services, requiring them to submit their illegal content and child safety risk assessments by 31 July 2026. This forms part of Ofcom's monitoring of industry compliance. Where it has concerns about any of the risk assessments it receives, it will work with the relevant provider to address them. Failure to provide a risk assessment when required to do so may result in fines.

Protecting women and girls online

Ofcom published dedicated [guidance](#) on safety for women and girls online in November 2025, setting out how in-scope service providers can tackle content and activities that disproportionately affect women and girls. The guidelines describe nine actions providers can take and highlight good practice in this area. See this [Regulatory Outlook](#) for more information.

In March 2026, the UK government [wrote](#) to online service providers saying that it expects all platforms to implement Ofcom's guidance "by the end of this year at the latest".



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Employment and immigration

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Employment

New Vento bands published

The new Vento bands applying to injury to feelings awards for cases presented on or after 6 April are:

- lower band of £1,300 to £12,600 (up from £1,200 to £12,100) for less serious cases;
- middle band of £12,600 to £37,700 (up from £12,100 to £36,400) for cases that do not merit an upper band award;
- upper band of £37,700 to £62,900 (up from £36,400 to £60,700) for the most serious cases; and
- amounts above £62,900 are available in the most exceptional cases.

Employers should factor the updated figures into their liability assessments and settlement strategy. [Read more.](#)

Employment law reform: new consultations, guidance and a call for evidence

The government has issued further publications on its employment law reforms covering:

- Non-disclosure agreements (NDAs).
- Trade union workplace access.
- Call for evidence on the Transfer of Undertakings (Protection of Employment) Regulations, (TUPE).
- Equality action plans.

It has also updated its implementation roadmap, which now confirms its intention to bring reforms to NDAs into force in 2027.

Osborne Clarke's [dedicated microsite on the employment law reforms](#) tracks the latest developments, looking at the implications and actions for employers.

Employers wishing to discuss the reforms and next steps to prepare should contact their Osborne Clarke adviser. [Read more.](#)

GDPR for HR

In our latest [GDPR for HR Insight](#), Osborne Clarke's specialist team examines the role of data in internal investigations, the impact of artificial intelligence on tactical data subject access requests (DSARs) in employment disputes, and a recent EU court ruling offering UK employers practical clarity on two recurring DSAR questions: deleted data and who counts as a recipient.

Contingent workforce

Umbrella companies and the Conduct Regulations

The UK [government's consultation](#) on modernising the agency work regulatory framework remains open until 1 May 2026 and proposes to bring umbrella companies within the existing recruitment regulatory regime.

The consultation also looks at wider changes to the Conduct of Employment Agencies and Employment Businesses Regulations 2003, including a ban on umbrella companies paying "referral" fees to agencies, a restriction on any requirement for a work seeker to be engaged via a particular umbrella company, and the possible removal of the complex temp-to-perm/temp-to-temp fee rules.

See [Osborne Clarke's Insight on how the new regime for "umbrellas", agencies and intermediaries could pose problems for the UK staffing industry](#) for an overview of the changes.

Guaranteed hours for agency workers

The consultation under the Employment Rights Act 2025 on guaranteed hours rights for agency workers and zero-hours workers has not yet been issued but is expected soon.

If a right to guaranteed hours for agency workers is introduced, it would significantly affect all those who use and supply agency workers.

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Immigration

Right to work

What is changing and why?

The Border Security, Asylum and Immigration Act 2025, which received royal assent on 2 December 2025, introduced major reforms to UK migration law. Important changes include establishing a Border Security Command, repealing the Rwanda plan, increasing the Immigration Skills Charge by 32% from 16 December 2025, and strengthening penalties for illegal working in order to tighten control over small boat Channel crossings.

On 15 April 2026, the Home Office opened a consultation on a draft code of practice for employers on avoiding unlawful discrimination while preventing illegal working. The draft code is stated to apply to all employment commencing on or after 1 October 2026, as well as to repeat checks on existing workers where these must be carried out on or after that date to retain a statutory excuse.

While the effective date may still be subject to revision, publication of the draft code represents the strongest confirmation to date that the Home Office intends to implement the expanded illegal working regime and associated changes to right to work check processes from 1 October this year.

Key changes in the draft code of practice

The draft code introduces a number of notable updates, including:

Expanded and new definitions

- **"Employer"** is expanded to cover those employing individuals under a contract of employment, a worker's contract, as an individual sub-contractor, or via an online matching service.
- **"Worker"**, **"right to work"**, and **"right to work checks"** are newly defined.
- **"eVisa"** and **"permission to stay"** have been revised to reflect updated terminology.

New and revised obligations

- Employers using a digital verification service (DVS) as well as DVS providers, must have systems in place to ensure the process does not introduce or perpetuate discriminatory outcomes.
- Employers must treat all applicants fairly at each stage of recruitment and when carrying out right to work checks.
- Employers must not mandate digital checks, in addition to the existing prohibition on mandating online checks, except for eVisa holders.
- Employers cannot refuse to use the Employer Checking Service for workers who do not have or cannot access the Home Office online checking service.
- The direct discrimination example has been updated to reflect a more contemporary scenario: checking a foreign national worker but not their UK-born colleague.
- Employers may encourage use of DVS technology alongside the online checking service.
- Employers should try to keep the job open to provide all workers with a reasonable opportunity to demonstrate their right to work.

The 1 October 2026 deadline is fast approaching, and businesses should begin preparing, particularly given the need to review policies, consider DVS arrangements and ensure adequate resourcing over the summer period. The consultation on the draft code of practice also gives businesses an opportunity to engage with the Home Office on the proposed wording before it is finalised.

Earned settlement: a fundamental shift in the UK's immigration rules

Indefinite leave to remain

Indefinite leave to remain (ILR), also known as settlement, gives individuals the right to live and work permanently in the UK, free from immigration restrictions. It is also a necessary precursor to applying for British citizenship. Under the current

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system, most immigrants qualify for ILR after five years on a qualifying visa (typically a work or family visa) provided they continue to meet the relevant requirements throughout that period.

Government proposals

The government is proposing a fundamental overhaul of the settlement system through a new "earned settlement" model. The headline change is an increase in the standard qualifying period from five to ten years. However, this ten-year baseline would not apply uniformly. Individual waiting periods would be adjusted up or down, based on criteria designed to measure personal contribution to the UK.

Under the proposals, higher earners and fluent English speakers could qualify sooner while those who claim benefits or entered the UK illegally could face extended waits. In extreme cases, some individuals could wait up to 30 years for settlement, while others may qualify in as few as three.

The EU Settlement Scheme will remain unaffected, but EU citizens arriving in the UK who are not eligible for that scheme will be subject to the new rules.

People already in the UK

The government intends to apply the changes to individuals already in the UK and progressing towards settlement, though there have been suggestions that the new requirements will only apply to those who entered the UK from 2021.

Many of those affected argue that it is unfair to change the rules for those who made decisions, including relocating to the UK, on the basis of a five-year route. While it is not without precedent to apply changes to those already in the immigration system, the government will need to set out **clear transitional arrangements** and suitable mitigations for those affected, including those currently on the 10-year family or private life route, on which more information is awaited.

Timing and implementation

The Home Office has indicated that implementation will begin from April 2026, but has not provided a clear timeline for when specific changes will take effect. Given the scale and complexity of these reforms, the government will need to allow sufficient time to assess the impact of its final policy, avoid unintended consequences, and provide a clear and realistic implementation timetable so that individuals can make informed decisions and sponsor licence holders can factor in additional costs arising from extended visa periods and extensions.

What employers should consider

The earned settlement proposals represent one of the most significant changes to UK immigration policy in recent years.

Businesses, should consider:

- Reviewing workforce planning strategies in light of the extended settlement timeline.
- Assessing the position of existing employees who may be affected by transitional arrangements.
- Monitoring for further developments, including the publication of a final policy following the consultation, and any accompanying changes to visa routes and eligibility criteria.

The consultation closed on 12 February and the government's final policy is awaited.



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Environment

Environment

UK government consults on best available techniques for environmental permitting

The Department of Environment, Food and Rural Affairs (Defra) (in collaboration with the devolved powers) has launched [a consultation on best available techniques \(BAT\) and linked guidance](#), for the environmental permitting regime. The consultation focuses on amendments to the BAT which apply in the following sectors: ferrous metals (forming and galvanising), textiles, and waste gas management and treatment (specifically in the chemicals sector).

The consultation results from changes to industrial processes in these sectors, technological progress since the introduction of previous BAT iterations and current evidence on environmental and health impacts. The proposals would introduce more onerous requirements on the various BAT techniques that would be used for obtaining an environmental permit, with the aim to reduce overall environmental impacts.

The consultation will be open until 14 May 2026.

Government publishes the waste crime action plan

Complementing the [announcement](#) last month that the Environment Agency (EA) would receive greater powers to reduce waste crimes, the UK government has published the [waste crime action plan](#). The plan will be applicable in England and provides the legislative roadmap for reductions to waste crime.

The plan has three stated objectives:

- **Objective 1: Prevent** – this includes changes to bring the regulation of waste management into the environmental permit regime; expanding the use of restriction notices where operators' activity risks environmental harm; and conducting research to understand the drivers and impacts of waste crime.
- **Objective 2: Enforce** – including additional EA funding of £45m over the next three years specifically to tackle waste crime, increased enforcement powers and greater punishments for offenders.
- **Objective 3: Remediate** – providing government and EA support to assist with the clearance of the most impactful illegal waste sites, and working with insurance companies to ensure insurance to cover costs of remediation remains accessible.

