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

July 2026

Contents

Advertising and marketing

Advertising and marketing

UK updates

New regulations limit use of automated vehicle terminology in marketing

The government has introduced regulations, the Automated Vehicles (Marketing Restrictions) Regulations 2026, to protect marketing terms for automated vehicles (AVs). The government consulted on the concept, which was broadly supported by respondents.

The new regulations will come into force on 7 January 2027 and mean that the following terms can only be used to describe an authorised automated vehicle (as defined in the Automated Vehicles Act 2024): automated, automated driving, autonomous, autonomous driving, drive autonomously, drive itself, driverless and self-driving. The terms "automated" and "autonomous" are only restricted when used to describe a vehicle as a whole or the overall driving functionality or capability of a vehicle. The government stated that these terms would remain permissible for specific parts or features (for example, automated windscreen wipers or autonomous emergency braking).

It is an offence under the regulations to use a restricted term (or to cause or permit one to be used) when promoting or supplying a road vehicle or road vehicle equipment in the course of business, where the term is directed at or it might reasonably come to the attention of an end-user, and the vehicle is not an authorised automated vehicle. A person is considered to use a restricted term if they use a word, expression, symbol or mark that closely resembles a restricted term and could be mistaken for it. Where a business commits an offence with the consent, connivance or neglect of a responsible person (for example, a director), that individual may also be held liable.

Government consults on banning unlicensed gambling sponsorships and advertising

On 15 July 2026, the government under Keir Starmer launched a consultation on legislative changes to ban unlicensed gambling sponsorships and advertising in Great Britain across all sectors (having previously indicated its intention to consult in relation to the sport sector). The consultation closes on 9 September 2026. However, it is unclear whether the new government under Andy Burnham, who took office on 20 July, will take this forward.

Under current legislation, businesses may enter into advertising and sponsorship arrangements with gambling operators not licensed by the Gambling Commission, provided that those operators' services cannot be accessed by consumers in Great Britain. However, since these restrictions can be circumvented, the previous government proposed banning such arrangements.

The proposed ban targets any physical forms or manifestations of advertising and sponsorship. Within a sporting context, this includes kit and equipment sponsorships, pitch side billboards, tournament programmes, venue infrastructure, and the naming of events, leagues and venues. It would be a criminal offence for anyone to advertise or be sponsored by a gambling operator not licensed by the Gambling Commission when operating in Great Britain. The proposed ban does not extend to online advertising or sponsorship, as doing so would require primary legislation.

The previous government aimed to introduce the ban "as quickly as possible" using secondary legislation, with a preferred implementation date in August 2027, ahead of the 2027/28 football season.

Government consults on packaging, appearance and display requirements for vapes, nicotine and tobacco products

Following the Tobacco and Vapes Act 2026 receiving Royal Assent, the previous government launched a consultation on packaging requirements, device appearance and retail display of vapes, nicotine and tobacco products. The consultation closes on 2 October 2026.

The proposals, among other things, aim to reduce the appeal of vapes to young children. Some of the proposals include the introduction of plain white packaging with restrictions on text colour, imagery and branding, as well as standardised product information. Flavour names would be restricted to simple, recognisable descriptions (such as "apple"), with concept and sensory names banned, along with names relating to confectionery, sweets, desserts and alcohol. Manufacturers of vape devices would be required to produce them in white, black or grey, with no images, limited branding, no cosmetic lights, and screens only displaying safety information.

Further proposals include extending existing plain packaging requirements and health warnings for cigarettes across all tobacco products, herbal smoking products, cigarette papers and heated tobacco devices, and introducing positive quit-support messages inside all tobacco products.

ASA report examines environmental claims across UK online advertising

The Advertising Standards Authority (ASA) has published a report examining the prevalence and use of environmental claims in UK online advertising, based on an analysis of 7.7 million ads captured using its AI-based Active Ad Monitoring system between September and November 2025. The ASA states that the report provides it with a "large-scale, cross-market view" of how environmental claims are used in online advertising. Previously, the ASA's environmental claims work focused primarily on specific sectors or issues of concern.

The headline finding of the report is that environmental claims in online ads are relatively rare (around 1% of ads), but those that do appear are often high-risk due to the use of absolute terms. Absolute terms such as "eco-friendly", "sustainable" and "carbon neutral" imply that a product, service or business is environmentally beneficial overall and require a high level of substantiation under the UK Code of Non-broadcast Advertising and Direct and Promotional Marketing, carrying greater compliance risk as a result.

In addition to sector-level patterns, the analysis highlights the widespread use of a small number of recurring terms across the market. These terms (particularly "eco-friendly" and "sustainable") appear across multiple sectors and are often used in broad or non-specific ways, making them an important focus for regulatory attention.

To support advertisers in this area, the Committee of Advertising Practice plans to publish new guidance. The ASA will use the findings from this report to support and refine its approach to regulating environmental claims.

EU updates

EU consumer authorities agree a common approach to transitional enforcement of the Directive on Empowering Consumers for the Green Transition

The network of national consumer protection authorities (CPC Network) has reached a common understanding on how national authorities will enforce the EU Directive on Empowering Consumers for the Green Transition (ECGT) in relation to "old stock" situations. These concern products or packaging displaying environmental claims or sustainability labels manufactured, ordered, distributed or placed on retailers' shelves before the ECGT application date of 27 September 2026. Traders are generally expected to make all "reasonable and proportionate" efforts to achieve full compliance by that date, including removing or correcting online claims, updating advertising and promotional materials, adapting future packaging and coordinating with suppliers.

However, national authorities may take a phased approach where old stock situations give rise to "genuine and specific" transitional difficulties in the early stages of application of the ECGT rules, taking into account objective practical constraints such as packaging cycles, stock volumes, supply-chain dependencies and the shelf-life of products. Examples of materials that may nonetheless be subject to review during this period include online claims, which do not face the same practical challenges as offline claims; practices that are most harmful to consumers; and products with shorter shelf-lives or faster stock rotation.

The common understanding is not legally binding but sets out principles intended to support consistent and pragmatic enforcement of the ECGT across the EU.

Advertising and marketing

Nick Johnson, Partner
T: +44 20 7105 7080
nick.johnson@osborneclarke.com

Chloe Deng, Partner
T: +44 20 7105 7188
chloe.deng@osborneclarke.com

Anna Williams, Partner
T: +44 20 7105 7174
anna.williams@osborneclarke.com

Artificial Intelligence

Artificial Intelligence

UK Updates

Digital Regulation Cooperation Forum shares insights into regulators' use of generative AI

The Digital Regulation Cooperation Forum (DRCF), comprising the Competition and Markets Authority (CMA), the Financial Conduct Authority (FCA), Ofcom and the Information Commissioner's Office, has published insights into how its member regulators are adopting generative AI in their regulatory activities, including in supervision and enforcement.

For example, the CMA is developing agentic AI that is able to "experience" and capture consumer journeys at scale, identifying potential infringements of consumer law such as drip pricing (when additional charges are revealed during the transaction process). As a result of this investment, the CMA has opened investigations into eight businesses and sent advisory letters to one hundred others.

The FCA has been pilot testing the capability of large language models (LLMs) to identify "sludge" practices (that is, excessive frictions that take advantage of consumers' behavioural biases and hinder them from making decisions in their interests). The pilot found that LLMs can simulate consumer personas and perform multiple audits at speed, offering scalability and potential efficiency gains. However, it also identified that LLM interpretation of webpage content is imperfect and that human review remains essential.

Overall, the DRCF states that its members' use of generative AI is shifting from experimentation to becoming a core component of regulatory oversight.

Regulators seek input on digital verification and synthetic media challenges

The DRCF has published a call for input on the opportunities and challenges associated with digital verification and synthetic media/deepfakes, both of which it considers to "have a bearing on authentication and trust".

On digital verification, in light of AI agents beginning to make autonomous decisions on behalf of users, such as approving transactions, the DRCF highlights the need to verify that agents are authorised to execute actions. The call for input addresses, among other things, key considerations for the use of digital verification in the context of agentic AI.

On synthetic media (video, image, text or voice that has been generated in whole or in part by AI algorithms), the DRCF is seeking views on a range of issues, including:

- the effectiveness of provenance and authenticity tools;
- transparency and labelling approaches;
- technical standards;
- accountability across the supply chain;
- platform detection and moderation practices;
- enforcement challenges in implementing safeguards or preventing misuse;
- regulatory barriers; and
- where organisations experience overlap between the Online Safety Act 2023, the UK GDPR, IP and consumer protection rules.

The DRCF notes that, among other risks, synthetic media can be used to circumvent authentication systems, spread disinformation, mislead consumers and infringe copyright.

The call for input closes on 14 August 2026.

New regulations limit use of automated vehicle terminology in marketing

See advertising and marketing section.

Government launches call for evidence on data regulation and AI

See data law section.

Government announces measures to protect children using AI chatbots

See digital regulation section.

Artificial Intelligence

Government seeks views on regulation of AI-enabled toys

See products section.

EU updates

Digital Omnibus on AI is finalised triggering revised compliance deadlines

On 29 June 2026, the Council of the EU adopted the Digital Omnibus on AI, which introduces targeted amendments to the EU AI Act. This follows the European Parliament's adoption of the regulation on 16 June. The regulation was published in the Official Journal of the EU on 24 July 2026. It entered into force three days later on 27 July, ahead of the next EU AI Act deadline of 2 August.

Following its entry into force, a revised implementation timetable applies to affected businesses, such as new deadlines for compliance with obligations for providers and deployers of high-risk AI systems. The most imminent deadline is 2 August 2026, from when, among other things, deployers of AI systems will be required to label deepfakes and AI-generated text (see below). See this Insight for more information.

European Commission publishes final guidelines on transparency obligations for providers and deployers of certain AI systems

The European Commission has published guidelines on the transparency of AI-generated content to help providers and deployers of AI systems ensure compliance with the transparency obligations under Article 50 of the EU AI Act. The guidelines complement a previously published code of practice on the transparency of AI-generated content (see this Regulatory Outlook for more information).

Under Article 50 of the AI Act, providers must ensure that AI systems are designed to inform users when they are directly interacting with AI. Article 50(2) obliges providers of AI systems, including general-purpose AI systems, to ensure that the outputs of the AI system are marked in a machine-readable format and are detectable as artificially generated or manipulated. This obligation does not apply where the AI performs an assistive function for standard editing, or does not substantially alter the input data. Deployers of AI systems must inform individuals when they are exposed to deepfakes, AI-generated or manipulated text on matters of public interest without human review or editorial control, and emotion recognition or biometric categorisation systems.

These obligations are scheduled to take effect on 2 August 2026. The Digital Omnibus on AI introduced a transitional period for the watermarking obligations for providers under Article 50(2), in respect of systems placed on the market or put into service before 2 August 2026: those obligations will come into effect on 2 December 2026.

The Commission states that the guidelines explain certain concepts and exemptions, and provide examples, including what constitutes directly interactive AI systems, synthetic content, deepfakes and AI-generated text on matters of public interest, as well as examples of exceptions such as standard editing.

European Commission launches initiative to bring autonomous driving to EU cities

The Commission has launched the Autonomous Drive Ambition Cities (ADACities) initiative under its Apply AI Strategy to support the deployment of autonomous driving in EU cities.

ADACities aims to allow selected EU cities to "become real-world leaders in the deployment of autonomous mobility innovation, including robo-taxis and car-sharing, autonomous shuttles supporting multimodal urban mobility and advanced self-driving cars". An accompanying call for expression of interest has been launched to identify city-led autonomous driving partnerships interested in participating, and to gather information on their deployment ambitions, maturity and investment needs. The call closes on 30 September 2026.

Artificial Intelligence

Mark Taylor, Partner
T: +44 20 7105 7640
mark.taylor@osborneclarke.com

Jonathan McDonald, Partner
T: +44 20 7105 7580
jonathan.mcdonald@osborneclarke.com

Thomas Stables, Senior Associate
T: +44 207 105 7928
thomas.stables@osborneclarke.com

Katherine Douse, Associate Director
T: +44 117 917 4428
katherine.douse@osborneclarke.com

Bribery, fraud and anti-money laundering

Bribery, fraud and anti-money laundering

Government publishes report from Independent Review of Disclosure and Fraud Offences

The government launched an independent review into disclosure and fraud in October 2023, with the aim of speeding up criminal investigations and increasing the number of prosecutions.

The chair of the review, Jonathan Fisher KC, has now published the second report of the review, "Fraud in the Digital Age". The report underscores that AI has "ushered in a new era of fraud", with criminals using increasingly sophisticated tools and techniques, making prevention and disruption at least as important as post-incident enforcement.

Some of the key recommendations made by Fisher KC include:

- **Recommendation 2:** Introduction of a new corporate criminal offence for providers of regulated user-to-user services (as defined under the Online Safety Act 2023) who fail to prevent fraud on their platforms. This offence would closely mirror the recently introduced failure to prevent fraud offence under the Economic Crime and Corporate Transparency Act 2023, which holds large organisations criminally liable if they fail to prevent fraud committed by associated persons for their benefit.
- **Recommendation 15:** Making legislative provision for the Serious Fraud Office (SFO) to financially reward whistleblowers, with a government consultation to inform the design of a suitable scheme.
- **Recommendation 16:** Creating a new criminal offence for individuals who knowingly make false reports to law enforcement agencies under a whistleblower incentivisation scheme.
- **Recommendation 17:** Establishing a criminal offence for those who harass or intimidate whistleblowers.
- **Recommendation 18:** Establishing an independent arbitration panel to review appeals or complaints made by whistleblowers.
- **Recommendation 21:** Reviewing the extraterritorial ambit of section 2(3) of the Criminal Justice Act 1987, with a view, in particular, to expanding jurisdiction to enable the SFO to serve notices on UK directors overseas and foreign corporates with sufficient UK nexus.
- **Recommendation 35:** Updating the sentencing framework for serious fraud offences and money laundering, including increasing the maximum custodial penalties to 20 years to reflect the gravity and impact of these crimes.
- **Recommendation 36:** The government should review and reform the current early guilty plea framework for complex fraud and economic crime cases, including an increased sentence discount for very early pleas, reflecting the significant savings in time and cost for the justice system and the benefit to victims.
- **Recommendation 39:** The government should consider creating a separate statutory, court-supervised deferred prosecution mechanism for directors, senior managers and, where justified, other employees materially implicated in serious corporate economic crime. Any such mechanism would operate alongside corporate liability and should be capable of incorporating appropriate preventative measures, including restrictions akin to serious crime prevention order measures, where proportionate.