Government consults on the treatment of sustainable aviation fuels in the UK ETS

See [ESG section](#).

Legislation to introduce the Future Homes and Buildings Standards made

The [Building Regulations etc \(Amendment\) \(England\) Regulations 2026 \(SI 2026/335\)](#) were made on 23 March 2026.

The amendments to the Building Regulations implement the new Future Homes and Buildings Standards (FHBS) obligations, which have been a key element of the government's home building policy. The amendments will, for example, require new homes to be built with solar panels as standard (among other things) – all with the aim of ensuring that new buildings are "zero-carbon" ready.

The amended regulations will come into force from 24 March 2027 (for non-higher-risk buildings) and from 24 September 2027 (for higher-risk buildings) – both terms as defined in the Building Safety Act.

Draft UK REACH amendment regulations laid before Parliament

The [REACH \(Amendment\) \(No 2\) Regulations 2026](#) draft regulations were laid before Parliament on 24 March 2026. REACH regulations are designed to protect human health and the environment from chemical risks, by requiring manufacturers and importers to identify and manage risks, and register chemical substances.

The amendments, if approved, will extend the deadlines for submitting registration information on impacted chemicals to the Health and Safety Executive. This will be a key part of the transition from the EU REACH to the UK REACH regime.

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Under the proposals, the different submissions will move from 27 October 2026, 2028 and 2030 to 27 October 2029, 2030 and 2031 (depending on chemical category).

The draft regulations were published alongside [an explanatory note](#). See also [sustainable products section](#).

Government consults on strategy for fifth round of climate adaptation reporting

Defra has published [a consultation on its proposed strategy for the Climate Adaptation Reporting round 5](#).

It is seeking views on two key parts of the reporting for this latest round:

- **A limited expansion in reporting bodies:** expanding the scope to include combined authorities and the Greater London Authority; and
- **Mandating reporting:** a limited power to target non-reporting and reporting gaps, accompanied by improved guidance.

The consultation closes 20 May 2026.

The ISSB consults on amendments to SASB Standards and IFRS S2 guidance

See [ESG section](#).

Government publishes Nature Investment Standards

Defra has published its guidance on the [Nature Investment Standards](#), setting out principles for the supply, storage and trade of nature credits.

Five standards have been published, which are:

- Overarching principles and framework;
- Supply of biodiversity benefits;
- Supply of nature-based carbon benefits;
- Supply of nutrient benefits; and
- Community engagement and benefits.

The standards are designed to ensure any investments in these areas deliver true environmental benefits, while maintaining transparency and fairness.

Use of the standards is voluntary, but recommended for use by suppliers of nature credits (farmers, land managers and others); crediting programmes (codes and schemes); and market intermediaries (registries and trading platforms).

Council of the EU adopts regulation amending calculation of emission credits for heavy-duty vehicles

On 30 March 2026, the Council of the EU formally adopted a regulation amending [Regulation \(EU\) 2019/1242](#) regarding the calculation of emission credits for heavy-duty vehicles for the reporting periods 2025-2029.

The regulation requires reductions in the EU's fleet-wide average CO₂ emissions from new heavy-duty vehicles, assessed in five-year intervals. Where manufacturers fall below the reduction trajectory, they may accumulate emissions credits.

The amended regulation provides more flexibility for manufacturers, allowing them to accrue additional credits in the years prior to 2030 which can then be used in subsequent years to meet their obligations.

The amendment is part of a wider move to support the automotive sector's transition to clean mobility. It will come into force 20 days after being published in the Official Journal of the European Union and will be directly applicable in all EU Member States.

Environment

UK ETS Maritime Order amended to include domestic maritime sector

The [Greenhouse Gas Emissions Trading Scheme \(Amendment\) \(Extension to Maritime Activities\) Order 2026 \(SI 2026/392\)](#) was made on 1 April 2026, amending the principal legislation to include the domestic maritime sector in the UK ETS from 1 July 2026.

The amendment requires eligible maritime operators to undertake monitoring, independent verification and reporting in respect of their CO₂, methane and nitrous oxide emissions arising from in-scope activities. Operators must surrender allowances for their emissions and, if necessary, buy or trade allowances.

The amendment applies to ships of at least 5,000 gross tonnage, although there are various exemptions including government ships, fish-catching or fish-processing ships, and ferries to Scottish islands. Certain activities are also excluded from the amendment's scope, such as search and rescue, fire-fighting, and the provision of humanitarian aid.

Operators will be assigned to a UK ETS regulator based on the location of their registered office or place of residence. For UK-registered offices or residences, the regulator will be the authority for the UK nation; for non-UK, it will be the EA.

Government lays legislation on impact of international aviation and shipping carbon units on UK carbon budgets

The government has laid two draft statutory instruments before Parliament, to amend the Climate Change Act 2008.

The first, the [Climate Change Act 2008 \(International Aviation and International Shipping\) Regulations 2026](#), will extend the scope of the greenhouse gas emissions captured under the Climate Change Act, to include international aviation and shipping emissions with the scope of UK emissions from the sixth carbon budget (2033 to 2037).

The second, the [Climate Change Act 2008 \(Credit Limit\) Order 2026](#), will limit the amount of international carbon units from overseas reductions or avoidances which can count towards the meeting of the fifth carbon budget (2028-2032) to zero. Carbon units traded under UK ETS and EU ETS will be exempt.

Government shares updates for Biodiversity Net Gain

Defra has published various consultation responses, and begun a new consultation, in relation to the UK Biodiversity Net Gain (BNG) rules. BNG is a mandatory UK planning requirement requiring developers to ensure habitats are improved, targeting a minimum 10% increase in biodiversity value.

In the [first of the consultation responses](#), Defra confirmed that BNG will apply to Nationally Significant Infrastructure Project (NSIP) applications made on or after 2 November 2026 (a delay compared to the previous timeline of November 2025).

The response also confirms that, in an effort to reduce complexity, the government will publish BNG statements for every National Policy Statement (NPS) in May of this year. These will then be incorporated into the NPS during the next review period. There will also be a statement for NSIPs which do not have an NPS. [Annex 1](#) of the consultation response provides a model BNG statement for NSIPs.

The [second consultation response](#) looks at improvements to the implementation of BNG for "minor, medium and brownfield" developments. The consultation response looks at four separate improvements: exemptions, streamlining, flexibility and brownfield developments.

Exemptions

Under the new proposal, sites with a redline boundary under 0.2 hectares will be exempt. This will not apply where there are onsite priority habitats and is separate from the existing "de minimis" exemption. Any existing rules on irreplaceable habitat will also continue to apply.

Environment

Regulations will also follow to introduce changes to the exemption for self-build/custom build applications. Meanwhile, additional regulations will introduce new exemptions for: developments whose primary objective is to conserve or enhance biodiversity; exemptions for temporary planning permissions (of no more than five years); and targeted exemptions for developments which enhance parks, public gardens and playing fields.

Streamlining

The government will make administrative changes to BNG operation by improving the metric tool through digitisation and minor revisions to the "small sites metric"; changes to the watercourse metrics will be considered in due course.

Flexibility

This will include changes to regulation to allow off-site BNG to be level with onsite enhancement in the BNG hierarchy for minor developments. There will also be a change to assess spatial risks based on local nature recovery strategy areas, and not based on local planning authority and national character area boundaries – this will be effective for all sites.

Brownfield

The consultation confirms that there will be ongoing review of BNG metrics to assist with clearer identification of "open mosaic habitat" and other urban habitats, with new definitions to support correct identification.

Concurrently with the two consultation responses, the government also launched [a new consultation on whether there should be a BNG exemption for brownfield residential development](#). It aims to support the government's preference for brownfield land to be the first option for new development. It is recognised that not all brownfield sites encounter the same BNG issues, but that for some developments implementation of BNG can be costly and complex.

The consultation looks for feedback on appropriately defining brownfield sites, as well as whether there should be threshold exemptions.

The consultation will run until 10 June 2026.

Government response to consultation on environmental permitting

Defra has published [its response](#) to a consultation on modernising environmental permitting for industry.

The consultation set five goals, ranging from encouraging innovation through agile standards to ensuring that the framework remained transparent and trusted. The response confirms that the EA will take forward a new permitting programme in an effort to modernise the framework.

Initiatives will include, but not be limited to, streamlining validation processes; providing improved guidance to applicants to reduce requests for information; priority services for NSIPs and major developments; improving regulatory guidance to ensure enhanced understanding.

The International Organization for Standardisation updates ISO 14001

The International Organization for Standardisation has [published its new standard](#) for environmental management systems – with [ISO 14001:2026](#).

The standard, while voluntary, is widely used to assess environmental management systems. The updates provide clearer guidance, alignment with key priorities and improved impact management across value chains.

Government consults on reform to packaging waste recycling notes

See [sustainable products section](#).

Environment

HMRC consults on UK CBAM regulations

See [ESG section](#).



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Environmental, social and governance

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UK

HMRC consults on draft UK CBAM emissions calculation and verification regulations

HMRC has [launched a technical consultation](#) on the draft Carbon Border Adjustment Mechanism (Emissions and Verification) Regulations 2026, published on 9 April 2026 ahead of the UK CBAM's commencement on 1 January 2027.

The draft regulations set out the process for calculating direct embodied emissions in CBAM goods, requirements for monitoring and verification of emissions data including conditions for verifiers and accreditation bodies, and record-keeping requirements. This follows a [February 2026 consultation](#) on three other sets of draft CBAM regulations covering administrative requirements, the CBAM rate and carbon price relief, and transitional period modifications to 30 June 2028. Final secondary legislation is expected to be laid later in 2026.

The consultation closes on 21 May 2026 and those importing CBAM goods may wish to engage with the process as the regulatory framework takes shape ahead of the January 2027 commencement **date**.

Investment Association responds to FCA consultation on ESG ratings

The Investment Association (IA) has [responded to the Financial Conduct Authority \(FCA\)'s consultation](#) on ESG ratings (CP25/34), expressing support for its proposed framework for regulating ESG ratings providers.

The IA welcomed the framework's basis on existing rules, its alignment with international standards and its focus on strengthening transparency and governance, while also confirming its view that asset managers producing proprietary ESG ratings as part of FCA-regulated activities fall outside the scope of the proposed regime, as existing regulatory frameworks sufficiently address any associated disclosure risks.

The IA nonetheless sought further clarity on a number of points, including which firms and activities will be subject to regulation, the treatment of proprietary or internal ratings when shared externally, and the implications of the proposed narrowing of the UK Benchmarks Regulation. It also called on the FCA to avoid duplicating the regulatory burden created by parallel EU legislation on ESG ratings, given that many providers operate on a cross-border basis, and to draw on lessons from the EU regime to minimise divergence costs and support international operability.

Additionally, the IA emphasised the importance of ensuring that ESG ratings disclosures support retail investors' understanding where ratings are used in consumer-facing communications, and stressed that any guidance developed should remain proportionate for smaller and specialist providers while maintaining the UK's competitiveness as a global centre for sustainable finance.

UK Emissions Trading System Authority consults on future treatment of sustainable aviation fuels

The UK Emissions Trading System (UK ETS) Authority is consulting on the [future treatment of sustainable aviation fuels](#) (SAF) in the UK ETS given the introduction of the SAF mandate from 1 January 2025 which places an obligation on aviation fuel suppliers in the UK to provide an annually increasing amount of SAF within the overall UK aviation fuel mix.

Proposals include whether the types of SAF eligible under the UK ETS should extend beyond biofuels, whether SAF eligibility under the UK ETS should align with the SAF mandate sustainability criteria and how the UK ETS should recognise and account for SAF.

SAF production in the UK is to be supported by a revenue certainty mechanism based on a guaranteed strike price, similar to contracts for difference mechanisms in other low-carbon and renewable energy sectors.

Interested businesses have until 15 June 2026 to respond to the consultation.

Government rejects transition period for UK-EU SPS Agreement

See [food law section](#).

EU

EU sets binding 2040 climate target

The EU has amended the EU Climate Law to set a binding 2040 target of a 90% reduction in net greenhouse gas emissions compared to 1990 levels.

Environmental, social and governance

[Regulation \(EU\) 2026/667](#) also requires the Commission to review relevant EU legislation to enable both the new 2040 target and the existing 2050 climate neutrality targets to be achieved. The review must address the use of international carbon credits under Article 6 of the Paris Agreement, capped at 5% of 1990 EU net emissions from 2036, the role of domestic carbon removals under the EU ETS, and broader social and economic impacts including energy security and the need for a just transition.

The regulation additionally introduces a biennial review of the EU Climate Law and postpones the extension of emissions trading to buildings, road transport and additional sectors under EU ETS II until 2028.

In response to the coming in force of the regulation, on 19 and 20 March, the European Commission published consultations to revise the [Renewable Energy Directive II](#) and the [Energy Efficiency Directive](#). The Commission plans to adopt legislative proposals to amend the two directives in Q4 of 2026.

ISSB proposes amendments to sustainability reporting standards

On 26 March 2026, the International Sustainability Standards Board (ISSB) published proposed [amendments to the Sustainability Accounting Standards Board \(SASB\) standards](#) in three priority sectors: agricultural products; meat, poultry and dairy; and electric utilities and power generators.

SASB standards are an important source of guidance for entities reporting under IFRS S1, also published by the ISSB, which sets out general requirements for the disclosure of sustainability-related financial information. This follows the publication of amendments in July 2025 to the [SASB standards in nine other priority sectors](#), in the extractive and minerals processing and processed foods industries.

The ISSB is also consulting on whether to make consequential amendments to its industry-based guidance on implementing IFRS S2 which covers climate-related disclosures.

As [previously reported](#), the UK government has published final UK Sustainability Reporting Standards (UK SRS), based on the ISSB's standards, in preparation for voluntary and mandatory adoption.

Businesses operating in any of the priority sectors preparing to report under UK SRS or ISSB standards should ensure that they have familiarised themselves with the new SASB standards.

EU Commission consults on revising Taxonomy and Environmental Delegated Acts

The EU Taxonomy is a science-based classification system established by the European Union to define which economic activities are considered environmentally sustainable and aid investors in their portfolio decisions.

The European Commission published [a consultation on revising the EU Taxonomy criteria](#). It centres on revising the technical screening criteria (TSC) under the Taxonomy Regulation (Regulation (EU) 2020/852). The cited aims of the amendments are to boost taxonomy adoption, improve access to green finance across the EU and enhance market transparency.

The consultation was accompanied by two draft texts – the "[Delegated Regulation amending the Taxonomy Climate Delegated Act \(\(EU\) 2021/2139\) as regards enhancing the usability of the TSC](#)" and the "[Delegated Regulation amending the Taxonomy Environmental Delegated Act \(\(EU\) 2023/2486\) as regards enhancing the usability of the TSC](#)".

The feedback period was open until 14 April 2026, with the input to be used to shape the forthcoming revision of the criteria by the Commission, which is planned for summer adoption.

European Commission publishes guidance on Packaging and Packaging Waste Regulation implementation

See [sustainable products section](#).

Environmental, social and governance



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Fintech, digital assets, payments and consumer credit

Fintech, digital assets, payments and consumer credit

FCA launches £7.5 billion motor finance compensation scheme

On 30 March 2026, the Financial Conduct Authority (FCA) published a [statement](#) and a [policy statement](#) (PS26/3) setting out the details of its compensation scheme for motor finance complaints.

There will be an implementation period to enable firms to prepare to operate the scheme. For loans taken out from 1 April 2014, the implementation period runs until 30 June 2026; for those agreed earlier, it runs until 31 August 2026. Lenders will then have three months from the end of the relevant implementation period to inform complainants whether they are owed compensation and, if so, how much.

Please see Osborne Clarke's [Insight](#) for more details, including the key changes since the FCA consulted in autumn 2025, and advertising and marketing section.

Contactless payments limit lifted

On 19 March 2026, the FCA published an updated version of its [Payments and E-money Approach Document](#) to reflect changes to contactless payment limits that came into force on the same date.

The regulator [confirmed in December 2025](#) that it would remove the contactless cap of £100, giving banks greater flexibility to set their own contactless payment limits subject to strong fraud controls. However, it remains to be seen whether firms will take up this option in practice.

FCA calls for input on access to finance for SMEs

On 18 March 2026, the FCA published a [call for input](#) on how regulation can help small and medium-sized enterprises (SMEs) access finance.

SMEs are crucial to the UK economy – at the start of 2025, they accounted for 60% of private sector employment and 50% of its turnover. The FCA is seeking views from SMEs, and from providers and distributors of SME finance, on how its regulation can support SME finance across debt, equity, hybrid and alternative finance.

The focus will be on regulated financial products and services, but the FCA will also consider the impact of its regulation on regulated firms that offer SMEs products and services outside the regulatory perimeter.

The areas of interest for the regulator are:

- Barriers to SME finance, including regulation that directly affects the cost and/or perceived risk of lending to or investing in SMEs.
- Opportunities for regulation to support the provision of SME finance better, such as industry collaboration, and adopting innovation and new technology.
- Sector-specific issues in obtaining finance, particularly for high-growth sectors such as advanced manufacturing, clean energy industries, creative industries, defence, digital and technologies, financial services, life sciences, and professional and business services.
- Future trends, including the role of open finance.

The FCA will be engaging with industry and key stakeholders on this issue, and intends to publish a summary of its findings and an update on next steps later in 2026.

Future of agentic AI paper published by DRCF

On 31 March 2026, the Digital Regulation Cooperation Forum (DRCF), which comprises the CMA, FCA, ICO and Ofcom, published a [paper](#) exploring how UK regulatory frameworks across sectors can support the responsible development of agentic AI.

Key risks flagged in the paper include the following:

Fintech, digital assets, payments and consumer credit

- Without robust oversight, agents risk becoming "black boxes" lacking in transparency, even more so in the case of multi-agent systems – for example, it may be difficult for users to contest an agent's decision.
- The emergence of algorithmic collusion, where agents spontaneously collude without being instructed to do so, for example resulting in supra-competitive pricing.
- Action bundling, whereby agents rapidly execute multi-step workflows (such as accepting terms, making purchases or signing up to services) without the user experiencing each step as a separate decision, could complicate regulatory oversight and accountability.
- In the event agents become embedded in platforms, businesses could experience pressure to compete to be favoured by the agent, rather than offering the best product, service or price to consumers.

There are also clear risks around cybersecurity, data protection and consumer protection issues more broadly. See also artificial intelligence section.

FCA update on the temporary permissions regime for buy-now, pay-later lenders

On 2 April 2026, the FCA updated its [webpage](#) on regulating buy-now, pay-later, also known as deferred payment credit (DPC), publishing [directions](#) and a [notification form](#) for the temporary permissions regime (TPR) for DPC lenders.

The FCA will begin regulating DPC on 15 July 2026. The temporary permissions regime will allow firms that were already carrying on DPC activity at this point to continue operating on a temporary basis.

The directions specify that:

- Eligible firms can register for temporary permission between 15 May 2026 and 1 July 2026 – a fee is also payable.
- Firms with temporary permission may apply for permission relating to DPC activities from 8 July 2026 until 15 January 2027.