We will report on the government's response when it is published in due course.

HM Treasury updates advisory notice on high-risk third countries

HM Treasury has updated its Money Laundering Advisory Notice: High Risk Third Countries. This follows the publication by the Financial Action Task Force (FATF) of its latest lists of jurisdictions with strategic deficiencies in their anti-money laundering and counter-terrorist financing regimes.

HM Treasury advises firms to treat the following jurisdictions as "high-risk third countries" for the purposes of regulation 33 of the Money Laundering Regulations 2017, requiring enhanced due diligence measures: Angola, Bolivia, Bosnia and Herzegovina, British Virgin Islands, Bulgaria, Cameroon, Côte d'Ivoire, Democratic Republic of the Congo, Haiti, Iraq, Kenya, Kuwait, Lao PDR, Lebanon, Monaco, Nepal, Papua New Guinea, South Sudan, Syria, Venezuela, Vietnam and Yemen.

The following jurisdictions are also designated as high-risk and are subject to a FATF call for action: Democratic People's Republic of Korea, Iran and Myanmar.

The following jurisdictions are also subject to UK financial sanctions, requiring firms to apply further restrictive measures: Democratic People's Republic of Korea, Democratic Republic of the Congo, Haiti, Iran, Myanmar, South Sudan, Syria, Venezuela and Yemen.

See the FATF update for further details.

Bribery, fraud and anti-money laundering

Chris Wrigley, Partner
T: +44 117 917 4322
chris.wrigley@osborneclarke.com

Nick Price, Partner
T: +44 207 105 7496
nick.price@osborneclarke.com

Zoe Hunt, Associate
T: +44 117 917 3918
zoe.hunt@osborneclarke.com

Competition

Competition

Childcare under the microscope – the CMA's market study

On 1 July 2026, the Competition and Markets Authority (CMA) launched a market study into early years education and childcare services in England. The study will assess whether the sector is working for families, providers and the wider economy and will cover services from birth until children start school. This will include nurseries, childminders and other school-based settings.

The market study was initiated following a request from the Education Secretary in May 2026, asking the CMA to undertake an independent assessment to inform the UK government's own review of childcare provision. Although the study focuses on England, the CMA will consider the relevance of its findings to other parts of the UK.

The study will examine five key areas: access to high-quality services and barriers to entry and expansion; affordability and funding, including the impact of government subsidies on provider sustainability; information and choice, and whether families can make effective decisions; the role of local authorities and regulatory bodies; and the impact of different provider models and ownership structures on costs and choice.

There are over 53,000 childcare providers in England, delivering approximately 1.6 million places for children aged 0 to 4 years old, representing an estimated £14 billion annual contribution to the economy. Government-funded support is substantial, with around £8.91 billion of taxpayer funds spent in 2025/26. Structural shifts in the sector are also notable: UCL research found that places offered by private equity providers doubled between 2018 and 2024, while the number of childminders fell by 39% between 2018 and 2025.

The CMA will apply its "4Ps" approach (pace, predictability, proportionality and process), aiming to ensure an efficient and timely review. A call for views was launched, closing on 26 July 2026, with provisional findings expected by early 2027.

Merger efficiencies

In June 2026, the CMA launched a consultation on proposed changes to its approach to the assessment of rivalry-enhancing efficiencies in mergers (that is, how it assesses whether mergers can deliver benefits that outweigh any harm to competition). The proposed changes (the "Merger Efficiencies Review") would update the CMA's existing guidance on this topic. The review forms part of the CMA's broader "4Ps" framework and involved extensive evidence gathering, obtaining 23 written responses to a call for evidence.

When two companies merge, the deal can sometimes result in something more than the sum of their parts: for example, by lowering overall production costs or giving the combined entity greater ability to develop new products. These are known as "rivalry-enhancing efficiencies." The CMA proposes to retain its established four requirements: the efficiencies must (i) genuinely strengthen competition, (ii) be achieved quickly enough and sufficient to prevent a substantial lessening of competition (SLC), (iii) only be achievable through the merger (not by other means), and (iv) benefit UK customers.

On timeliness, the CMA accepts that some benefits, such as improved research and development, may take several years to materialise, and will take into account the norms of the industry in question.
On likelihood, the CMA may impose conditions on the merger to ensure that promised efficiencies are actually delivered.
On sufficiency, the CMA recognises that a merger might cause short-term harm to competition even if it delivers longer-term benefits.

On merger specificity, the CMA will look at whether the same benefits could realistically be achieved another way.

In terms of evidence, the CMA will hold efficiency claims to the same standard as its assessment of potential harms. Claims will only be accepted where they are backed by concrete evidence. The CMA will give more weight to contemporaneous documents created in the normal course of business (such as board papers or internal strategy documents), although companies can also submit additional analysis where needed. Companies considering an efficiency argument are encouraged to raise it with the CMA as early as possible; doing so does not mean they are accepting that the merger would otherwise harm competition.

Competition

The draft EU merger guidelines: what does this mean for mergers in the EU?

The European Commission has undertaken a comprehensive review of its merger guidelines, publishing new Draft Merger Guidelines on 30 April 2026. The review consolidates and updates the existing Horizontal Merger Guidelines (2004) and Non-Horizontal Merger Guidelines (2008), which together form the framework governing how the Commission assesses the competitive impact of mergers under the EU Merger Regulation.

The Commission intends to finalise the guidelines in Q4 2026, following continued stakeholder engagement. The review signals a significant modernisation of the EU's approach to merger control.

The primary objective of EU merger control remains unchanged: preserving a vibrant and competitive internal market that drives innovation, affordability and product quality for consumers. The review has involved three stakeholder workshops, a high-profile conference in March 2026, and a targeted public consultation on the draft guidelines, which closed on 26 June 2026.

The Commission has published a summary of the key technical novelties. Three key themes are:

- **Dynamic effects.** The Commission will place greater weight on how mergers affect firms' incentives to invest and innovate in the medium to long term. Parties should be prepared to address these forward-looking considerations, including potential innovation harms and investment effects, as a routine part of merger filings, supported by verifiable evidence rather than generalised assertions.
- **Efficiencies.** These form one of the seven topics of the in-depth consultation. The Commission notes that the draft guidelines "significantly expand" the analytical framework for efficiency claims, referred to as "theories of benefits". Merging parties should consider preparing robust, evidence-based efficiency arguments at an early stage, drawing on internal business documents and, where necessary, supplementing these with bespoke economic analysis. The Commission will engage with efficiencies in the same way as it examines theories of harm, evaluating both symmetrically before concluding a merger can lead to a significant impediment of effective competition.
- **Early engagement.** Given the breadth of reform and the introduction of new analytical considerations across digital, dynamic efficiencies and sustainability-related issues, among others, early pre-notification engagement with the Commission will be increasingly important. Engaging proactively allows parties to understand the Commission's evolving approach, identify potential concerns at an early stage, put forward substantive evidence of efficiencies, and ensure sufficient time for meaningful dialogue before formal proceedings commence.

Beware of disparaging competitors

The European Commission is seeking feedback on commitments offered by Sanofi to address the exclusionary disparagement of the only rival vaccine recommended for vulnerable patients. It is alleged that, since 2024, Sanofi pursued a misleading communication campaign aimed at healthcare professionals. This represents a growing trend in competition enforcement focusing on exclusionary disparagement by dominant companies. These commitments follow a dawn raid in September 2025 and the launch of a formal investigation into Sanofi on 26 June 2026.

It is alleged that Sanofi (i) suggested the evidentiary basis for the competing vaccine is weaker than for its own (in contradiction to the findings of the European Centre for Disease Control), (ii) misrepresented national vaccine recommendations, and (iii) suggested that national vaccine recommendations were subject to unresolved scientific objections from medical professional societies.

To address these concerns, Sanofi has offered to communicate proactively that the French and German recommendations regarding this type of vaccine have a robust evidence base showing equal efficacy of each type of vaccine. In addition, Sanofi has offered to refrain from criticising, casting doubt on or contradicting national vaccine recommendations issued in the relevant countries; portraying the competition in a negative light, or suggesting its product is safer or more effective than its competitor (unless such claims are based on summaries of product characteristics approved by the relevant competent health agencies or head-to-head comparative studies which meet specified criteria); implying or suggesting that the evidence base for the competing product is weaker. These commitments will remain in force until March 2030.

The period for feedback is open until 21 August 2026.

Disparagement of competitors is an area of significant competition law focus, particularly in the pharmaceutical industry, with multiple cases ongoing across the globe.

Foreign subsidies review

The European Commission has published its report into the functioning of the Foreign Subsidies Regulation (FSR). Although the Commission considers that the FSR regime has been successful so far, it intends to consult on certain targeted changes in the autumn, with the aim of adopting them in 2027.

Among these changes, the Commission is considering introducing a simplified notification form to be used in relation to mergers, while also increasing the notification turnover threshold to €600 million. There are also changes suggested in relation to public procurement, including simplifying and clarifying the forms used and clarifying rights and obligations of all parties in relation to the processing of confidential information.

In relation to both, the Commission considers introducing additional exemptions for foreign financial contributions not categorised as foreign subsidies (that is, those which are conducted in an open market on arm's-length terms).

Given the nature of the changes being considered, the Commission appears to have been listening to practitioners' feedback, which has called for simplification of the FSR while also ensuring that the FSR remains a "strong and effective" tool to protect the European market. This is important as, since the law came into force, the Commission has seen 273 formal notifications of concentrations with only three of these requiring a Phase II review. However, the Commission will retain the power to "call in" below threshold mergers.

Simon Neill, Partner
T: +44 20 7105 7028
simon.neill@osborneclarke.com

Katherine Kirrage, Partner
T: +44 20 7105 7514
katherine.kirrage@osborneclarke.com

Marc Shrimpling, Partner
T: +44 117 917 3490
marc.shrimpling@osborneclarke.com

Aqeel Kadri, Partner
T: +44 20 7105 7367
Aqeel.kadri@osborneclarke.com

Miguel Perez Guerra, Partner
T: +44 20 7105 7130
miguel.perez@osborneclarke.com

Consumer law

Consumer law

CMA fines business over drip pricing under the DMCCA

The Competition and Markets Authority (CMA) has fined StubHub, an online marketplace for live event tickets in the UK, £889,200 for drip pricing, a practice prohibited under the Digital Markets, Competition and Consumers Act 2024 (DMCCA). The CMA has found that between April and December 2025, some consumers were required to pay mandatory delivery and service fees when purchasing tickets for concerts and sporting events, which were added at the final stage of the checkout process rather than being included in the total price from the outset.

This forms part of the first round of fines imposed by the CMA pursuant to its new enforcement powers under the DMCCA. See more in this Insight.

CMA targets private parking operators over consumer protection concerns

Following the imposition of a penalty for not complying with an information notice (see this Insight), the CMA has launched an investigation into suspected infringements of consumer law by Euro Car Parks, a parking management company. In particular, the CMA is investigating whether: (i) it is fair for some drivers to incur parking charges while queuing for, or using, petrol pumps and other forecourt services such as car washes; and (ii) Euro Car Parks' appeals processes, in relation to both petrol stations and car parks, comply with consumer protection law.

This forms part of a wider action by the CMA addressing practices by private parking operators to ensure that consumers are treated fairly when challenging parking charges. The CMA has particular concerns about potentially unfair practices by some operators, including the way they handle appeals and attempt to recover additional fees on top of the parking charge.

The CMA has written to other private parking operators setting out actions they should take to ensure their practices comply with consumer law. It has also issued advisory letters to some operators regarding their appeals processes for motorists and their reliance on potentially unfair terms when seeking to recover unpaid parking charge notices. The CMA has further made recommendations to the government on requirements that it considers could be imposed on private parking operators and incorporated into the proposed private parking code of practice, on which the government has consulted.

CMA updates guidance on unfair contract terms

Following its consultation earlier this year on updates to its guidance on unfair contract terms provisions in Part 2 of the Consumer Rights Act 2015, the CMA has published revised guidance.

The CMA primarily sought to restructure and simplify the guidance, as the underlying law has not changed. It has said that it did not generally revise its interpretation of the law, though it set out developments in case law. The changes include clearer navigation, separation of legal principles from practical considerations in key areas and additional examples and practical techniques, including for the digital environment. New examples and clarifications address issues of wider relevance across sectors, including price variation, cancellation and jurisdiction terms.

In addition, the CMA has published a short guide for businesses as a practical starting point.

Tom Harding, Partner
T: +44 117 917 3060
tom.harding@osborneclarke.com

John Davidson-Kelly, Partner
T: +44 20 7105 7024
john.davidson-kelly@osborneclarke.com

Ben Dunham, Partner
T: +44 20 7105 7554
ben.dunham@osborneclarke.com

Nick Johnson, Partner
T: +44 20 7105 7080
nick.johnson@osborneclarke.com

Chloe Deng, Partner
T: +44 20 7105 7188
chloe.deng@osborneclarke.com

Cyber-security

Cyber-security

Cyber security

Joint advisory urges critical sectors to improve defences against Russian intelligence targeting

The National Cyber Security Centre (NCSC) has published a joint advisory alongside international partner agencies from twelve countries, urging organisations in critical national infrastructure (CNI) sectors to strengthen their defences against Russian state-sponsored actors.

The advisory details techniques used by Russian intelligence services to exploit vulnerable routers and compromise CNI networks globally. Sectors most at risk include communications, defence, energy, financial services, government and healthcare.

In the UK, organisations are specifically encouraged to obtain Cyber Essentials certification and use the Cyber Assessment Framework to assess and improve their cyber resilience.

CNI organisations will need to review the advisory's recommended measures as a matter of urgency and assess whether their current cyber security posture is adequate to meet the threat, including their progress towards Cyber Essentials certification and engagement with the Cyber Assessment Framework.

Government launches Cyber Resilience Pledge

The government's Cyber Resilience Pledge was launched on 7 July and first announced in April 2026, requiring signatories to commit to strengthening their cyber resilience in response to increasingly sophisticated cyber threats.

The voluntary pledge has been designed primarily for medium and large organisations but is open to organisations of all sizes and sectors. Signatories will be able to demonstrate to investors, partners and suppliers that they are taking cyber risk seriously.

Signatories commit to three practical actions to improve their resilience. They need to implement the Cyber Governance Code of Practice and make cyber security a board-level responsibility, register for the NCSC's Early Warning service, and require Cyber Essentials certification across their supply chain. Pledging organisations must also publish a signed pledge letter on their website.

The launch is ahead of the new National Cyber Action Plan and new measures under the National Security Bill to tackle cyber crime.

See the full list of signatories and guidance on how to pledge.

NCSC and government announce new Cyber Shield initiative

The NCSC and the former Department for Science, Innovation and Technology announced in early July a new initiative that will leverage frontier artificial intelligence to build national cyber defensive capabilities. The department has since merged with the Department for Business to form the Department for Business, Innovation, Science and Trade,

Cyber Shield will operate across government and in collaboration with industry, academia and organisational and sector-based network defenders. It will deliver a range of functions, including co-ordinated detection and response similar to existing red and blue team functions, vulnerability discovery and mitigation, deployment of federated agents, and assurance that AI systems used in support of cyber defence are safe and reliable.

The NCSC is encouraging organisations to integrate AI into their cyber defence capabilities, particularly the use of agentic AI to autonomously identify exposed vulnerabilities and to detect and mitigate security incidents.

Commission refers four countries to the CJEU for failing to transpose NIS2 Directive

The European Commission has referred Ireland, Spain, France and the Netherlands to the Court of Justice of the European Union (CJEU) for failing to notify measures transposing the Network and Information Security 2 Directive (NIS2) into national law.

Cyber-security

The implementation deadline for NIS2 was 17 October 2024 for member states to transpose the directive into their national laws. The Commission previously sent letters of formal notice on 28 November 2024 and reasoned opinions on 7 May 2025.

The latest referrals include a request for the CJEU to impose financial sanctions, consisting of a lump sum and daily penalties until notification of complete transposition.

In January this year, the Commission proposed targeted amendments to NIS2 as part of a cybersecurity package. The amendments are intended to simplify compliance with cybersecurity rules and risk-management requirements for companies operating in the EU.

Monitor developments on NIS2 via Osborne Clarke's Digital regulation timeline.

EU Commission presents EU Action Plan on Cybersecurity and AI

The European Commission has presented its action plan on cybersecurity and AI that sets out a targeted approach to supporting member states and businesses to benefit from the safe and responsible use of AI while strengthening Europe's cybersecurity.

The action plan complements the EU's existing legal framework for AI and cyber security, including the AI Act, the Cyber Resilience Act, the NIS2, the Digital Operational Resilience Act (DORA) and the Cyber Solidarity Act. It focuses on three objectives.

First, the plan looks to promote the safe and responsible use of frontier AI. The Commission will work with the European Union Agency for Cybersecurity (ENISA) to develop a European blueprint for structured access to advanced AI systems for cyber security purposes and establish a secure testing platform to help organisations in critical sectors safely test and deploy AI solutions.

The plan also aims to reinforce the EU's cybersecurity and resilience. The Commission will promote the implementation of existing EU cybersecurity legislation, including the NIS2 and the Cyber Resilience Act, working with ENISA to explore ways to assist cooperation with AI providers to enhance sharing of threat intelligence.

Its third objective is to scale up Europe's AI capabilities for cyber security. The Commission plans to launch the EU Grand Challenge on AI for Cybersecurity, a competition that will bring together companies, researchers and organisations to develop AI solutions for cyber security.

The action plan takes on added urgency in light of a recent autonomous hacking incident in which an OpenAI agent escaped its testing sandbox, gained internet access and breached AI start-up Hugging Face. OpenAI described the breach as an "unprecedented cyber incident". The company told media outlets that it has notified law enforcement and other regulatory authorities regarding the incident, warning that such incidents are likely to become "more commonplace with the proliferation of increasingly cyber-capable models".

Regulators in the EU and UK have been monitoring the wider cyber security landscape. In July, ENISA published a note on frontier AI, with a set of recommendations to support the public and private sectors in developing the necessary operational capabilities to face machine-speed threats. The UK's Financial Conduct Authority reported a 51% increase in the number of applications for the second cohort of its regulated testing environment, known as the "Supercharged Sandbox", with use cases including detecting fraud and economic crime and strengthening AI governance.

The action plan encourages organisations to use AI, including open-source models where appropriate, to detect and address vulnerabilities more quickly and improve their ability to prevent and respond to cyber attacks.

Cyber-security

Charlie Wedin, Partner
T: +44 117 917 4290
charlie.wedin@osborneclarke.com

Ashley Hurst, Partner
T: +44 20 7105 7302
ashley.hurst@osborneclarke.com

Philip Tansley, Partner
T: +44 20 7105 7041
philip.tansley@osborneclarke.com

Jonathan McDonald, Partner
T: +44 20 7105 7580
jonathan.mcdonald@osborneclarke.com

Marie-Claire Day, Associate Director
T: +44 7710 844587
marie-claire.day@osborneclarke.com

Data law

Data law

UK updates

Government launches calls for evidence on data regulation and AI, and on international data transfers

The government's recent calls for evidence suggest that, following the major reforms introduced by the Data (Use and Access) Act 2025, further reform of data regulation may be on the horizon.

On 15 July, the previous government under Sir Keir Starmer launched a call for evidence seeking practical examples of how personal and non-personal data regulation interacts with AI and other data-intensive technologies, as well as insights into how technological progress may change the way data is used in the economy. It stated that responses would inform the assessment of whether further guidance, targeted changes or more fundamental reform were needed to ensure that "regulatory frameworks remain fit for this technological age". However, it is unclear whether the new government under Andy Burnham will pursue this further.

In a separate call for evidence, Sir Keir's government sought views on whether the UK's data regime was enabling trusted data flows. In particular, it sought to understand whether the UK's approach to international data transfers is as effective as it could be, where it should preserve the current system, and which aspects are most suitable for reform. The call invited stakeholders to share evidence and real-world experience to inform future policy development. Similarly, it is not clear which direction the new government will take.

Both calls for evidence close on 9 September.

Government launches call for evidence on smart data schemes

The government under Sir Keir Starmer's leadership, launched a multi-sector call for evidence on smart data schemes, covering property, retail, agrifood, transport and trade. This follows its publication of the smart data strategy in March, which set targets of five or more active schemes by 2030 and 20 or more by 2035. The Data (Use and Access) Act 2025 provided the statutory framework for smart data schemes across sectors. It gives the secretary of state and the Treasury powers to introduce legal requirements for the creation and governance of such schemes via secondary legislation.

The government is now considering how smart data schemes should be prioritised, designed and delivered in practice. This signals a shift from strategy to delivery.

ICO consults on the corporate strategy

The Information Commissioner's Office (ICO) has published its draft corporate strategy for consultation. The strategy aims to "provide a bridge" from the ICO's current approach to its future Information Commission governance model. It covers a two-year period from 2026 to 2028, and the transition to the new model is anticipated in the autumn of this year.

The draft strategy states that the ICO will focus its regulatory effort on areas of highest risk and systemic importance and invest proportionately fewer resources in routine or lower-risk work. The ICO also intends to focus its intervention on the cases that present the greatest harm or systemic risk and will use the broader range of complaints, reports and intelligence to identify trends.

This echoes the ICO's previously published framework on how it handles data protection complaints, in which the regulator noted that it cannot take regulatory action on every complaint – it aims to focus resources on cases where it can have the biggest impact. In February, the ICO published guidance explaining data protection complaints requirements.

The ICO's four regulatory priorities are: protecting children, promoting trust and transparency in AI, improving public services' use of personal data and building cyber resilience. The draft states that the ICO will focus supervision on those entities and activities that align most closely with these priorities. The ICO also intends to increase its use of AI and data analytics to improve how it regulates.

The consultation closes on 23 August.

ICO reviews data protection practices of edtech providers

The ICO has published a report setting out its engagement with educational technology (edtech) providers to review and improve data protection practices within the sector. It details the findings from audits carried out during 2024 and 2025 with 28 edtech providers, whose products are widely used across primary and secondary schools in the UK. The audits covered management information systems, safeguarding tools, behaviour management platforms, learning management systems, classroom apps and data integration services.

The ICO found positive practices, particularly around information security. However, common compliance gaps across the sector included providers not correctly identifying whether they were acting as data processors or controllers, insufficiently detailed contracts with schools, incomplete data flow mapping, weak application of data minimisation and storage limitation principles, outdated or inaccessible privacy information, and gaps in data protection impact assessments. The ICO states that providers accepted and implemented most of the recommendations it made.

EU updates

EDPB adopts guidelines on AI web scraping, anonymisation and blockchain

The European Data Protection Board (EDPB) has adopted guidelines on web scraping in the context of training generative AI. Web scraping is a widely used technique for extracting large amounts of data from publicly available web services. The EU General Data Protection Regulation (GDPR) applies to web scraping that involves personal data processing operations, such as collection, storage, organisation and retrieval. The guidelines clarify various aspects of EU GDPR compliance in relation to web scraping, including the legal basis for such activities and the conditions under which special categories of data may be processed in this context.

The EDPB has also adopted guidelines on anonymisation providing a "practical framework for determining whether data has been successfully anonymised".

Both guidelines are open for consultation until 30 October.

Following consultation, the EDPB has adopted the final version of its guidelines on the processing of personal data through blockchain technologies, which set out key EU GDPR compliance considerations for planned processing activities. The guidelines provide an overview of the fundamental principles of the technology, assess the different possible architectures and their implications for the processing of personal data, and highlight that the roles and responsibilities of different actors in blockchain-related processing must be assessed at the design stage, including what elements need to be considered.

Mark Taylor, Partner
T: +44 20 7105 7640
mark.taylor@osborneclarke.com

Georgina Graham, Partner
T: +44 117 917 3556
georgina.graham@osborneclarke.com

Jonathan McDonald, Partner
T: +44 20 7105 7580
jonathan.mcdonald@osborneclarke.com

Digital regulation

Digital regulation

Online safety and age assurance

UK government announces further measures to protect children online

In June 2026, having received more than 100,000 responses to its national consultation, "Growing up in the online world", the Department for Science, Innovation and Technology (DSIT) announced a package of measures that it said would better protect children online, including a ban on social media for under-16s. See more information in this Insight.

On 15 July, DSIT announced further measures to protect children online, specifically 16-17-year olds. Measures included:

- Default overnight curfews from midnight to 06:00 for 16- and 17-year-olds on social media.
- Default disabling of auto-play and infinite scrolling features for 16- and 17-year-olds.
- Regular breaks for all under-18s using AI chatbots.
- Collaboration with regulators (such as the Department of Health and Social Care and the Medicines and Healthcare products Regulatory Agency) and across government to address services that provide dangerous, misleading or unverified mental health advice. Ministers would consider all options, including, where necessary, banning certain services that present a threat to children where other regulatory and safety mechanisms have proved insufficient.

Although the restrictions would be automatically switched on for 16- to 17-year olds on social media apps, users would be able to turn them off via their settings.

The idea behind the restrictions was to prevent a cliff-edge in online protections for teenagers once they reach 16 years old and to strike a balance between providing safeguards for these users while allowing them some autonomy to make their own decisions.

Sir Keir Starmer's government had planned to lay the first set of regulations on social media restrictions before Parliament by the end of this year, with measures to come into force in spring 2027. It is, however, unclear whether the government, now led by Andy Burnham since 20 July, will take any of these measures forward, whether in their original or amended form. DSIT itself has been dissolved. Its functions are being replaced by the Department for Business, Innovation, Science and Trade, the Department for Digital, Culture, Media and Sport and the Cabinet Office.

It has been reported that Mr Burnham is "committed to keeping children safe online" and that a social media ban for under-16s would be a "critical first step", which suggests he would be minded to implement the proposal. However, he has not yet commented on the additional restrictions for 16- and 17-year olds or on the potential AI restrictions, so his views on these aspects of the proposals are uncertain. In addition, the main driver of the reforms, Liz Kendall, is no longer secretary of state. These factors may all play a part in what is to come.

EU expert panel recommends harmonised age restrictions on children's access to social media and digital services

The EU's expert panel on child safety has delivered its recommendations on protecting children online, which include potential age restrictions for social media, to the President of the European Commission.

The report proposes addressing the issue in different ways for different age groups, but at a harmonised EU-wide level. It therefore recommends that children under two years old should avoid extensive screen exposure altogether, while children aged 3-13 should not have access to digital devices, social media and other digital services, unless supervised, and then they should only be able to access age-appropriate sites. Children aged 13-18 should only have access to age-appropriate social media sites that are safe by design, in that the provider has actively introduced default safety features, such as limits on infinite scrolling.