Any firm that does not currently have the right permissions and does not register for the temporary permissions regime will not be able to enter into new DPC agreements after 15 July 2026. Firms that are not authorised or do not have a temporary permission will continue to be able to service DPC agreements that were taken out before that date.



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Food law

Food law

UK

Government rejects transition period for UK-EU SPS Agreement

The government has [formally responded](#) to the Environment, Food and Rural Affairs Committee's report on the proposed UK-EU Sanitary and Phytosanitary Agreement, rejecting the committee's recommendation to seek a 24-month transition period to assist agri-food businesses in adapting to new requirements. The government maintains that the agreement will take effect from mid-2027 and has committed to working with businesses to ensure a smooth transition, but without a formal lead-in period.

The response also confirmed that the government will not pursue a veterinary medicines agreement alongside SPS negotiations, instead relying on recently launched schemes, and will seek a carve-out from dynamic alignment on animal welfare regulations to protect UK standards.

On pesticides and precision breeding, the government supports consultation on pesticide regulations and maintains the UK's right to set its own rules, raising the prospect of further divergence from EU standards in these areas. England currently permits the release and marketing of precision-bred plants under the Genetic Technology (Precision Breeding) Regulations 2025, while the EU's equivalent regime remains more restrictive; England also uses looser definitions for what qualifies as a precision-bred plant, has no explicit labelling requirements, and no IP transparency requirements.

For businesses across the agri-food supply chain, the rejection of a transition period increases the urgency of preparations ahead of the mid-2027 implementation date.

FSA sets out plans to modernise food regulation

The Food Standards Agency Board has agreed the scope of [its Future of Food Regulation programme](#), which will develop proposals to strengthen the food regulatory system in response to a government request made at the 2025 Budget.

The programme covers five areas:

- enhancing the food business registration system;
- developing a national approach to regulation for large businesses such as major supermarkets, making better use of existing data and assurance systems alongside in-person inspections;
- improving guidance to local authorities and businesses;
- strengthening enforcement powers to enable swift and proportionate action; and
- making the display of Food Hygiene Ratings mandatory in England.

The FSA has indicated that the reforms aim to help identify food safety risks more quickly while reducing unnecessary administrative burdens for businesses. The programme is at an early stage and the FSA will now engage with local authorities, consumers, businesses and industry bodies to shape its proposals. Large food businesses in particular should look out for opportunities to feed into that process.

Government consults on overhaul of school food standards

The government has [launched a nine-week consultation](#) on proposed reforms to the school food standards, the first update in over a decade. The proposals include banning deep-fried food entirely, restricting high-sugar "grab and go" options to less than a daily occurrence, and requiring fruit to replace sugar-laden desserts for the majority of the school week. New dedicated breakfast standards are also proposed, covering all breakfasts served by schools, with the aim of ensuring children begin the school day with food that supports learning, rather than high-sugar or high-fat options.

For food businesses supplying schools, including caterers, food manufacturers and distributors, the proposed changes will require a review of existing menus, product lines and supply arrangements. A phased approach is proposed for secondary schools to allow time to develop recipes, update menus and train staff. The government is also consulting on a national enforcement mechanism, with full details expected in September 2026 and enforcement beginning in September 2027.

The consultation closes on 9 June 2026.

Government consults on applying updated nutrient profiling model to food and drink advertising restrictions

See [advertising and marketing section](#).

EU

EU Council adopts new rules on gene-edited plants, bringing 2028 application into view

Food law

The EU Council has [formally adopted](#) the new genomic techniques (NGTs) regulation, the latest step in a process ongoing since the Commission's 2023 proposals. The regulation now awaits formal adoption by the European Parliament before it enters into force, with most provisions expected to apply from mid-2028 following a 24-month transition period.

The regulation [establishes a two-tier system](#). NGT-1 plants, those considered equivalent to conventionally bred varieties, will benefit from a simplified regulatory pathway and will not require labelling, except for seeds and other reproductive material. NGT-2 plants, involving more complex genetic modifications, remain subject to existing GMO legislation, including mandatory labelling and authorisation requirements.

On intellectual property, the adopted text introduces patent transparency measures for NGT-1 plants, requiring developers to disclose relevant patents in a public database, with an expert group to be established to monitor the effect of patents on the sector.

For businesses with NGT products in development or in the pipeline for the EU market, the adoption by the Council confirms the direction of travel and the likely 2028 timetable. The two-year transition period is an opportunity to assess into which tier the products will fall and to start planning for the labelling, authorisation and patent disclosure requirements that will follow.

New EU regulation strengthens cross-border enforcement against unfair trading practices in agri-food supply chains

[Regulation \(EU\) 2026/697](#), published in the Official Journal of the European Union on 20 March 2026, establishes an enhanced framework for cross-border cooperation between national enforcement authorities responsible for tackling unfair trading practices in business-to-business relationships in the agricultural and food supply chain. It enters into force on 9 April 2026 and will apply directly in all Member States from 10 September 2027, with no national transposition required.

The regulation introduces a mutual assistance mechanism allowing authorities to request information and coordinate investigations across borders, and enables coordinated enforcement action where a widespread unfair trading practice is suspected in three or more Member States.

Authorities are expressly empowered to act on their own initiative without requiring a formal complaint from a supplier, addressing the reluctance of suppliers to report abuses for fear of commercial retaliation. The regulation also extends its reach to buyers established outside the EU, who may be required to designate a contact person responsible for facilitating investigations.

For food and agricultural businesses with cross-border sourcing or purchasing arrangements, the regulation materially increases enforcement risk. The 18-month implementation window before the rules apply should be used to review commercial practices and contractual terms for compliance with the Unfair Trading Practices Directive across all relevant jurisdictions, build capacity to respond to information requests from enforcement authorities, and assess whether non-EU sourcing arrangements require a designated EU contact person.

European Commission abandons Sustainable Food Systems initiative

The European Commission has officially [abandoned its proposed Sustainable Food Systems initiative](#), which had been intended to establish general principles and obligations across the EU food system, including sustainability labelling rules, minimum criteria for sustainable public procurement of food, and governance and monitoring requirements.

The initiative had attracted significant support through its public consultation but was sidelined for four years before being dropped entirely. Its abandonment leaves a gap in coherence between EU agriculture, health, climate and biodiversity policies, and the question of how to create a common framework for sustainable agri-food systems operating within planetary boundaries remains unaddressed.

For food businesses operating across the EU, the absence of a harmonised framework means continued uncertainty on sustainability labelling and procurement standards at EU level.



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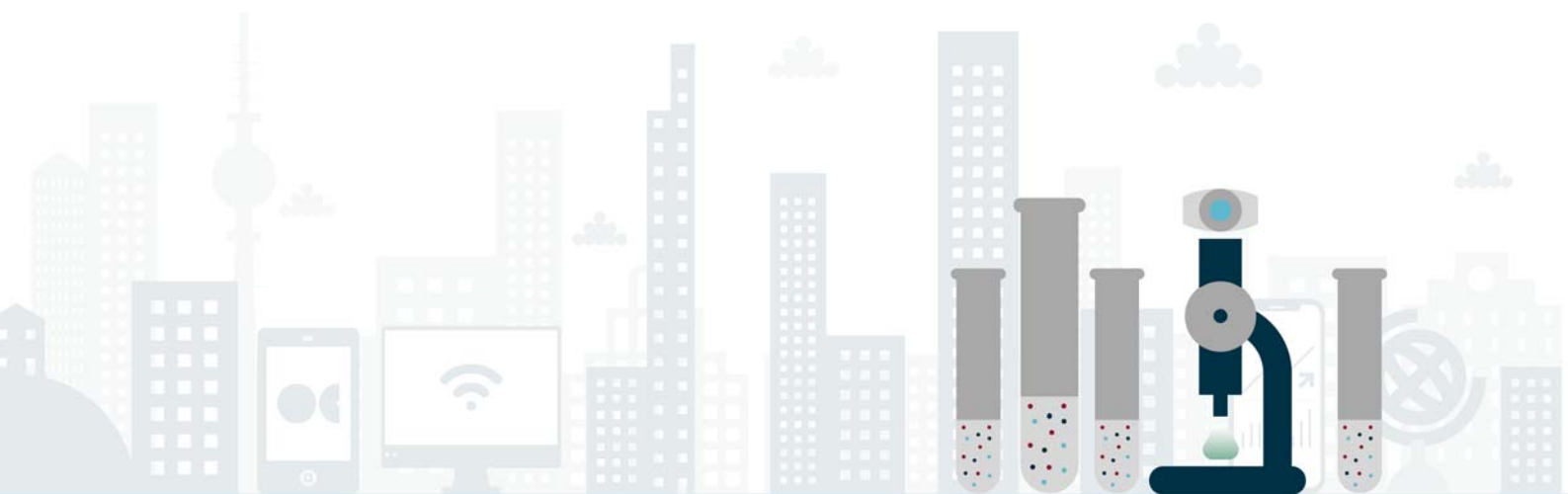
Food law



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Health and Safety

Health and Safety

Occupational health and safety

HSE increases cost recovery rates from 1 April 2026

The Health and Safety Executive has [increased its hourly rates](#) across a number of cost recovery regimes with effect from 1 April 2026, following a review designed to ensure full cost recovery for its enforcement and regulatory activities.