The report addresses "social media+" services, that is, all internet services (not just social media services), that may be available to minors and that contain age-inappropriate or risky features (for example, infinite scrolling, autoplay, recommendation algorithms and persistent notifications) and content. This echoes the UK's approach, which proposed going "further than a blanket ban on social media" by applying restrictions to a "wider range of online services" (see this Insight).

A major theme of the EU report is that responsibility for ensuring that online spaces are safe for minors to access and use should lie primarily with social media and other digital service providers. Until providers can demonstrate safe and age-appropriate features on their services, specific age restrictions should apply. The report also notes the number of different pieces of legislation that apply to child safety online and recommends greater cooperation among supervisory authorities to strengthen enforcement. The report does not prevent member states from introducing additional protective measures on top of the recommended EU-wide access restrictions.

Following publication of the report, President von der Leyen stated that once the Commission has reviewed the recommendations, it will publish a proposal after the summer.

UK Online Safety Act updates

Ofcom publishes register of categorised services and consults on additional duties

After extensive delay, Ofcom has published its register of categorised services under the Online Safety Act 2023 (OSA), together with a list of emerging Category 1 services.

Categorised services are subject to additional duties under the OSA, depending on which of the three categories they fall into. Alongside the register, Ofcom also published a consultation on a draft code of practice and guidance documents on the additional duties that will apply specifically to Category 1 services, which are the largest and most-used UK services. These services have additional duties to provide user empowerment and identity verification tools, protect news publisher and journalistic content as well as content of democratic importance, comply with additional terms of service requirements, prevent fraudulent advertising, and comply with enhanced reporting and transparency requirements.

Some of these additional requirements also apply to Category 2A and 2B services. For example, both of these categories also have enhanced transparency reporting duties and Category 2A services also have duties to prevent fraudulent advertising on their services. To assist, Ofcom has also published for consultation draft codes of practice setting out what Category 1 and Category 2A services need to do to tackle fraudulent advertising in line with their duties under the OSA.

Both consultations close on 2 October 2026.

Ofcom updates illegal harms framework to address self-harm and cyberflashing priority offences

Ofcom has published a statement, following consultation, setting out changes to the Illegal Harms regulatory documents and guidance to reflect the creation of two new priority offences under the OSA: (i) making, encouraging or assisting serious self-harm; and (ii) cyberflashing. These were made priority offences under the Online Safety Act 2023 (Priority Offences) (Amendment) Regulations 2025, in force from 8 January 2026. See this Regulatory Outlook for background.

Ofcom plans regular research into harmful content served to children online

Ofcom has announced plans to conduct regular research on social media and video-sharing services to assess whether harmful content is being served to child users, commencing in summer 2026. The regulator intends to set up fictional accounts representing children aged 13 to 17 and observe the content that is recommended or presented to them.

Ofcom will also undertake research on AI chatbot services to understand better how such services are designed, how users interact and engage with them, the chatbots' responses, and whether and how harmful content may be generated for different user profiles. Researchers plan to create fictional accounts for both 13- to 17-year-old and 18+ user profiles for this purpose. Ofcom expects this research to conclude by the end of this year.

First commencement regulations under Crime and Policing Act 2026 made

The Crime and Policing Act 2026 (CPA) received Royal Assent in April, introducing various online safety-related provisions, including amendments to the OSA (see this Insight for more information). The Crime and Policing Act 2026 (Commencement No.1 and Saving Provision) Regulations 2026 have since been made, bringing into force on 29 June 2026 various provisions of the CPA, including:

- Creating or requesting the creation of a purported intimate image of an adult (including an AI-generated image), which now constitutes a priority offence under the OSA.
- A new criminal offence of making, adapting, supplying or offering to supply "purported intimate image generators" (including nudification apps), which attracts personal as well as corporate liability.
- A new duty on regulated user-to-user services to take down intimate image content within 48 hours of it being reported via an "intimate image content report" and a similar duty on regulated search services to ensure that users

cannot encounter such content, both of which provisions will come into effect once Ofcom amends its illegal content codes of practice.

- Power for the government to make regulations to establish an "intimate image register" and impose duties on regulated services in relation to it.

Certain other provisions (age and consent verification for individuals appearing in pornographic content and extension of the "senior manager" test for corporate liability) also came into effect on 29 June by virtue of the CPA itself.

Media updates

UK Media Act listed events regime to come into effect on 1 January 2027

The Communications Act 2003 (Commencement No. 6) and Media Act 2024 (Commencement No. 4 and Saving Provision) Regulations 2026 amend the Broadcasting Act 1996 to bring the new listed events regime under the Media Act 2024 into effect on 1 January 2027. Ofcom previously consulted on the definitions it was required to make in relation to various terms used in the new regime. It also consulted on an updated version of its code of practice on listed events and its proposal to remove the conditions relating to listed events included in broadcast licences (see this Regulatory Outlook for background). Ofcom says that final versions of these documents will be published before 1 January 2027.

Ofcom has also introduced the Listed Events (Coverage) Regulations 2026, which set out when coverage of a listed event is to be treated as live coverage and therefore falling within the listed events regime. The regulations also come into effect on 1 January 2027.

Government launches consultation on designation of radio selection services under UK Media Act

Ofcom has published its final advice to the government on which voice-activated services (that is, smart speakers) should be designated under the Communications Act 2003 (as amended by the Media Act 2024) as "radio selection services" (RSS) (defined in the Media Act). The designations are based on Ofcom's proposed threshold of 700,000 users and include generative AI-enabled versions of the services concerned. Designated RSS will be subject to specific requirements to protect the availability and prominence of online streams of UK broadcast radio on voice-activated services when the new regime comes into effect.

On 15 July, Sir Keir Starmer's government launched a consultation, saying that it was minded to agree with Ofcom's conclusion that 700,000 users was an appropriate threshold and with the list of services to be designated, and seeking views on the proposed decisions. However, it is currently unclear whether the new government will take the same approach. Subject to the new government making changes, the consultation closes on 9 September 2026.

UK government consults on 'new strategic direction' for media policy

On 10 July, Sir Keir Starmer's government published a green paper, entitled "Watch this space", setting out a "new strategic direction for the government's media policy". The paper, on which the government is consulting, outlines proposals to ensure that in an age of global internet streaming platforms and declining numbers of traditional linear broadcasting viewers, the media, and television in particular, can continue to play its "vitally important role" of providing a cohesive society and a healthy democracy.

The proposals aim to ensure that high-quality UK content and trustworthy news remain "accessible and sustainable", public service media providers are supported, and trustworthy news is prominent and easy to find across the online environment. The green paper also sets out the next steps in the government's Future of TV Distribution Project.

Subject to any intervention or a change in direction by the new Andy Burnham government, the consultation closes on 31 August 2026.

Ofcom publishes recommendations on promoting media literacy

Ofcom has published a statement setting out a series of non-binding recommendations on how broadcasting and streaming service providers, online platforms and generative AI services can promote media literacy.

It outlines ten recommendations to achieve four broad aims to ensure that: (i) services are designed from the outset to offer informed choice and meaningful control; (ii) users are empowered and can actively manage and control their own experience when engaging with content and features; (iii) service providers contribute to media literacy more broadly, including through partnerships and outreach, to build trust; and (iv) improvement is continuous, driven by ongoing evaluations of what works, which includes requiring services to regularly assess the impact of their design choices and media literacy initiatives, and publish their findings.

CJEU Grand Chamber clarifies the 'coordinated field' and hosting liability under the E-Commerce Directive

The Court of Justice of the European Union (CJEU) Grand Chamber has issued a significant ruling on the scope and limits of the country-of-origin principle and the hosting-provider exemption under the E-Commerce Directive (2000/31/EC), with important implications for digital service operators across the EU.

The court said that mere categorisation and indexation of content by means of algorithms do not, in themselves, deprive an operator of hosting-provider status. However, where algorithms are deployed in such a manner as to confer editorial control over content by determining, in the interest of the operator or its service, the conditions, manner and order of priority in which that content is or is not broadcast, then the loss of hosting-provider status may follow.

See this Insight for more information.

John Davidson-Kelly, Partner
T: +44 20 7105 7024
john.davidson-kelly@osborneclarke.com

Chloe Deng, Partner
T: +44 20 7105 7188
chloe.deng@osborneclarke.com

Ben Dunham, Partner
T: +44 20 7105 7554
ben.dunham@osborneclarke.com

Nick Johnson, Partner
T: +44 20 7105 7080
nick.johnson@osborneclarke.com

Tom Harding, Partner
T: +44 117 917 3060
tom.harding@osborneclarke.com

Jamie Heatly, Partner
T: +44 207 105 7352
Jamie.heatly@osborneclarke.com

Employment and immigration

Employment and immigration

Employment

Employment Rights Act 2025: Latest implementation dates and developments

The next wave of reforms under the Employment Rights Act 2025 (ERA) comes into force in October 2026 and January 2027.

Roadmap: updated implementation dates

The increase in the Employment Tribunal time limit from three to six months takes effect from 1 October 2026 (9 November 2026 for breach of contract claims in Scotland).

However, the following measures now take effect on 30 October 2026:

- The duty to inform workers of their right to join a trade union.
- Strengthening trade unions' right of access.
- Reforms to the recognition and derecognition process, and all remaining trade union recognition measures, including freezing the bargaining unit on application.
- New rights and protections for trade union representatives.
- Extended protections against detriments for taking industrial action.
- A requirement on employers to take "all reasonable steps" to prevent sexual harassment.
- An obligation on employers not to permit third-party harassment of their employees.
- A power enabling the minister to make regulations specifying evidence-based steps to prevent sexual harassment (complementing, not replacing, the broader duty).

October 2026 will also see regulations reinstating the two-tier code on outsourcing (ensuring outsourced private sector employees are offered no less favourable terms than those transferred from the public sector) and regulations establishing the Fair Pay Agreement Adult Social Care Negotiating Body in England.

The strengthening of tipping provisions will now take effect "by December 2026", following withdrawal of a draft revised Code from Parliament in light of objections from trade unions.

Employers should also be preparing now for changes to unfair dismissal and fire-and-rehire rules, which take effect on 1 January 2027.

Please speak to your Osborne Clarke contact for further details on our practical tracker and microsite, which set out the associated actions and considerations for each reform.

New draft code published on Right to Trade Union Access

The ERA introduces a new statutory right for independent trade unions to access workplaces (physically and digitally) for the purposes of meeting, recruiting, organising and representing workers. Regulations and a draft Code of Practice have been laid before Parliament; subject to approval, the changes take effect on 30 October 2026.

Unlike statutory recognition requests, there are no minimum membership or support thresholds a union must demonstrate to request access. The right is designed as an early-stage organising tool. Where a statutory request is triggered, a specific procedural timeframe applies which may ultimately result in an access agreement being granted by the Central Arbitration Committee (CAC) where the parties are unable to reach agreement. Any access agreement granted by the CAC may not exceed two years.

The code sets out the relevant considerations for employers and unions when entering into an access agreement as well as model terms, to which parties may wish to align.

A complaint that an access agreement has been breached can be made to the CAC within three months of an alleged breach. If upheld, the CAC can order compliance steps and, for further breaches, impose financial penalties on a tiered basis:

- First breach following a finding of non-compliance: up to £75,000.

- Second breach under the same agreement: up to £150,000.
- Each further breach under the same agreement: up to £500,000.

The tiered penalties apply even where subsequent breaches differ in nature, provided they arise from the same access agreement. Breaches at multiple workplaces under the same agreement can also be treated cumulatively. The CAC also has power to vary an agreement, order remedial steps and publicise non-compliance.

Given that requests may be made from 30 October 2026, employers should act now:

- Identify who will be responsible for handling requests given the strict timeframes.
- Consider what resources (such as meeting rooms, IT systems) could reasonably be made available and identify any constraints.
- Establish clear guidelines on handling digital access requests, including email cascades and virtual meetings.
- Review CCTV use in areas that could be used for access meetings and update policies accordingly.
- Review internal communications strategies to ensure the organisation's voice is well-established ahead of union activity.
- Where recognition already exists, consider agreeing or updating a voluntary access arrangement.
- Train managers, receptionists and security personnel on the new right and internal protocols.

Updated Acas Code of Practice on Time Off for Trade Union Duties and Activities

The ERA 2025 amends the Trade Union and Labour Relations (Consolidation) Act 1992 to require employers, if asked, to provide reasonable accommodation and facilities to trade union officials and learning representatives.

Following consultation, an updated Acas Code on Time Off for Trade Union Duties and Activities has been laid before Parliament. The updated code provides examples of representatives' duties and training needs, and practical guidance on handling time off requests.

The code recommends that employers and unions consider entering into a formal agreement on time off, accommodation and facilities, which can reflect specific circumstances, provide a structure for handling requests, identify agreed factors to consider, and set realistic expectations for both managers and representatives.

The new statutory provisions and code are due to come into force on 30 October 2026.

New consultation: statutory holiday pay compliance and enforcement by the Fair Work Agency

On 30 June 2026, the Department for Business and Trade published a consultation (closing 22 September 2026) on holiday pay enforcement by the Fair Work Agency (FWA), which is expected to begin enforcing statutory holiday pay rights from 2027.

Proposals include:

- Notices of underpayment carrying civil penalties of up to 200% of arrears, capped at £20,000 per worker.
- A six-year claim period aligned with the new holiday pay record-keeping requirement.

Enforcement is targeted at lower-paid and more precarious workers but the approach will provide opportunities for voluntary correction before enforcement action is taken. The enforcement action does not replace an individual worker's right to bring a tribunal claim, although FWA double recovery is not permitted and a tribunal may decline to consider a claim where the FWA is already investigating the same matter.

New consultation: workplace monitoring technologies

The government has published a consultation on the fair, transparent and responsible use of workplace monitoring technologies (tools used to collect, track, analyse or make decisions based on information about workers and their activities). The consultation (closing 30 September 2026) seeks views on eight principles reflecting the government's pre-consultation view of good practice: purpose and rationale; transparency and understanding; worker engagement and voice; fairness and equality; necessity, proportionality and privacy; human oversight and accountability; dignity and wellbeing; and accuracy, reliability and review.