The most widely applicable change is to the Fee for Intervention (FFI) rate, which rises from £183 to £188 per hour. Other revised rates include:

- Control of Major Accident Hazards (COMAH): £212 to £218;
- offshore safety: £322 to £332;
- gas safety: £173 to £178;
- oil, gas and chemical pipelines: £173 to £178;
- onshore oil, gas and geothermal operations: £204 to £210;
- wind and marine energy: £246 to £253;
- explosives regulation: £145 to £149;
- ionising radiation consents: £227 to £234; and
- carriage of dangerous goods: £75 to £77.

The new rates do not apply retrospectively to interventions that span the 1 April 2026 implementation date. Businesses and dutyholders in sectors subject to FFI or other cost recovery regimes should review their exposure to regulatory intervention costs in light of the revised rates.

HSE consults on first major overhaul of RIDDOR in over a decade

The Health and Safety Executive has [launched a consultation](#) on proposed changes to the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR), open for responses until 30 June 2026. This is the most significant review of the regime since 2013 and reflects how substantially working practices and workplace risks have evolved in the intervening period.

The legislative proposals include expanding the list of reportable occupational diseases from six to 19, with new conditions covering lung disease linked to asbestos and silica exposure, noise-induced hearing loss and emerging risks from modern workplaces.

The HSE is also proposing to widen who can formally diagnose a reportable condition to include registered health practitioners beyond GMC-registered doctors, to update the list of reportable dangerous occurrences to reflect modern industry risks, and to clarify key definitions where ambiguity has contributed to both over- and under-reporting. The online reporting form is also proposed to be simplified to reduce administrative burden.

Employers, the self-employed and those in control of work premises should consider reviewing the proposals and whether to respond before the 30 June 2026 deadline. Any legislative changes are unlikely to take effect before 2028.

SIA consults on how it will regulate Martyn's Law ahead of spring 2027 commencement

The Security Industry Authority has opened a consultation on its draft section 12 statutory guidance, setting out how it intends to regulate compliance with the Terrorism (Protection of Premises) Act 2025. The consultation closes on 12 June 2026.

Martyn's Law [introduces obligations](#) on those responsible for certain publicly accessible premises and events to put in place measures to protect people in the event of a terrorist attack, with enhanced duties for larger venues.

The SIA's draft guidance has been published alongside the Home Office's final [section 27 statutory guidance](#), which sets out what responsible persons must do to comply with the Act. Together, the two documents give responsible persons a clearer picture of both what compliance requires and how the regulator intends to oversee and enforce it, including through fines of up to £18 million or 5% of worldwide turnover, whichever is higher.

The SIA will finalise its guidance following the consultation and publish details of its notification system ahead of the spring 2027 commencement date.

Building safety

New building safety regime takes shape in Wales

Wales is forging its own distinct approach to building safety reform, and Osborne Clarke has published two Insights covering the changes.

Health and Safety

The first looks at the [new design and construction stage obligations](#), including a dutyholder regime applying to all buildings subject to building regulations, a Gateway hard stop regime and Golden Thread requirements for higher-risk buildings, all enforced by local authorities from 1 July 2026.

The second covers the Building Safety (Wales) Bill's [new in-occupation regime](#), which goes further than its English equivalent by applying to all multi-occupied residential buildings regardless of height, introducing a three-tier category system, duties on Accountable Persons, and Welsh equivalents of remediation orders.

Single construction regulator: where things stand

The government is proposing a [single construction regulator](#) (SCR) to consolidate oversight across three pillars: buildings and building safety, construction products, and built-environment professions. The SCR implements the Grenfell Tower Inquiry Phase 2 recommendation that fragmentation in the regulatory system be addressed. The SCR consultation prospectus closed on 20 March 2026, with the government's response expected in summer 2026.

On construction products, the [Construction Products Reform white paper](#) sets out how the national regulator for construction products will take on significantly expanded enforcement and oversight responsibilities, including improved transparency through a public test-data library with a separate [consultation on general safety requirements for construction products](#) also open. Both close on 20 May 2026, with regulations expected to be introduced by the end of 2026 and to come into force in late 2027.

On built-environment professions, a call for evidence is expected in spring 2026, covering proposals such as licensing of principal contractors for higher-risk buildings and mandatory accreditation of fire risk assessors, with a professions strategy to follow in spring 2027.

An independent review of the building safety regulatory regime is also due to be commissioned by April 2027, with legislation to formally establish the SCR expected in spring 2027 and the new system anticipated to come into effect in 2028.

Online safety

New regulations require user-to-user services to report child sexual abuse content to the NCA

The [Online Safety \(CSEA Content Reporting by Regulated User-to-User Service Providers\) Regulations 2026](#), made under the Online Safety Act 2023, came into force on 7 April 2026. They require providers of regulated user-to-user services to report child sexual exploitation and abuse (CSEA) content detected on their services to the National Crime Agency (NCA) via its dedicated industry reporting portal.

The duty applies regardless of service size or assessed risk level. UK-based providers must report all detected and unreported CSEA content; providers based outside the UK must report UK-linked content. Content is "unreported" for these purposes only where it has not already been submitted to an equivalent foreign body such as NCMEC.

Services already reporting all relevant content to NCMEC will not need to duplicate those reports to the NCA, as NCMEC passes UK-linked referrals to the NCA directly. The regulations set out the required report format, timeframes and data retention obligations. Ofcom is responsible for enforcement and may impose penalties of up to 10% of qualifying worldwide revenue or £18 million, whichever is greater, for non-compliance.

Providers of user-to-user services should confirm whether they are in scope, register for the NCA reporting portal and review their content moderation and detection processes to ensure compliance.

Ofcom consults on amending illegal harms regulatory documents under the Online Safety Act

See [digital regulation section](#).



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Modern slavery

Modern slavery

No developments to report this month.



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Products

Products

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General/digital products

Government launches three consultations on overhaul of UK product safety law

The UK government has published three consultations under the Product Regulation and Metrology Act 2025, proposing the most significant overhaul of UK product safety law in 20 years.

The existing General Product Safety Regulations 2005 are two decades old and have been stretched by the growth of e-commerce and the emergence of new product risks, leaving the UK increasingly out of step with the EU, which replaced its equivalent directive with a new General Product Safety Regulation in December 2024.

All three consultations close on 23 June 2026. Read [this Insight](#) for a full breakdown of the proposals.

DfT publishes guidance for self-driving vehicle pilot schemes

The Department for Transport (DfT) has [published guidance](#) for operators seeking to participate in a new self-driving vehicle pilot scheme, which for the first time permits the operation of self-driving vehicles on public roads without a safety driver present. The scheme is distinct from existing automated vehicle trials, which continue to require an in-vehicle safety driver, and is intended to bridge the gap between those trials and full commercial deployment ahead of the complete regulatory framework under the Automated Vehicles Act 2024, expected to be in force from late 2027.

Participation is subject to a layered approval process. Vehicles must be formally assessed and listed as self-driving, operators must obtain a Vehicle Special Order where existing construction and use requirements cannot be met, and vehicles must be registered under the Automated and Electric Vehicles Act 2018.

Where a pilot involves carrying passengers, an additional Automated Passenger Service permit will be required under the Automated Vehicles Act 2024.

Operators must also demonstrate robust safety and incident management arrangements, including incident detection and escalation procedures, emergency response protocols and post-incident cooperation with the DfT, as well as addressing cybersecurity risks across their operations.

Applications may be made from spring 2026 by organisations in England, Wales and Scotland involved in the operation, supply or deployment of self-driving vehicle services.

EU Customs Code reform: agreement reached on platform responsibility and product compliance

The European Parliament and Council [reached an informal agreement](#) on 26 March 2026 on what has been described as the most significant reform of the Union Customs Code since the creation of the Customs Union in 1968. The agreement is subject to formal approval by both institutions before it enters into force, with full application expected 12 months after publication in the Official Journal.

The reform has four principal elements. First, a new EU Customs Authority will be established to coordinate risk assessment and enforcement across Member States.

Second, a centralised EU Customs Data Hub will replace fragmented national customs IT systems, becoming operational for e-commerce goods on 1 July 2028, opening voluntarily to other traders from 2031, and becoming mandatory for all goods movements by 2034.

Third, e-commerce platforms and sellers facilitating distance sales of goods from non-EU countries to EU consumers will be treated as importers, responsible for submitting accurate customs data, paying duties and ensuring compliance with EU product safety law. The existing €150 duty-free threshold for low-value parcels will be eliminated, with a flat-rate duty of €3 applying to items valued below €150 from 1 July 2026. Companies that repeatedly fail to comply may be fined between 1% and 6% of the total value of goods imported into the EU in the previous 12 months and risk suspension or revocation of trusted trader status.

Fourth, a new "trust and check" regime will allow businesses with strong compliance records and a high degree of transparency to benefit from fewer physical checks and greater flexibility on duty payments.

European Commission's 2025 Safety Gate Report records highest ever number of alerts

The European Commission's [annual Safety Gate report](#) recorded 4,671 alerts in 2025, the highest number since the system launched in 2003 and a 13% increase on 2024, alongside a record 5,794 follow-up actions by national authorities.

Products

The most frequently reported dangerous products were cosmetics (36%), toys (16%) and electrical appliances and equipment (11%), with risks from dangerous chemicals accounting for more than half of all notifications, followed by risks of injury and choking.

Looking ahead, the Commission is preparing a 2026 product safety sweep to check compliance with the General Product Safety Regulation online and is organising [Coordinated Activities](#) under which national authorities will test specific products and share best practices. It has also announced it will update market surveillance rules through the upcoming European Product Act later this year.

For businesses placing products on the EU market, the report signals an increasingly active enforcement environment, with national authorities using their stronger powers following the introduction of the General Product Safety Regulation.

Government publishes response to call for views on cyber security of enterprise-connected devices

See [cyber security section](#).

Life sciences and healthcare

UK

MHRA secures £3.6 million to expand AI medical device sandbox

The Medicines and Healthcare products Regulatory Agency (MHRA) has [secured £3.6 million](#) over three years to expand its AI Airlock programme, the UK's first regulatory sandbox for AI as a medical device, with the Department of Health and Social Care committing £1.2 million a year from 2026 to 2029.

The multi-year funding will allow the programme to scale beyond the constraints of annual financial cycles, supporting more ambitious, longer-term testing models and a more sustainable regulatory pathway for AI medical technologies. Phase two has examined regulatory challenges including pre-determined change control plans, AI-powered diagnostic tools and scope expansion, with reporting expected in summer 2026. Phase three details and an application process will follow later in the year.

For developers and deployers of AI medical devices, the AI Airlock represents a rare opportunity to work through real-world regulatory challenges with the MHRA before the broader framework for regulating AI in healthcare is settled. Insights from the programme are already informing the National AI Commission's work in this area. Those with relevant technologies in development should watch for the phase three call for applications.

HRA outlines new legal transparency requirements for clinical trials ahead of April 2026 implementation

From 28 April 2026, sponsors of UK clinical trials will for the first time be legally [required to register](#) each trial in a public registry, publish a summary of results within 12 months of the global end of trial, and offer a lay summary of results to participants within the same timeframe. Non-compliance will constitute a criminal offence.

The MHRA can take enforcement action including infringement notices and prosecution, and can refuse to approve future trials where a sponsor has failed to rectify past non-compliance.

Transitional arrangements apply to ongoing studies. Trials approved before 28 April 2026 but ending on or after that date must be registered, but are not subject to the lay summary obligation. Registration is required by 27 July 2026 where the first participant has already been recruited. Trials ending before 28 April 2026 are not subject to the new requirements, though existing ethics committee conditions continue to apply.

UK-US pharmaceutical partnership finalised

The government has [published the full agreed text](#) of its UK-US pharmaceutical partnership, first announced in December 2025 and forming part of the broader UK-US Economic Prosperity Deal.

The arrangement outlines shared commitments to improve access to medicines, support pharmaceutical innovation, and grow trade in the life sciences sector, with the aim of safeguarding the UK's medicines supply chain and driving investment.

UK pharmaceutical exports to the US, worth at least £5 billion annually, will be subject to 0% tariffs for at least three years, making the UK the first country to secure this position, with equivalent preferential terms secured for medtech exports over the same period.

The partnership also introduces stronger incentives for pharmaceutical companies to launch innovative treatments in the UK, enhanced cooperation between the MHRA and the US FDA on medical device regulation, and work towards mutual

Products

recognition of medical device approvals. The Voluntary Scheme for Branded Medicines Pricing, Access and Growth (VPAG) headline payment percentage will be capped at 15% until the scheme expires on 31 December 2028.

MHRA and NICE launch aligned pathway for faster medicines approval

From 1 April 2026, the MHRA and NICE are running their licensing and value assessment processes [in parallel for the first time](#), with the aim of enabling patients in England to access new medicines three to six months sooner. The change follows commitments in the government's 10 Year Health Plan for England and Life Sciences Sector Plan.

Alongside the aligned pathway, the two bodies have launched an improved Integrated Scientific Advice service, offering a single entry point, meeting and report, and one payment, while aligning data and evidence requirements where possible. The service is designed to give companies greater certainty about the evidence needed earlier in development, reducing the risk of unforeseen delays. Twenty-seven companies signed up as early adopters in October 2025. The first guidance is expected in June 2026.

MHRA acts to accelerate phase-out of animal testing in medicines development

The MHRA has announced that it will [offer early review](#) of non-animal data to give developers greater confidence when making marketing applications based on New Approach Methodologies.

By the end of 2026, companies with a product developed without animal testing will be able to have Module 4 of their Marketing Authorisation application reviewed by the MHRA in advance of a full application, with it providing a non-binding written opinion on the adequacy of the data.

The move supports the government's long-term strategy to reduce and ultimately replace animal use in drug development, and reflects advances in AI-driven analysis and human-derived cell models that mean some medicines no longer require animal studies to demonstrate safety and efficacy. For developers already working with non-animal approaches, the early review pathway offers a practical route to greater regulatory certainty ahead of a full application.

Sustainable products

UK

Defra confirms revised approach to UK REACH transitional registrations and extends deadlines

Defra has [published its response](#) to the May 2024 consultation on an alternative transitional registration model (ATRM) for UK REACH, setting out a revised approach to the submission of chemical registration information to the Health and Safety Executive during the transition from EU REACH. At the same time, draft regulations laid in Parliament on 24 March 2026 [further extend the deadlines](#) for submitting transitional registration information.

On the ATRM, the government has reduced the information requirements for substances previously registered under EU REACH compared to those being placed on the GB market for the first time, with the HSE aligning GB regulatory decisions with EU decisions on such substances unless there are compelling reasons to diverge.

The "no data, no market" principle will still apply, meaning registrants must continue to provide hazard information, use and exposure information, chemical safety assessments and reports, substance groups, and data sharing and joint submission information. No additional requirements relating to chemical use or exposure generation will be introduced.

The draft regulations extend the transitional registration submission deadlines from October 2026, 2028 and 2030 to October 2029, 2030 and 2031 respectively. Compliance check dates are aligned with the new deadlines, and the period during which downstream users and distributors can continue to make protected transitional imports is also extended.

Defra consults on further reform of the PRN and PERN system

Defra and the devolved administrations have [launched a consultation](#) on further reforming the packaging waste recycling note (PRN) and packaging waste export recycling note (PERN) system, closing on 5 May 2026.

The consultation follows reforms introduced in January 2026 and forms part of an ongoing process to strengthen domestic recycling capacity and [reduce](#) reliance on exporting materials for recycling.

The proposals focus on reducing fraud and creating a more level playing field between domestic reproprocessors and exporters.

Key measures include establishing a fraud detection initiative to improve market data sharing and cross-regulator cooperation, introducing requirements to ensure all accredited operators base their evidence on packaging content handled after sorting and cleaning, placing time limits on national protocols and agency-agreed industry grades to keep

Products

them current, and creating a mechanism to cancel illegitimately issued PRNs or PERNs. An exceptional compliance mechanism is also proposed to address genuine shortfalls in evidence availability, and measures to improve data transparency are intended to support buyer due diligence.

Packaging producers, reprocessors and exporters should consider engaging with the consultation before it closes on 5 May 2026, with the reforms intended to be in place for the 2027 compliance year.

New ecodesign and energy labelling regulations for household tumble dryers

The government has confirmed it will proceed with [new ecodesign and energy labelling requirements](#) for household tumble dryers sold on the GB market, following a consultation held between July and August 2025. The outcome is given effect by the [Ecodesign for Energy-Related Products and Energy Information \(Household Tumble Dryers\) Regulations 2026](#).

The new regulations raise minimum energy performance standards, increase condensation efficiency requirements, introduce circular economy measures to promote repairability, and improve product labelling to better inform consumer choices.

Key refinements following consultation include extending the ecodesign transition period to 10 months, making the rescaled energy label including the repairability icon mandatory from the end of that transition period, and minor drafting corrections to align GB requirements with EU regulations.

Manufacturers and retailers of household tumble dryers should review the new requirements and assess what changes are needed to their products and labelling ahead of 19 January 2027, being the end of the transition period.

EU

European Commission publishes guidance on Packaging and Packaging Waste Regulation implementation

The European Commission has [published guidance](#) and [accompanying FAQs](#) to support the uniform implementation of the Packaging and Packaging Waste Regulation (PPWR) across the EU.

The PPWR entered into force in February 2025 and begins to apply from August 2026. It replaces the previous Packaging and Packaging Waste Directive and covers all packaging placed on the EU market, regardless of material or origin.

The guidance clarifies key definitions including those of manufacturer, producer and importer, and addresses a range of compliance requirements including restrictions on single-use packaging formats, PFAS restrictions in food contact packaging from August 2026, re-use targets, recyclability requirements, extended producer responsibility obligations, and deposit and return system requirements. It also addresses packaging minimisation requirements and the empty space ratio, labelling obligations, and the extent to which Member States may introduce additional national requirements. The accompanying FAQs address practical issues raised by stakeholders since the PPWR's adoption and will be updated on an ongoing basis.

For businesses placing packaging on the EU market, the guidance and FAQs provide important practical clarity on a regulation that will continue to be fleshed out through further implementing and delegated acts over the coming years.

European Commission consults on measuring energy consumption of AI models

See [AI section](#).



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Products



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Regulated procurement

Regulated procurement

Cabinet Office publishes new Contract Management Playbook

The Cabinet Office published its [Contract Management Playbook](#) on 26 March 2026. It is aimed at contracting authorities, providing commercial, finance, operational, project delivery, policy and other professionals with guidelines, rules and principles to help them avoid the most common errors in managing contracts and optimise contract outcomes.

It covers the full contract lifecycle, offering strategic and operational guidance on performance management, change management, risk, supplier relationships and exit planning.

For suppliers, the playbook is a valuable resource when preparing bids for public contracts, offering practical insight into how contracting authorities assess and manage contracts and enabling suppliers to tailor their proposals to meet the standards and outcomes that government is looking for.

Respondents back tougher social value rules in public procurement overhaul

The government has [published its response](#) to the "Growing British industry, jobs and skills" consultation. It provides a general round-up of responses to each proposal rather than providing any comment on the government's position in light of responses. The government will use consultation to inform future planned reforms, with any future legislative proposals dependent on parliamentary time.