The consultation considers three potential interventions:

- A statutory code of practice plus guidance.
- A legislative duty to consult with trade unions or elected representatives.
- Non-statutory guidance.

The government will draw on consultation responses and available evidence before deciding whether any intervention is justified.

New consultation: equal pay and pay discrimination

The government has launched a consultation on equal pay and pay discrimination (closing 27 October 2026), proposing a two-phased reform programme.

Phase 1 - fixing the system

Phase 1 aims to make the existing regime more effective and less dependent on complex individual litigation. Proposals include:

- A statutory requirement to include pay information in job adverts, or to provide it in writing before interview where no advert exists; detailed requirements (for example, salary range vs. fixed figure) to be set out in regulations.
- Reintroduction of the statutory questionnaire procedure for pay discrimination disputes on an optional basis, with adverse inference powers for failures to respond.
- Narrowing exceptions to equal pay audits, so tribunals must order an audit following a breach unless the employer has conducted a compliant audit within the previous three years; tribunals would also be required to order a non-discriminatory job evaluation scheme where a breach is found and none is in place.
- A new equal pay regulatory and enforcement unit (potentially within the EHRC, FWA or a new body) with powers to require disclosure of pay data, job evaluation schemes and audits, and to require organisations to report on implementation of recommendations.
- Formal reviews of Employment Tribunal rules for pay discrimination claims and the independent panel of experts used in equal value claims.

Phase 2 - broadening protections

Phase 2 proposes broadly aligning the Equality Act 2010's protections against pay discrimination on grounds of race and disability with the existing sex-based equal pay scheme. Key proposals include:

- Enabling tribunals to determine race and disability pay claims where work is rated as equivalent or of equal value, to modify discriminatory contractual terms, and to require equal pay audits and job evaluation schemes in appropriate cases.
- Allowing limited use of hypothetical comparators in two defined scenarios within the sex-based scheme, and giving tribunals a "just and equitable" discretion to extend time limits.
- A new duty on all parties in contractual outsourcing arrangements to take all reasonable steps to uphold pay equality, enforced by the new unit.

The government has committed to an extended implementation period before any measures are commenced.

EHRC evidence review: taking steps to prevent workplace harassment

The Equality and Human Rights Commission (EHRC) published a rapid evidence review on workplace harassment on 25 June 2026, offering employers a practical, evidence-based framework as they prepare for the October 2026 reforms under the ERA. October will bring the strengthened "all reasonable steps" duty to prevent sexual harassment and a new obligation to prevent third-party harassment.

The review confirms that low reporting rates do not indicate an absence of harassment, but rather a workplace in which employees feel unable to come forward. No single intervention is sufficient. Training must be behaviour-based, interactive and scenario-driven; general, one-off training cannot drive sustained behavioural change. Multiple reporting routes, including anonymous and digital options, should be available. The study cautions against treating anti-harassment measures as a tick-box compliance exercise.

See Osborne Clarke's dedicated microsite which looks at each reform in detail, including actions for consideration.

Contingent workforce

Extended right to work checks for staffing supply chains take effect on 1 October 2026

The Border Security, Asylum and Immigration Act 2025 has expanded the scope of the UK's right to work (RTW) scheme, extending compliance obligations beyond traditional employment relationships to businesses that engage workers under service contracts, use individual sub-contractors or operate digital matching platforms. The changes take effect on 1 October 2026.

Civil penalties of up to £60,000 per worker apply under an extended liability regime capable of reaching any party in a staffing supply chain. A statutory defence is available to those who can demonstrate that the prescribed requirements have been met: written contractual protections with the next party in the chain, substitution controls and proportionate identity verification processes. The Home Office published a draft code of practice in June setting out how those requirements operate in practice.

The changes will be felt most acutely in sectors with high levels of flexible or subcontracted labour, including logistics, construction, hospitality and platform-based work. Businesses across staffing supply chains should act now to identify who holds the engagement in respect of each supplied worker, update contracts to include the five required contractual terms, and ensure that identity verification systems are operational before the October deadline. Read a full analysis of the new regime and the practical steps businesses should be taking.

ERA consultation on reforms of zero-hours and similar contracts

A reminder that the government's ERA consultation on zero-hours contracts and guaranteed hours rights for directly engaged zero-hours workers and agency workers closes on 25 August 2026. Anyone involved in the use, supply or payment of zero-hours or agency workers is encouraged to respond to the consultation.

Immigration

Extended right to work checks for staffing supply chains take effect on 1 October 2026

See contingent workforce above.

Gavin Jones, Head of Immigration
T: +44 20 7105 7626
gavin.jones@osborneclarke.com

Catherine Shepherd, Knowledge Lawyer Director
T: +44 117 917 3644
catherine.shepherd@osborneclarke.com

Kath Sadler-Smith, Knowledge Lawyer Director
T: +44 118 925 2078
kath.sadler-smith@osborneclarke.com

Helga Butler, Immigration Manager
T: +44 117 917 3786
helga.butler@osborneclarke.com

Danielle Kingdon, Partner
T: +44 118 925 2020
danielle.kingdon@osborneclarke.com

Shaziya Kurmani, Associate Director
T: +44 20 7105 7588
shaziya.kurmani@osborneclarke.com

Environment

Environment

EU Ban on destroying unsold clothes partially in force

The ban on destroying unsold clothes and shoes under the EU's Ecodesign for Sustainable Products Regulation 2024 ((EU) 2024/1781) (ESPR) has now been introduced. From 19 July 2026, "large companies" are banned from destroying unsold textiles (unless measures cannot reasonably be expected to prevent the need to destroy them). There are also obligations around disclosure by large companies of unsold products which are discarded, how they are discarded, and the measures taken to avoid destruction. See here for further details on the restrictions.

Transitional REACH registration deadline extended

The REACH (Amendment) (No 2) Regulations 2026 (SI 2026/849) were made on 16 July 2026 and enter into force on 6 August 2026.

The regulations extend the deadline for providing information to the Health and Safety Executive (HSE), under the transition from EU REACH to UK REACH. The submission deadlines will now be 27 October 2029, 2030 and 2031 (moved from 7 October 2026, 2028 and 2030).

Consultation on judicial review reforms for planning

The Ministry of Justice has published a consultation on whether the recent reforms to Nationally Significant Infrastructure Project (NSIP) judicial review should be extended to other planning regimes (that is, those under the Town and Country Planning Act 1990 and the Transport and Works Act 1992).

The consultation focuses on "major infrastructure" and "strategically important developments", so changes will be unlikely to apply to all planning development consented under the regimes.

If implemented as proposed in the consultation, the changes would see:

- Removal of paper permission stages (in favour of case management conferences).
- Designation of cases as Significant Planning Court Claims.
- Application of new NSIP target timescales to applicable developments under the regimes.
- Removal of the right of appeal for totally without merit cases.

The consultation will run until 27 August 2026, and responses should be submitted to JRReform@justice.gov.uk.

Littering and fly-tipping penalties increased

The Environmental Offences (Fixed Penalties) (Amendment) (England) Regulations 2026 (SI 2026/816) were made on 14 July 2026 and will enter into force on 1 September 2026.

The regulations increase the fixed penalty maximum from £500 to £750 per littering offence, and increase the fly-tipping fixed penalty from £1000 to £1500. The changes will apply in England only.

New processes added to Climate Change Agreement regime

The Climate Change Agreements (Administration, Energy-intensive Installations and Eligible Facilities) (Amendment and Revocation) Regulations 2026 (SI 2026/826) were made on 7 July 2026 and come into force on 1 January 2027. The key change from the amendments is to add three new processes to the Climate Change Agreement (CCA) scheme – the processes impacted are:

- Mechanical plastic recycling.
- Packaging of spirits.
- Production of electric vehicle batteries.

Environment

The CCA regime allows entry into voluntary agreements for improvements to energy efficiency and/or reductions in carbon emissions. In return, those entering CCAs will be eligible for a reduced rate of climate change levy.

Biodiversity Net Gain for Small Developments

The Biodiversity Gain (Town and Country Planning) (Amendments and Transitional Provisions) (England) Regulations 2026 (SI 2026/790) were laid before Parliament on 13 July 2026 and come into force on 6 August 2026.

The regulations:

- Amend BNG rules to place offsite BNG on the same preference as onsite BNG for the purposes of development which is not major development (small development).
- Create a new exemption for developments of 0.2 hectares or for temporary developments lasting five years or less, in each case where no onsite priority habitats are impacted.
- Remove the existing exemption for small scale self- and custom-build developments.
- Contain transitional provisions for the changes to the hierarchy and revised exemptions.

The regulations were accompanied by an explanatory memorandum.

Government publishes delivery plan for '30by30' in England

The Department for Environment Food and Rural Affairs (Defra) has published its delivery plan to outline how it will achieve the UK target to "protect and improve" 30% of land and inland waters in England by 2030 (30by30).

The plan outlines:

- a tiered approach for assessing areas of land to contribute to 30by30 (gold, silver and bronze);
- how the criteria will be applied in assessing land;
- other actions to make it easier for landowners to help deliver 30by30 on the ground; and
- other actions the government is taking to strengthen efforts in delivering 30by30.

Government publishes response to consultation on stronger sanctions for environmental offences by water companies

Defra has published a response to its October 2025 consultation on strengthening civil sanctions for water companies that carry out water-related environmental offences in England. The response explains it has decided to:

- allow the Environment Agency (EA) to impose variable monetary penalties for minor to moderate offences in relation to environmental permitting, water abstraction, water impounding and drought. This will be subject to the civil standard of proof (on the balance of probabilities) and penalties will be capped at £500,000; and
- require the EA to impose automatic fixed monetary penalties (to the civil standard of proof) for specific environmental permitting or water abstraction breaches. The level of penalties will depend on the turnover of the company, going up to £10,000 for large organisations.

The EA will be required to serve a notice of intent. The EA can choose not to impose a penalty if it deems there are exceptional circumstances, but there will be no right to appeal a decision by the EA.

Regulations made to include international aviation and shipping in UK carbon budgets

The Climate Change Act 2008 (International Aviation and International Shipping) Regulations 2026 (SI 2026/727) were made on 30 June, coming into force on 1 July. The regulations extend the scope of greenhouse gas emissions under the Climate Change Act 2008 to include international aviation and shipping emissions within the scope of UK emissions for the sixth carbon budget (2033-37), all subsequent periods and the UK's net zero target.

The methodology for determining the UK's share of international emissions will be determined separately by the secretary of state and will be consistent with international carbon reporting practice.

Energy Savings Opportunity Scheme amending regulations made

The Energy Savings Opportunity Scheme (Amendment) Regulations 2026 (SI 2026/701) were made on 23 June, coming into force on 22 July. The Energy Savings Opportunity Scheme (ESOS) requires larger companies and non-public sector organisations in the UK to carry out mandatory energy saving assessments, including calculating total energy consumption and identifying where energy savings can be made.

The regulations are intended to improve ESOS by:

- requiring fuller reporting on energy saving measures participants have implemented to increase accountability for reducing energy consumption;
- removing compliance routes (Display Energy Certificates and Green Deal Assessments) that are no longer considered best practice; and
- removing certain obligations for participants who exclusively comply using the ISO 50001 certification compliance route.

ESMA publishes statement on publication or distribution of ESG ratings by third parties pending authorisation

The European Securities and Markets Authority (ESMA) published a statement on 1 July on the publication or distribution of ESG ratings by third parties and the authorisation, recognition or registration of ESG rating providers under the ESG Rating Regulation ((EU) 2024/3005). The regulation applies from 2 July and introduces a regulatory approach to enhance the transparency, comparability, reliability and independence of ESG rating activities.

The statement clarifies whether third parties that are publishing or distributing ESG ratings of existing, but unauthorised, ESG rating providers will be able to continue to do so from 2 July. It explains that:

- rating providers other than small rating providers wishing to continue to operate in the EU after 2 July must notify ESMA by 2 August of their intention to apply for authorisation or recognition, and submit their application by 2 November;
- small rating providers wishing to continue operating in the EU must notify ESMA by 2 November of their intention to benefit from the temporary regime; and
- from 2 July, third parties may continue publishing or distributing the ESG ratings of ESG rating providers until ESMA has adopted a decision to grant or refuse an application for authorisation or recognition, or to register the notifier as a small provider.

ESMA intends to publish a list of entities that have notified it of their intention to continue operating in the EU after 2 July. After 2 November, third parties should consult the register to determine the ESG rating providers from which it will be possible to continue to publish or distribute ESG ratings.

Environment Agency publishes first agriculture and the water environment report

The EA has published the first of what will be an annual Agriculture and the Water Environment report addressing the regulatory approach, compliance outcomes, enforcement activity and collaborative efforts to address agriculture's impact on water quality.

The 2026 report covered the agricultural sector in England between April 2021 and March 2026. Key messages included:

- The expansion of the EA's inspection programme identifying non-compliance with environmental regulations.
- The EA's adoption of remote sensing, drone imagery and the Agricultural Land Environmental Risk and Opportunity Tool to assist remote inspections.
- Increased abstraction and impounding licence inspections to monitor compliance with licence conditions. Agricultural abstraction demand rivals public supply during summer months in some regions, highlighting the need for sustainable water management, especially during increasing climate pressures.

The report aims to highlight the EA's principle of support before enforcement.