Respondents to the consultation broadly supported mandatory, publicly reported social value KPIs, geographic targeting of social value benefits, a standardised list of social value criteria, and mandatory prompt payment enforcement of 30-day terms throughout the supply chain with quarterly publication of payment data.

Government announces public procurement reform package

The Cabinet Office has [announced a package of measures](#) aimed at ensuring that the £400 billion spent annually by the public sector supports British jobs, skills and national security, following the public consultation referred to above and building on the introduction of the Procurement Act 2023 in February 2025.

The package includes:

- new guidance for central government organisations procuring from the steel, shipbuilding, AI and energy infrastructure sectors on the appropriate use of national security exemptions to secure supply chains;
- new transparency requirements to confirm the use of UK steel at the point of contract award, or provide a robust justification where steel is to be sourced overseas; and
- work with the National Shipbuilding Office to develop a new commercial framework for shipbuilding with a predictable pipeline of work for domestic shipyards.

The government also intends to introduce a new Public Interest Test for outsourced service contracts over £1 million, secondary legislation to reinstate the "Two-Tier Code" protecting workers' pay and conditions on outsourced contracts, and a redefined social value framework to deliver community-led benefits and employment opportunities.

A package of AI tools will also be introduced to streamline procurement processes and reduce the administrative burden on practitioners, suppliers and SMEs.

Below-threshold suppliers required to register on the Central Digital Platform from April 2026

From 1 April 2026, suppliers awarded notifiable below-threshold contracts must [register on the Central Digital Platform](#) (CDP) and obtain a unique identifier, which contracting authorities are required to include in the relevant Below-Threshold Contract Details Notice.

The requirement applies to contracts with an estimated value of at least £12,000 for central government and £30,000 for sub-central government.

Registration is required at the point of contract award rather than as a condition of participating in the procurement, and suppliers who have previously registered do not need to do so again.

For businesses yet to register, doing so is straightforward but should not be left until a contract award is imminent, as contracting authorities cannot proceed with below-threshold awards under the new regime without a valid CDP identifier in place.

Two new payment reporting requirements for contracting authorities

Two new payment reporting requirements now apply to contracting authorities under the Procurement Act 2023.

Regulated procurement

Under [section 70](#) of the Act, from 1 April 2026, contracting authorities are required to [publish details of individual payments](#) over £30,000 (including VAT) made under public contracts procured under the Procurement Act where the procurement procedure commenced on or after that date.

Payment data must be published on the CDP via a single payment report spreadsheet within 30 days of the end of each quarter, meaning the first reports, covering 1 April to 30 June 2026, are due by 29 July 2026.

Contracting authorities may update the spreadsheet as often as they like between quarters but are only required to publish the data quarterly. Published data will identify the supplier by name, along with the value of each payment net of VAT and the date of payment.

The regime applies to call-off contracts awarded under frameworks or dynamic markets established under the Act where those call-offs commenced on or after 1 April 2026, but does not extend to the frameworks or dynamic markets themselves, nor to below-threshold or exempted contracts.

Under [section 69](#) of the Act, contracting authorities are also required to publish [UK17 Payments Compliance Notices](#) reporting their average invoice payment times and demonstrating compliance with the 30-day payment standard. Unlike the section 70 requirement, which captures data on individual payments under specific contracts, the UK17 notice reports aggregate payment performance across the authority as a whole. The first reporting period ran from 1 October 2025 to 31 March 2026, with the first notices due by 30 April 2026.

These new requirements bring greater visibility of how promptly contracting authorities are paying their supply chains.



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Sanctions and Export Control

Sanctions and Export Control

OFSI publishes 2026-2029 strategy

The Office of Financial Sanctions Implementation (OFSI) has published its [strategy](#) for 2026-2029, which details how it plans to ensure UK financial sanctions remain effective, make expectations clearer and invest in improvements to tools to target the highest risk activity as it enters its second decade of operation.

The strategy summarises OFSI's activities between 2021 and 2026. During this period, it progressed over 1,400 enforcement cases, resulting in 18 public enforcement decisions and over £22 million in monetary penalties. Over 100 general licences were also issued, with the aim of supporting legitimate activity.

Under the "Promote, Enable and Change" framework:

- **Promote** – OFSI will make sanctions rules and expectations clearer. This includes working with international partners to deliver joint guidance aimed at tackling sanctions circumvention.
- **Enable** – OFSI will aim to remove friction for legitimate activity such as through providing practical guidance on complex scenarios, and using digital by default engagement methods such as online services, reporting and forms. The key performance indicator (KPI) is that 50% of licensing cases closed will be completed within six months.
- **Respond** – OFSI will act quickly and proportionately on breaches, using the enforcement "toolkit" (such as settlements and fixed monetary penalties) to deter non-compliance and circumvention. The KPI is for 90% of new enforcement investigations to be submitted for decision within 18 months of commencement.
- **Change** – OFSI will embed lasting improvements by learning from cases and engagement, driving sustained compliance cultures in firms and sectors. This includes ensuring all new and updated sanctions enable practical implementation. The KPI is that 90% of new enforcement investigations will be submitted for decision within 18 months of commencement of investigation.

OFSI committed to monitoring progress under the strategy against the KPIs, with the aim of reporting against them in its annual reviews, starting with the next publication this autumn. See the related [blog post](#).

UK introduces new end-user licensing requirements to sanctions regimes

On 22 April 2026, the [Sanctions \(EU Exit\) \(Miscellaneous Amendments\) Regulations 2026](#) were laid before Parliament alongside the [explanatory memorandum](#). The regulations will come into force on 13 May 2026 and make the following changes to the UK's sanctions regulations:

- **End-user controls** – the regulations introduce end-user controls which will prohibit export of sanctioned goods once the exporter has been notified of the risk of a specific export or transfer of technology being diverted to a sanctioned destination or person. Exporters who wish to proceed will need to obtain an export licence.
- **Relevant firms reporting thresholds changed from euros to pounds** – the definitions of high-value dealers and art market participants within the relevant firms regulations will be updated so that monetary thresholds are expressed in pounds sterling (£) rather than euros (€). The €10,000 threshold will be replaced with a £10,000 threshold.
- **Electronic notices for licences** – the regulations will confirm that OFSI and other relevant authorities may issue licence notices electronically without requiring prior consent.
- **HM Treasury debt exception** – the regulations clarify that the exception for Treasury debt applies to all transfers of funds across the entire payment chain, including intermediaries.
- **Updates to the prior obligations licensing ground** – the regulations broaden the prior obligations licensing ground, granting OFSI greater flexibility to license legitimate pre-designation obligations where appropriate.

OTSI publishes update on expanded licensing remit

As [previously reported](#), the Office of Trade Sanctions Implementation (OTSI) will assume responsibility for licensing the export of sanctioned goods and the provision of associated ancillary services from 27 April 2026.

It has published a [blog post](#) explaining the changes and clarifying that the process for applying for an export sanctions licence remains unchanged, with applications continuing to be submitted through the [SPIRE service](#).

OTSI will be responsible for processing licence applications relating to the export of sanctioned goods and associated ancillary services. Applications involving goods and ancillary services that are subject to both sanctions and strategic export

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controls will remain the responsibility of the Export Control Joint Unit (ECJU). The [guidance pages](#) on application processes have been updated accordingly to reflect the changes to OTSI's licensing responsibilities.

OTSI publishes guidance on sanctions end-use controls

OTSI has issued guidance on [sanctions end-use controls](#), which aims to help businesses understand the new licensing requirements for sanctions end-use controls introduced in relevant sanctions legislation containing export prohibitions, and to support exporters to third countries where there is a high risk of diversion of goods and related technology to a sanctioned destination or person.

This measure applies only to goods or technology related to the export of those goods that are not otherwise subject to strategic export controls. The guidance details the goods covered by sanctions end-use controls, the steps to take when notified by the Department for Business and Trade that an export is at risk of sanctions circumvention, best practice around compliance, record keeping and risk awareness.

OFSI fines Irish-incorporated company £390,000 for breach of Russia sanctions

OFSI announced it has issued a £390,000 [monetary penalty](#) against an Irish-incorporated entity, for breaches of the Russia (Sanctions) (EU Exit) Regulations 2019.

The breach related to two payments totalling £635,618.75 to Okko LLC, a company owned by a designated person. The company's failure to cancel these payment instructions, leading to the release of funds to Okko LLC, amounted to conduct in the UK.

The case was assessed to be "serious". Aggravating factors included the high collective value of the payments and the company's reliance on third-party providers for ownership and control data. OFSI stresses that the company remains ultimately responsible for ensuring that it is compliant with financial sanctions.

This is the first penalty OFSI has imposed on a non-UK company for taking action in the UK, and the first OFSI case resolved under the [new enforcement scheme](#). As such, OFSI applied a 35% discount to reflect the company's voluntary disclosure and settlement of this case.

OFSI director publishes blog post on OFSI's 10th anniversary

The director of OFSI, Giles Thomson, has posted a [blog post](#) commemorating its tenth anniversary. Some of his reflections include the expansion of the sanctions regime, demonstrated by the figures in [OFSI's 2024-2025 annual report](#) which saw £37 billion in assets reported to OFSI as frozen across all sanctions regimes.

Mr Thomson also notes the evolution of OFSI's enforcement, which is "increasingly targeted, intelligence-led and proactive", with use of a range of tools including guidance, warning letters, public disclosure and monetary penalties to promote compliance and deter breaches. Looking ahead, he highlights that OFSI's focus as it enters its second decade is firmly forward-looking, as captured in the three-year strategy (see above). He states that OFSI will convene with partners from across sectors at the OFSI10 Conference in April to reflect on its journey to date and consider future priorities.