European Supervisory Authorities consult on reforms to disclosure of key performance indicators under Taxonomy Regulation

Following technical advice from the European Commission in March, the European Supervisory Authorities (ESAs) published the following papers on 1 July:

- European Banking Authority: discussion paper on limiting the fees and commissions KPI to capital markets-related activities, connecting the trading book KPI to market liquidity, and simplifying the disclosure template;
- European Insurance and Occupational Pensions Authority: consultation paper on its proposals about the current underwriting KPI for insurance and reinsurance undertakings, including the potential introduction of a "green-invested activities" KPI; and
- European Securities and Markets Authority: consultation paper on proposals to simplify the Taxonomy disclosure framework for non-financial undertakings and asset managers to address stakeholder concerns about complexity and reporting burden.

Comments can be made on the papers until 12 August. The ESAs' responses are due in October and the European Commission intends to adopt amendments in early 2027.

Order for UK's seventh carbon budget made

The UK's seventh carbon budget (2038-42), which sets the budget at 535 million tonnes of carbon dioxide equivalent, came into force on 25 June by way of the Carbon Budget Order 2026 (SI 2026/695). This will achieve an 87% greenhouse gas emissions reduction from 1990 levels and includes emissions from international aviation and shipping.

As part of the UK government's requirement to set five-year carbon budgets under the Climate Change Act 2008, the budget was recommended by the Climate Change Committee and endorsed by the Environmental Audit Committee.

The government is now required to set out a delivery plan for the budget period, which is likely to focus on electrification, low-carbon fuels, carbon capture and storage, and nature-based measures.

Order to exclude international carbon units from UK carbon budgets made

The Climate Change Act 2008 (Credit Limit) Order 2026 (SI 2026/694) came into force on 26 June. The order sets a limit of zero on the amount of international carbon units from overseas reductions or avoidances of greenhouse gases that can count towards meeting the fifth carbon budget. Any carbon units that arise from trading allowances between the EU Emissions Trading System (ETS) and the UK ETS are exempt from this limit if the two systems are linked during the fifth carbon budget period (2028-32) in order to avoid restricting any future link between the two.

Government publishes Farming Roadmap 2050

The government has published its Farming Roadmap 2050: Growing England's Future, setting out the long-term strategic vision and policy framework for farming in England.

Split into three themes (profitable and productive, sustainable, and resilient), the roadmap integrates the government's commitments on food security, environmental recovery, climate resilience and rural economic growth. It recognises the major impact of agriculture on the environment and water pollution and the need to shift to sustainable farming systems, and sets out key long-term goals of maintaining food production, lowering emissions, integrating nature-friendly farming, and shifting to a market-led model where public funding supports public goods not delivered by the markets.

The roadmap aligns with the statutory targets under the Environmental Improvement Plan and Environment Act 2021, including:

- restoring or creating 250,000 hectares of wildlife-rich habitats and doubling the number of farms providing year-round resources for wildlife to support biodiversity recovery;
- improving water quality;
- prioritising soil health through sustainable management of agricultural soil;
- increasing woodland cover by 43,000 hectares; and
- investing £85 million in restoring and managing peatlands.

The roadmap is not a fixed delivery plan and is not statutory, but it is likely to influence the design of future regulations, schemes and policy.

Council of EU agrees position amending regulation on sustainability-related disclosures in the financial services sector

The Council of the EU has announced it has agreed its position on the proposed regulation amending Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector and Regulation (EU) 1286/2014 on key information documents for packaged retail and insurance-based investment products.

The Council set out the following amendments it is seeking to introduce:

- to allow for better comparability between financial products, when companies identify and disclose the principal adverse impacts of their investments, they must make use of at least three indicators from a list to be provided by the European Commission to support their claims;
- investments in companies that are active in the fossil fuel sector that allocate 20% of their capital expenditure to economic activities that are aligned with EU taxonomy rules, and which have a strategy to reduce emissions, may be included in the transition category;
- inclusion of general-purpose issuances by public sector bodies in the transition category; and
- the disapplication of categorisation provisions for alternative investment funds offered exclusively to professional investors.

Now that the Council's position is established, the Presidency of the Council can begin negotiations with the European Parliament.

Planning and Infrastructure Act 2025: regulations for environmental delivery plan prioritisation and nature restoration levy

The Environmental Delivery Plans (Appropriate Prioritisation) Regulations 2026 (SI 2026/655) were made on 16 June, and will come into force on 9 July, and on 18 June, the draft Nature Restoration Levy Regulations 2026 were laid before Parliament.

Under the Planning and Infrastructure Act 2025, the government is introducing an alternative approach for developers in England to meet environmental obligations relating to protected sites and species. Where an Environmental Delivery Plan (EDP) prepared by Natural England (NE) is in place and used by a developer, that developer is no longer required to undertake its own assessment for issues addressed by the EDP. To use the EDP, the developer must pay the nature restoration levy into the Nature Restoration Fund, which is then used by NE to pay for the conservation measures set out in the EDP. The levy regulations provide the framework for how it operates.

The prioritisation regulations establish how NE should prioritise conservation measures when preparing an EDP: that is, NE must prioritise measures that avoid the negative effect of EDP development over those that simply mitigate, and those that mitigate over those that compensate. In most cases, avoidance measures will be conditions of development.

Government publishes response to energy efficiency standards for non-domestic private rental properties

The government has published an interim response to consultations on raising the minimum energy efficiency standards for non-domestic private rental properties in England and Wales.

Environment

The response confirms an intention to introduce the following requirements:

- All non-domestic private rental properties over 1,000 SqM to reach an energy efficiency rating of EPC B (where cost effective) from 2031.
- Buildings below 1,000 SqM will retain the current minimum standard of EPC E.
- There will no longer be an interim 2027 target.

Commission updates EU Deforestation Regulation product scope and digital tools

See ESG section.

Commission adopts delegated regulations to simplify the CSRD

See ESG section.

Council formally adopts End-of-Life Vehicles Regulation

See ESG section.

HMRC consults on new VAT rules for Deposit Return Schemes

See sustainable products section.

Government responds to Environmental Audit Committee report on PFAS

See sustainable products section.


Matthew Germain, Partner
T: +44 117 917 3662
matthew.germain@osborneclarke.com


Arthur Hopkinson, Senior Associate
T: +44 117 917 3860
arthur.hopkinson@osborneclarke.com


Julian Wolfgramm-King, Senior Associate (Australian Qualified)
T: +44 20 7105 7335
julian.wolfgramm-king@osborneclarke.com


Caroline Bush, Associate Director
T: +44 117 917 4412
caroline.bush@osborneclarke.com


Lauren Gardner, Associate
T: +44 117 917 3215
lauren.gardner@osborneclarke.com

Environmental, social and governance

Environmental, social and governance

UK

HMRC publishes CBAM guidance collection

HMRC has published a collection of guidance on the UK Carbon Border Adjustment Mechanism (CBAM), which applies from 1 January 2027 to imports of goods in the aluminium, cement, fertiliser, hydrogen, and iron and steel sectors.

The guidance covers which goods are in scope, who qualifies as the importer, registration requirements, record-keeping obligations and how the CBAM charge operates, including the availability of carbon price relief where a qualifying carbon price has already been paid overseas. Importers must register once they expect to import CBAM goods worth £50,000 or more within the next 30 days, or once their imports over the previous 12 months have met that threshold. Registration opens by 1 January 2028, but importers that become liable before that date must keep records from the point of liability.

Those importing CBAM goods should use the guidance now to confirm whether they fall within scope and to establish record-keeping processes ahead of the January 2027 start date, rather than waiting for the registration window to open.

UK Immigration and Asylum Bill introduced to strengthen modern slavery reporting framework

See modern slavery section.

EU

Commission updates EU Deforestation Regulation product scope and digital tools

The European Commission has adopted two measures to support implementation of the EU Deforestation Regulation (EUDR) ahead of its application from 30 December for large and medium-sized operators.

A delegated regulation updates the list of covered products, removing cattle hides, skins and leather, re-treaded tyres, soybeans for sowing, articles of vulcanised rubber, conveyor and transmission belts, and aircraft and motor vehicle seats. It adds soluble coffee, certain palm oil derivatives and frozen cattle tongues from 30 December 2027.

The changes relate to products derived from the seven EUDR commodities and do not alter the commodity list itself. The delegated regulation also clarifies that samples used for analysis, examination and testing fall outside the regulation's scope and introduces exemptions for waste, used and second-hand products, packing material, and products used in the manufacture of medicinal products.

An implementing regulation sets out the functioning of the information system for submitting due diligence statements and simplified declarations, including a simplified declaration form for micro and small primary operators, updated specifications for automated application interfaces, and a contingency plan for unplanned unavailability. The Commission has also updated its main guidance on the EUDR to reflect all changes.

The Department for Environment, Food and Rural Affairs (Defra) has separately published guidance for businesses on their obligations under the EU Regulation on deforestation-free products, which applies in Northern Ireland by virtue of the Windsor Framework. The government has confirmed it will consult businesses, civil society and international partners on proposed deforestation regulations for Great Britain, aiming to align aspects of the scope and information requirements with the EUDR to reduce regulatory divergence and support trade with the EU.

Commission adopts delegated regulations to simplify the CSRD

Following its consultation on Corporate Sustainability Reporting Directive (CSRD) reporting standards, the European Commission has adopted two delegated regulations simplifying the sustainability reporting framework. Both are subject to a two-month scrutiny period by the European Parliament and the Council.

The first revises and simplifies the European Sustainability Reporting Standards (ESRS). It introduces a simplified materiality assessment and additional targeted flexibilities. The revised ESRS will apply for financial years starting on 1 January 2027, with an early adoption option for companies whose CSRD obligations begin in 2026.

The second establishes voluntary standards for companies with fewer than 1,000 employees on average. These sit outside the mandatory CSRD regime but are drawn into sustainability reporting through the value-chain cap, under which large in-scope companies may request sustainability data from supply chain partners. The voluntary standards provide a structured, proportionate basis for responding to those requests. They will apply to in-scope entities undertaking value chain reporting from financial years starting in 2027 and to out-of-scope companies wishing to report voluntarily from the date of entry into force.

European Commission publishes guidelines on Forced Labour Products Regulation

Environmental, social and governance

See modern slavery section.

European Parliament calls for suspension of Urban Wastewater Treatment Directive EPR obligation
See products section.

Katie Vickery, Partner
T: +44 20 7105 7250
katie.vickery@osborneclarke.com

Chris Wrigley, Partner
T: +44 117 917 4322
chris.wrigley@osborneclarke.com

Matthew Germain, Partner
T: +44 117 917 3662
matthew.germain@osborneclarke.com

Fintech, digital assets, payments and consumer credit

Fintech, digital assets, payments and consumer credit

Fintech

Money Laundering and Terrorist Financing (Amendment) Regulations 2026

On 9 June 2026, the Money Laundering and Terrorist Financing (Amendment) Regulations 2026 were made. The regulations amend the Money Laundering Regulations 2017 and related provisions in the Terrorism Act 2000 and the Proceeds of Crime Act 2002. Key changes include:

- Amendments to due diligence requirements and updating currency thresholds from euros to sterling.
- Strengthening the AML regime for cryptoasset businesses, including new enhanced due diligence for cryptoasset correspondent relationships.
- Changes to the Trust Registration Service to close identified gaps.
- Changing the definition of "high risk third country" to "FATF call for action country".

The regulations mostly came into force on 30 June 2026. The new enhanced due diligence requirements for cryptoasset correspondent relationships come into force on 1 February 2027.

Payments

FCA welcomes launch of UK Payments Initiative scheme for open banking payments

On 2 June 2026, the FCA welcomed the launch of a new UK Payments Initiative (UKPI) scheme for recurring and automated open banking payments.

UKPI is an industry-led company established to develop and operate a commercial scheme for variable recurring payments (VRPs) in the UK. The scheme establishes a shared rulebook, commercial model and operational standards for automated recurring account-to-account payments, which offer an alternative to traditional card-based and direct debit payments. The "phase 1" use cases include payments to the government, utilities, charities and financial services.

The FCA considers the launch a significant step forward for open banking and commercial VRPs, and expects it to act as a catalyst for other schemes to emerge.

RPIB consults on design of future retail payments infrastructure

On 25 June 2026, the Retail Payments Infrastructure Board (RPIB) published a consultation paper on the design of the future UK retail payments infrastructure, as part of the Strategy for Future Retail Payments Infrastructure published by the Payments Vision Delivery Committee in November 2025.

The RPIB considers the infrastructure's design from three perspectives:

- Future payment journeys: what payment journeys should the core infrastructure support for end-users?
- Design principles: what principles and characteristics should guide the design of core infrastructure?
- The wider payments ecosystem: what role should the core infrastructure play within the wider UK payments ecosystem?

The consultation closes on 11 September 2026. The Delivery Company is expected to progress the core infrastructure later in 2026.

Digital assets

FCA responds to questions on interaction between MLRs 2017 and new cryptoassets regulatory framework

Fintech, digital assets, payments and consumer credit

On 3 June 2026, the FCA published responses to questions from firms on how the Money Laundering Regulations 2017 interact with the forthcoming cryptoassets regulatory regime, which will require many cryptoasset firms to become fully authorised by the FCA for the first time.

Areas covered include:

- The regulatory perimeter and the transition period ahead of the new regulatory regime commencing on 25 October 2027.
- Authorisation expectations and application quality.
- Anti-money laundering governance, leadership and resourcing arrangements, together with anti-money laundering framework design and documentation.
- Crypto-specific risk assessment and typologies.
- The regulator's expectations in relation to transaction monitoring, blockchain analytics and surveillance tools.

Regulation of systemic stablecoins

On 22 June 2026, the Bank of England (BoE) published a policy statement on regulating sterling-denominated systemic stablecoins, including a consultation on a draft Code of Practice.

In response to feedback since its November 2025 consultation, the BoE has made some changes to its policy. In particular:

- on backing assets, the BoE has adjusted its position, aligning the regime with historical liquidity stress events; and
- on holding limits, the BoE will introduce a temporary guardrail on the level of issuance per systemic stablecoin product, which it expects to loosen and eventually remove once credit provision risks have been effectively mitigated.

The draft Code of Practice covers backing assets and safeguarding, capital and reserves, issuance, legal claim and redemption, remuneration, and the temporary issuance guardrail. Comments can be made until 22 September 2026, and the BoE plans to finalise the code by the end of 2026.

The BoE and FCA have since published a joint paper (30 June 2026), explaining how the two parts of the UK stablecoin regime will operate in an integrated way.


Nikki Worden, Partner
T: +44 20 7105 7290
nikki.worden@osborneclarke.com


Paul Anning, Partner
T: +44 20 7105 7446
paul.anning@osborneclarke.com


Paul Harris, Partner
T: +44 20 7105 7441
paul.harris@osborneclarke.com


Seirian Thomas, Senior Knowledge Lawyer
T: +44 20 7105 7337
seirian.thomas@osborneclarke.com

Food law

Food law

UK

Government confirms ban on sales of high-caffeine energy drinks to under-16s

The government has confirmed it will ban the sale of high-caffeine energy drinks to under-16s in England from April 2027, subject to parliamentary approval. The announcement follows a consultation that ran from September to November 2025 and received 1,095 responses, with strong support for an age restriction.

The ban will apply to drinks, other than tea or coffee, containing more than 150mg of caffeine per litre. It will cover retail sales in shops, vending machines and online, but will not apply to business-to-business sales. The government intends to bring forward secondary legislation using powers under the Food Safety Act 1990. Retailers will be responsible for ensuring compliance, with enforcement by local authorities. Businesses that breach the rules face fines of up to £2,500.

Retailers selling high-caffeine energy drinks face a deadline of April 2027 to put in place age verification processes and staff training. The final scope of the measure, including any exemptions, will be determined at as it makes its way through Parliament. Businesses operating in the energy drinks market more broadly will likely want to monitor its passage.

MPs call for action to fix England's food environment and tackle obesity

The House of Commons Health and Social Care Committee has published a report urging the government to take stronger action on obesity by regulating the food environment more robustly, rather than continuing to defer to food industry interests.

The committee's central concern is that the current environment pushes consumers, particularly those on lower incomes, towards cheaper high fat, sugar and salt (HFSS) products. With 30% of adults and 28% of 13- to 15-year-olds in England living with obesity or excess weight, and obesity costing the UK an estimated £74.3 billion per year, the committee argues the cost of inaction far outweighs the cost of reform.

Recommendations include extending the current TV and online HFSS advertising ban to cover brand and range advertising, and for a ban on all outdoor HFSS advertising by July 2027. The committee also calls for updated product placement regulations by January 2027, mandatory front-of-pack traffic light labelling by January 2028, and a mandatory healthy sales reporting regime for supermarkets backed by financial penalties. On planning, the report endorses policies restricting fast food outlets near schools, and calls for the National Planning Policy Framework to be updated.

The report further recommends improvements to the NHS Healthy Start scheme, including extending eligibility to school age and increasing the value of support annually, alongside a public awareness campaign to boost uptake.

The committee's recommendations, if implemented, would carry significant implications for product marketing, labelling and sales practices across HFSS product manufacturing, advertising or retail. The government's response will determine which, if any, measures are taken forward.

FSA publishes new guidance for cell-cultivated and novel food businesses

The Food Standards Agency (FSA), in partnership with Food Standards Scotland (FSS), on 10 July published four guidance documents to help businesses developing cell-cultivated products and other novel foods navigate the regulatory requirements for bringing products to market. The guidance has been produced through the Cell-Cultivated Products Sandbox Programme, which has been funded by the now broken up Department for Science, Innovation and Technology-funded and runs until February 2027.

The sandbox programme committed at the start of the year to publishing further guidance on cell identity, production, microbiology, toxicology and growth media composition throughout 2026. The four documents now published deliver on that commitment. There is guidance on hygiene requirements for the production of cell-cultivated products under general food law and hygiene regulations, as are the detailed scientific requirements for market authorisation applications, including how to characterise cell lines, describe production processes and manage microbiological hazards.

A third document offers practical recommendations for preparing stronger and more complete applications, addressing the most common reasons applications face delays. There is also guidance on the responsibilities of businesses conducting taste trials of novel foods as part of research and development activity.

The FSA's Business Support Service, which offers direct engagement with FSA and FSS regulatory experts, remains open to businesses developing cell-cultivated products until February 2027, and businesses at any stage of development should take advantage of this window to engage with regulators and ensure their path to authorisation is as well-prepared as possible.

Government sets out changes to soft drinks levy from January 2028

Food law

The government has published a policy paper confirming forthcoming changes to the Soft Drinks Industry Levy (SDIL), to take effect from 1 January 2028 and to be introduced via Finance Bill 2026-27.

The sugar threshold at which a soft drink becomes liable for the levy will be lowered from 5g to 4.5g of added sugar per 100ml. The existing exemptions for milk-based and milk-substitute drinks with added sugar will also be removed, with the levy applied to total sugar content minus lactose in the case of milk-based drinks. The changes will affect businesses that package or import packaged soft drinks containing at least 4.5g of added sugar per 100ml. Open cup beverages, such as those sold in cafes, remain unaffected.

Producers of fewer than one million litres per year will remain exempt. The government estimates that only an additional 4% of soft drink sales will become liable after accounting for expected reformulation, and notes that many manufacturers have previously reformulated products in response to the original levy introduced in 2018.

Businesses newly brought into scope, including producers and importers of milk-based and milk-substitute drinks, will need to assess their product ranges against the revised threshold and consider whether reformulation is commercially viable ahead of the January 2028 deadline. Those not already registered for the SDIL will need to register with HMRC and establish quarterly reporting processes.

EU

Commission publishes implementation strategy for new genomic techniques regulation

The European Commission has published an implementation strategy following the European Parliament's adoption of a new genomic techniques regulation. The strategy sets out planned actions and milestones at EU and member state level and identifies eight areas requiring action before July 2028.

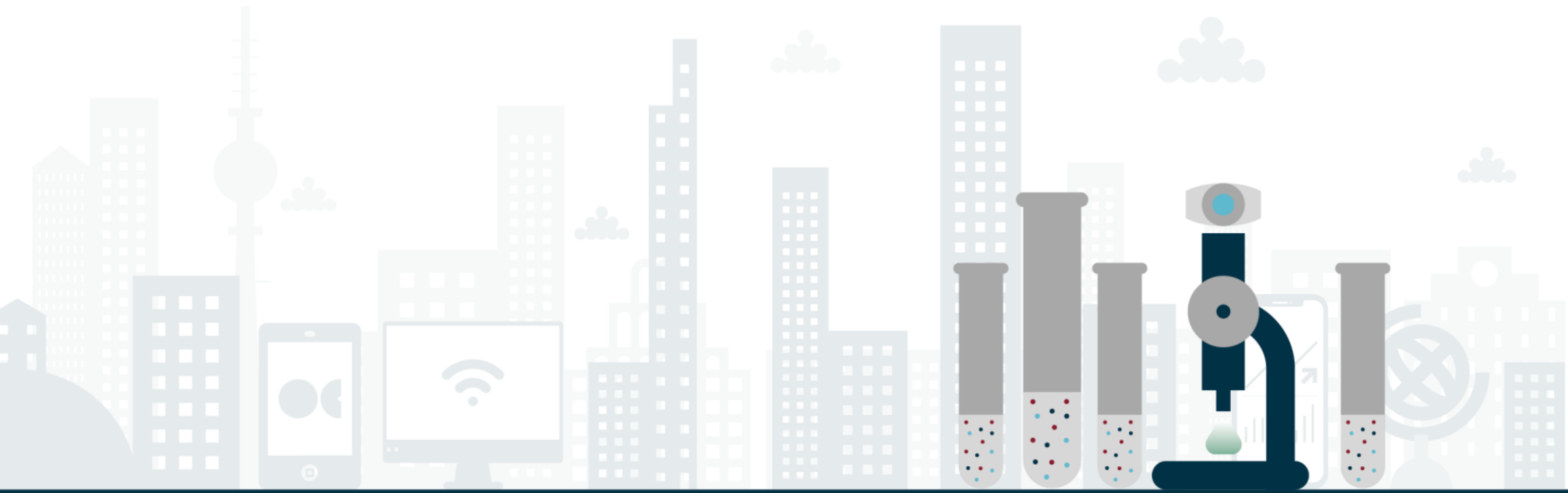
These include the adoption of delegated and implementing acts, European Food Safety Authority guidance, IT system adaptations and a monitoring programme. A stakeholder conference is planned for the final quarter of the year. The patent transparency provisions, which require applicants to disclose existing or pending patents when registering an NGT-1 plant or product, apply from the date of entry into force rather than the 2028 application date.

For businesses with NGT products in development or in the pipeline for the EU market, the implementation strategy provides a roadmap for preparation. The delegated act and EFSA guidance, both targeted for adoption in the first quarter of 2028, will be the principal documents to monitor.

Katie Vickery, Partner
T: +44 20 7105 7250
katie.vickery@osborneclarke.com

Veronica Webster Celda, Associate Director
T: +44 20 7105 7630
veronica.webster@osborneclarke.com

Charlie Hennig, Associate
T: +44 20 7105 7524
Charlie.hennig@osborneclarke.com



Health and Safety

Health and Safety

Martyn's Law notification requirements published

The government has published the Terrorism (Protection of Premises) (Notification Requirements) Regulations 2026, following last month's update on the Security Industry Authority's (SIA) preparations for Martyn's Law.

The regulations were made on 9 July and laid before Parliament on 14 July and are set to come into force alongside the substantive provisions of the Terrorism (Protection of Premises) Act 2025, expected in April 2027.

The regulations set out the mechanics of the notification regime, covering the timeframes within which responsible persons must notify the SIA, the process for submitting notifications through the SIA's online portal and the obligation to update the SIA where previously notified information ceases to be accurate.

Separately, the Tribunal Procedure Committee has consulted on procedural rule changes to accommodate section 11 applications to the First-tier Tribunal, covering matters such as whether premises fall within scope and who bears compliance responsibility. Responses closed on 27 July.

Organisations with premises or events that may fall within the scope of the Terrorism (Protection of Premises) Act 2025 will need to consider what steps are needed to comply ahead of its expected April 2027 commencement.

HSE prohibition notices signal higher bar for occupational health compliance

The Health and Safety Executive (HSE) has issued its first prohibition notice against an occupational health service provider, after finding that health surveillance was being carried out by inadequately trained, unqualified and unsupervised personnel, creating a risk of serious and irreversible harm to workers exposed to wood dust and noise. A subsequent improvement notice followed, citing inadequate clinical governance, no quality assurance processes and no procedures for escalating adverse findings.

HSE made clear that it expects occupational health providers to demonstrate genuine competence and robust clinical governance. For employers, the notice is a reminder that appointing an occupational health provider does not discharge the underlying legal obligation: businesses should satisfy themselves that any provider they use is capable of meeting the required standard.

Separately, HSE has served prohibition notices on four companies as part of its nationwide inspection campaign targeting the use of engineered stone, requiring them to cease work immediately following serious failures in controlling exposure to respirable crystalline silica dust. The action follows HSE's publication of new control of substances hazardous to health, or COSHH, guidance effectively ruling out dry-cutting of engineered stone, with more than 1,000 inspection visits planned during 2026/27. Businesses working with engineered stone will want to review their compliance with the guidance ahead of further enforcement activity.

MHCLG updates fire safety enforcement guidance to include secretary of state determinations

The Ministry of Housing, Communities and Local Government has updated its guidance on enforcement and sanctions under the Regulatory Reform (Fire Safety) Order 2005, with the addition of a new section on secretary of state determinations.

Where both parties agree that improvements to fire precautions are needed but cannot agree on the technical solution, either the enforcing authority or the responsible person may refer the matter to the secretary of state for an independent determination under article 36 of the order. The government has also published separate updated guidance on the process for obtaining such a determination.

The updated guidance also covers the full range of enforcement tools available to enforcing authorities, from non-statutory verbal advice through to enforcement, prohibition and alterations notices, as well as prosecution and the circumstances in which individuals within an organisation may be held personally liable.

See the digital regulation section for updates on online safety, age assurance and the UK Online Safety Act

Health and Safety

Mary Lawrence, Partner
T: +44 117 917 3512
mary.lawrence@osborneclarke.com

Reshma Adkin, Associate Director
T: +44 117 917 3334
reshma.adkin@osborneclarke.com

Matthew Vernon, Senior Associate
T: +44 117 917 4294
matthew.vernon@osborneclarke.com

Zoe Hunt, Associate
T: +44 117 917 3918
zoe.hunt@osborneclarke.com

Amy Lewis, Associate
T: +44 117 917 4407
amy.lewis@osborneclarke.com

Modern slavery

Modern slavery

UK Immigration and Asylum Bill proposes to strengthen modern slavery reporting framework

The government's Immigration and Asylum Bill, presented to Parliament on 30 June, proposes changes to the reporting regime under section 54 of the Modern Slavery Act 2015, which requires commercial organisations with annual turnover of £36 million or more to publish an annual slavery and human trafficking statement.

The bill's principal proposals include prescribed content requirements for modern slavery statements, with greater emphasis on accountability and a requirement that organisations to explain why certain steps have not been taken.

Among the specific proposals, organisations would be required to include an accuracy statement from the relevant signatory, with parent undertakings permitted to sign on behalf of subsidiaries. The bill would also extend reporting obligations to public bodies whose budget meets a threshold to be set in secondary legislation and would require statements to the secretary of state by specified electronic means. A financial penalty regime for non-compliance of up to the greater of £1 million or 1% of total turnover.