OFSI general licences and FAQs

OFSI has amended the following:

- [General Licence INT/2022/2300292](#), which allows for payments to utility companies for gas and electricity by UK designated persons who own or rent UK properties, has been amended to permit all forms of utility payment, including cash. It came into effect on 17 November 2022 and is of indefinite duration.
- [General Licence INT/2022/2009156](#), which allows designated individuals or entities to make payments to UK insurers for insurance premiums and broker commissions relating to insurance cover for UK properties, has been amended to allow insurance premium finance repayments to be made to UK intermediaries rather than insurers or brokers. It came into effect on 22 July 2022 and is of indefinite duration.
- [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, has been extended. It came into effect on 24 February 2026 and now expires on 8 July 2026.

Sanctions and Export Control

- [General Licence INT/2023/2824812](#), which allows for certain transactions related to bond amendments and restructurings for non-designated persons, has been extended. It came into effect on 28 March 2023 and now expires on 26 March 2028.

ECJU publishes general licences and notices to exporters

The ECJU has published the following guidance for exporters:

- [Submitting export licence applications](#), to support exporters in preparing and submitting export licence applications under Articles 1, 2 and 3 of the [Agreement on Defence Export Controls](#).

The ECJU has published the following notices to exporters:

- [NTE 2026/12](#), which advises of changes to the team responsible for trade sanctions licensing responsibilities.
- [NTE 2026/11](#), which advises exporters of the transitioning the MOD security approval form 680 (F680) away from SPIRE.
- [NTE 2026/09](#): which advises exporters of changes to the process for submitting amendment requests for open individual export licences (OIELs) and the way they are assessed.

The ECJU has amended the following general licences:

- [Open general licence \(AUKUS nations\)](#), which allows the export of dual-use items or military goods, software or technology and the trade of military goods to, between and among the UK, Australia and the USA, has been amended to permit the export of goods, software or technology to Australian, US or UK armed forces, including when deployed.

[General trade licence Russia sanctions: sectoral software and technology](#), which allows the transfer, making available of and provision of ancillary services in relation to business enterprise software and technology under certain conditions.

The updated licence replaces the previous version published in July 2025.



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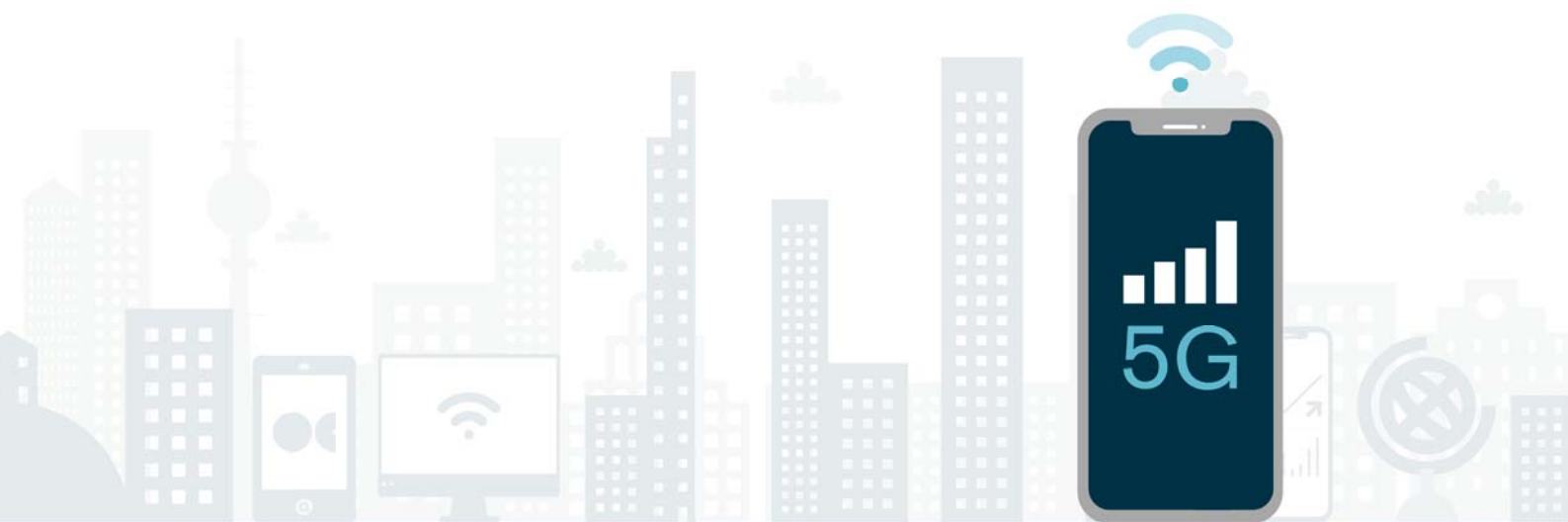
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Telecoms

Ofcom publishes statement on its review of call termination markets and end-to-end connectivity condition

On 26 March 2026, Ofcom [published its statement](#) on its reviews of call termination markets and the end-to-end connectivity condition levied on BT, following a consultation process which closed on 10 October 2025.

Ofcom has outlined its key decisions for the regulatory review period from 1 April 2026 to 31 March 2031:

- To maintain its price control framework of setting caps on wholesale charges for terminating calls to UK mobile phones, landlines, and 070 numbers and adjust these caps to allow for inflation from 1 June 2026 until 31 March 2031, and allow further yearly inflation adjustments from 1 April 2027.
- To provide greater pricing flexibility to UK termination providers for terminating international calls by updating the "reciprocity rules".
- To maintain network access obligations on all mobile and landline providers relating to call termination to ensure interconnection continues.
- To remove the end-to-end connectivity condition previously imposed on BT from 1 April, while adjusting other targeted requirements.

Why it matters

Pricing stability for communications providers: Ofcom's rationale for maintaining charge caps is that without them, terminating providers could exploit their significant market power to refuse access or engage in excessive pricing. Maintaining its charge cap framework provides pricing certainty to communications providers, who should review their commercial arrangements to ensure that the inflation adjustments are accurately reflected.

Changing landscape: The telecoms market is evolving with the growth of transit services, the migration of landlines to digital technology, widespread use of hosting services, and the increasing adoption of online communication services by both consumers and businesses. While universal calling remains essential, and the wholesale call termination services that underpin it therefore continue to require regulatory oversight, these market developments reduce the risk of interconnection failure and afford providers greater regulatory flexibility as Ofcom streamlines its regulatory processes.

Greater price flexibility for international termination: Ofcom has simplified the reciprocity regime in two respects to give UK providers greater pricing flexibility. First, where UK and international providers do not provide equivalent termination services and reciprocal rates therefore could not apply, UK providers were previously disadvantaged as they could only charge the UK regulated rate for terminating an overseas call even if the international provider charged a higher termination rate. Ofcom has addressed this imbalance by providing that, where no reciprocal service exists, UK providers may charge up to whichever is the higher of the UK domestic rate or the applicable overseas rate for the relevant service. Second, where the international provider does provide a reciprocal termination service, rather than requiring UK providers to track individual provider-specific rates, they may now set their termination rates by reference to the international regulated rate for the reciprocal service and price up to whichever is the higher of the rate charged by the overseas provider or the international regulated price cap.

Impact on other providers: Ofcom considered whether revoking the End-to-End Connectivity Condition could lead BT to "purchase termination from small providers or new entrants on unreasonable terms and conditions". However, Ofcom concluded that such a risk has diminished significantly since the condition was introduced in 2006, owing to a combination of factors including substantial reductions in regulated call termination rates, the growth of transit services, and the widespread availability of hosting services.

Key dates

Review period: 1 April 2026 to 31 March 2031

E2E Condition on BT revoked: 1 April 2026

Telecoms

Inflation adjusted mobile and fixed call termination caps take effect from: 1 June 2026

Annual inflation adjustments to mobile and fixed call termination caps apply yearly from: 1 April 2027

Deadline for Ofcom to complete its next statutory review: 31 March 2031

Ofcom publishes statement on its decision to make Wireless Telegraphy (Exemption) (Amendment) (No.2) Regulations 2026

On 15 April 2026, Ofcom [published its statement](#) confirming its decision to make the Wireless Telegraphy (Exemption) (Amendment) (No. 2) Regulations 2026, following a notice of proposed regulations published on 11 December 2025.

As part of a wider package of changes, the regulations update the existing licence exemption for High Density Fixed Satellite Systems (HDFSS) to extend the frequency range in which they can operate in the 28 GHz band.

Ofcom also confirmed it would update and publish the related technical rulebook, Interface Requirement IR 2066, to reflect the revised frequency ranges now available to HDFSS systems.

Why it matters

Better performance and greater capacity: The extension of the permitted frequency range within the 28 GHz band means that HDFSS terminals have access to more spectrum, supporting better performance and reduced congestion for satellite broadband services in the UK.

Exemption remains: It is an offence to install or use wireless telegraphy apparatus without holding a licence granted by Ofcom unless the use of such equipment is exempted. HDFSS systems remain within the licence-exempt category, meaning that operators and users can deploy and use these terminals without going through a licensing process, avoiding regulatory burden.

Updated technical standards: The UK Interface Requirement IR 2066 governing HDFSS will be updated and published on the Ofcom website. This is the technical rulebook that governs how HDFSS terminals must operate, including power limits and other conditions designed to prevent interference with other spectrum users. Operators should ensure their equipment complies with the updated version of IR 2066 once published.

The regulations come into force on 29 April 2026.



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