The bill does not include mandatory human rights due diligence obligations, an omission already criticised by the Independent Anti-Slavery Commissioner. The bill passed its second reading on 13 July by 264 votes to 90 and will now proceed to committee stage. The House of Commons Public Bill Committee, which will meet for the first time to scrutinise the bill on 10 September, has issued a call for evidence and is accepting written submissions. The committee is expected to report by 3 November.

European Commission publishes guidelines on the Forced Labour Products Regulation

The European Commission has published guidelines on the application of the Forced Labour Products Regulation (FLPR) and launched a new Forced Labour Single Portal, providing businesses and other stakeholders with practical guidance ahead of the regulation's enforcement date of 14 December 2027. The guidelines are addressed to competent authorities, customs authorities, businesses and consumer associations, and are not legally binding.

The FLPR prohibits the placing of products made with forced labour on the EU market and their export from the EU. It covers all products regardless of origin, type or sector, whether made in whole or in part with forced labour at any stage of the supply chain, and applies to all economic operators, including non-EU businesses.

The guidelines cover the scope of the regulation, including the definition and risk indicators of forced labour, as well as the investigation and enforcement process, including how investigations are prioritised and how penalties are calculated. They also included non-binding due diligence guidance for businesses, based on the Organisation for Economic Co-operation and Development (OECD) six-step framework, which cover risk identification and assessment, prevention and mitigation, monitoring, external communication and remediation.
Published well ahead of the December 2027 enforcement date, the guidelines give companies time to map forced labour risks across their supply chains and align test their due diligence frameworks against the OECD model.

Chris Wrigley, Partner
T: +44 117 917 4322
chris.wrigley@osborneclarke.com

Charlie Hennig, Associate
T: +44 207 105 7524
charlie.hennig@osborneclarke.com

Products

Products

Jump to: General / digital products | Sustainable products | Life Sciences and healthcare

General/digital products

UK

Government sets out regulatory 'sandbox' plans under forthcoming Regulating for Growth Bill

The Department for Business and Trade (DBT), prior to expansion and renaming this month, published further details and guidance on its plans to introduce statutory regulatory "sandbox" powers, building on the announcement made in the May 2026 King's Speech. The Regulating for Growth Bill will give the government cross-sector powers to temporarily modify or disapply legislation that acts as a barrier to innovation, allowing approved businesses to test new products or services in the live market within a supervised, time-limited environment. Where testing demonstrates that an approach is safe and effective, the government will be able to legislate to make the relevant regulatory changes permanent.

Anticipated uses include a cross-economy sandbox for AI-enabled products and services, a lawful route to market for pavement delivery robots, and accelerated testing and approval of innovative medicines and medical devices. Sandboxes will be open to businesses of any size and in any sector, with findings shared transparently to support broader adoption. The bill will also strengthen regulators' obligations to support economic growth through statutory ministerial steers and new reporting requirements.

The proposals are of particular relevance to businesses in sectors where regulation has not kept pace with technological change, particularly those considering whether their product pipeline could benefit from sandbox participation. The DBT has indicated it is engaging with industry to shape how the programme works in practice, and representations from business ahead of the bill's publication will form part of that process.

Government launches call for evidence on toy safety regulations

The Office for Product Safety and Standards (OPSS) has launched a call for evidence on toy safety, seeking views on whether Great Britain should adopt a similar approach to the EU Toy Safety Regulation (EU) 2025/2509 which will fully apply from 1 August 2030. The call for evidence closes on 6 October.

The OPSS is seeking views on four areas: the potential benefits and costs of adopting a similar approach to the EU regulation in GB; the potential benefits and costs of continuing to recognise EU toy requirements, including CE marking; how consumer risks may be changing, including from chemicals, AI-enabled and connected toys, and online marketplaces; and the practicalities and costs of any future regulatory changes.

The call for evidence is open to toy manufacturers, importers, distributors and online marketplaces, with the deadline for responses on 6 October. Areas under consideration include the introduction of digital product passports, updated chemical restrictions and obligations for connected and AI-enabled toys, where the direction of GB regulation remains to be settled.

OPSS consults on restricting loudest fireworks to professional displays

The Office for Product Safety and Standards (OPSS) has launched a 12-week consultation on the regulation of fireworks and pyrotechnics in the UK as part of the government's Safer Streets Mission to tackle anti-social behaviour. The consultation closes on 7 October 2026.

The central proposal is to reduce the maximum permitted noise level for consumer fireworks from 120 to 110 A-weighted impulse decibels, or dB(A,imp), which the government estimates would halve the perceived loudness of the loudest products and remove around one third of current consumer fireworks from general sale, with those products restricted to professional use only. The consultation also seeks views on adding further fireworks to the existing banned list under the Pyrotechnic Articles (Safety) Regulations 2015, and on reviewing the regulatory framework for lower-risk products, including a proposal to remove the age restriction on purchasing Christmas crackers given their comparatively low risk profile.

Fireworks manufacturers, importers and retailers interested in responding to the proposals have until 7 October before the consultation closes. The government has indicated a six-month transitional period from the point of any legislative change. The potential implications for product ranges are likely to require businesses to undertake early assessment.

New regulations limit use of automated vehicle terminology in marketing

See advertising and marketing section.

Government consults on packaging, appearance and display requirements for vapes, nicotine and tobacco products

Products

See advertising and marketing section.

EU

ENISA publishes self-assessment tool for SMEs ahead of Cyber Resilience Act

The EU Agency for Cybersecurity (ENISA) has published the SME Cyber Resilience Maturity Assessment Model, a self-assessment tool to help small and medium-sized enterprises (SMEs) evaluate their cybersecurity practices ahead of the Cyber Resilience Act (CRA), which applies in full from 11 December 2027. The tool builds on the draft CRA guidance for SMEs and microenterprises on which the European Commission consulted earlier this year.

The model covers five domains: governance and documentation; risk management and security by design and by default; vulnerability and patch management; product life-cycle management; and awareness, competence and skills. It classifies organisations as basic, intermediate or advanced, and includes a downloadable Excel tool that calculates maturity scores and tracks progress over time. It is primarily aimed at manufacturers placing products with digital elements on the market but can also be used by integrators and service providers.

For SMEs manufacturing connected products with EU market exposure, the tool offers a structured starting point for CRA preparation. An advanced score does not constitute evidence of compliance and should not be treated as a substitute for legal analysis of obligations under the CRA.

Life sciences and healthcare

UK

Government publishes white paper on veterinary sector reform

The Department for Environment, Food and Rural Affairs has published a white paper setting out what it describes as the most significant overhaul of veterinary regulation in six decades. The proposals respond directly to the findings of the Competition and Markets Authority (CMA), which raised concerns about transparency and competition in the sector.

The principal proposals include a requirement for vet practices to publish price lists for common treatments; a £21 cap on written prescription fees; mandatory disclosure of practice ownership; a new mandatory licensing system for veterinary businesses, with inspections and published compliance reports; and the introduction of an independent veterinary ombudsman with the power to make binding decisions on unresolved complaints. The white paper also proposes bringing veterinary nurses and certain allied veterinary professionals into formal regulation for the first time.

The proposal is still at consultation stage, but the government's direction of travel is clear: regulation will extend to veterinary businesses, not just individual practitioners, and the sector will need to prepare early for that shift.

Government sets out economic growth goals for the MHRA

The Department of Health and Social Care has published three economic growth goals agreed with the Medicines and Healthcare products Regulatory Agency (MHRA), providing a consolidated framework for how the regulator should support economic growth over the next 12 to 18 months.

The three goals cover pace and predictability in regulatory decision-making, with specific targets for medicines licensing and clinical trial application timelines; expanded pathways for innovative products, including greater use of regulatory sandboxes and a new rare diseases pathway; and positioning the UK as a leader in healthcare AI regulation, with a new framework to be developed following the National Commission into the Regulation of AI in Healthcare's report, expected this summer.

EU

European Parliament calls for suspension of Urban Wastewater Treatment Directive producer responsibility obligations

The European Parliament adopted a resolution on 16 June calling for a temporary suspension of the extended producer responsibility (EPR) provisions under the Urban Wastewater Treatment Directive (Directive (EU) 2024/3019) and a new impact assessment by the European Commission by the end of 2026. Under the EPR scheme, the pharmaceutical and cosmetics industries are required to finance at least 80% of the costs of quaternary wastewater treatment, with the current methodology attributing approximately 92% of the micropollutant load to those sectors.

The Parliament cited concerns over medicine affordability and security of supply, noting that cost estimates from member states, including Germany and Spain, significantly exceed those in the Commission's original impact assessment, and that the methodology for attributing micropollutant loads has been questioned on scientific grounds. The resolution has urged the Commission to issue guidance to member states on available implementation flexibilities by the end of July 2026. This has been welcomed by industry bodies including the European Federation of Pharmaceutical Industries and Associations and Medicines for Europe. It echoes calls from Health Ministers of 17 member states for new evidence before implementation proceeds.

How the Commission responds to that pressure, and in particular whether it issues the guidance on implementation flexibilities it has been urged to publish, will indicate whether the EPR obligations will proceed as currently framed or be revisited. Pharmaceutical and cosmetics businesses will be watching that guidance closely, as it will determine how much flexibility member states have when designing their national EPR schemes.

Sustainable products

UK

Government responds to parliamentary report on PFAS restrictions

The government has published its response to the Environmental Audit Committee's April report on per- and poly-fluoroalkyl substances (PFAS), which had called for phased restrictions on non-essential PFAS uses from 2027 and faster action under UK REACH. The response makes no significant new regulatory commitments but confirms the direction of travel on several fronts.

The government has confirmed plans to reform UK REACH to address chemical pollution more quickly and in closer alignment with the EU, with reforms intended to be introduced by December 2028. It will also consider setting maximum levels for PFAS in food, explore interventions on PFAS in landfills, and continue to explore opportunities to strengthen the application of the polluter pays principle in relation to PFAS contamination. On the committee's central recommendation of restricting PFAS to essential uses only, the government says this "presents additional complexities" and that it is waiting to see the outcome of EU REACH decisions before acting.

The December 2028 UK REACH reform deadline gives businesses that use PFAS a clearer indication of when restrictions are likely to tighten in the UK as they look to map their exposure across their products and supply chains.

PackUK and Defra publish recyclability assessment methodology guidance for 2027

PackUK and the Department for Environment, Food and Rural Affairs (Defra) have published the statutory recyclability assessment methodology (RAM) 2027 guidance setting out how large producers under extended producer responsibility for packaging are to assess and report the recyclability of household packaging supplied during the 2027 reporting year.

The guidance covers recyclability ratings, component classification, take-back evidence, medical packaging and a seven-year record-keeping requirement. Reporting deadlines are 1 October 2027 for first-half data and 1 April 2028 for second-half data. Producers that did not achieve a green RAM rating for 2026 should treat the updated guidance as a prompt to review their packaging portfolios, as RAM ratings directly affect the eco-modulation fees they will pay under the scheme.

OPSS and Defra publish guidance on EU Batteries Regulation for Northern Ireland businesses

The Office for Product Safety and Standards (OPSS) and Defra have published guidance for businesses involved in the manufacture, import, supply and sale of batteries in Northern Ireland, where the EU Batteries Regulation applies directly under the Windsor Framework.

The guidance covers current requirements already in force, including substance restrictions, conformity assessment and CE marking, as well as future requirements with staggered in-force dates running through to 2036, including digital battery passports from 18 February 2027 and due diligence obligations from 18 August 2027.

For businesses operating across the UK, the government's confirmation that it will consult in the autumn on an aligned regime for Great Britain consistent with the EU Batteries Regulation is of particular note: it signals that the divergence between the GB and Northern Ireland regimes is unlikely to persist in the long term.

Regulations extended to recognise CE marking for energy-related products in Great Britain

The government has laid the Ecodesign for Energy-Related Products and Energy Information (Amendment) Regulations 2026 in Parliament, which came into force on 27 July. The regulations deliver on the proposal consulted on in January, extending CE marking recognition to energy-related products regulated under the EU Ecodesign for Sustainable Products Regulation (ESPR), which replaces the EU Ecodesign Directive from mid-2027. All 17 consultation respondents supported the proposal.

The practical effect begins in 2027, when the first EU regulations made under ESPR come into force. From that point, products bearing the CE marking that also meet Great Britain ecodesign standards can be sold in Great Britain without a separate UK Conformity Assessed marking. Manufacturers supplying both markets can therefore continue to use a single product line rather than maintaining parallel conformity assessment processes.

HMRC consults on new VAT rules for deposit return schemes

HMRC has published a policy paper with draft legislation that would shift responsibility for accounting for VAT on unrefunded deposits under the three national deposit return schemes (DRS) from manufacturers and importers to the relevant scheme administrator. The change applies across England, Northern Ireland, Scotland and Wales and will take effect from the launch of the schemes, currently expected in October 2027.

Under the current framework, manufacturers and importers account for VAT on deposits that are not refunded when containers are not returned. The proposed change centralises that liability with the scheme administrator, removing the need for businesses throughout the supply chain to account for VAT on the deposit element of the price. The measure will be introduced in Finance Bill 2026-27, with detailed accounting regulations to follow by statutory instrument after Royal Assent.

Government launches call for evidence on digital product records policy

The newly expanded Department for Business, Innovation, Science and Trade has launched a call for evidence on digital product record (DPR) policy, closing on 21 September 2026. The call is a direct response to the EU Digital Product Passport (DPP) framework being rolled out under the Ecodesign for Sustainable Products Regulation, which applies in Northern Ireland under the Windsor Framework and begins its phased rollout with mandatory battery passport requirements from February 2027.

The government is now exploring whether to develop an equivalent framework for Great Britain, and is using the call for evidence to understand how the EU DPP is already affecting businesses selling into the EU and Northern Ireland, and what a domestic regime should look like. The call is open to all interested parties, including manufacturers, importers, distributors, trade associations and conformity assessment bodies.

Businesses already managing EU DPP compliance are well placed to respond via the online portal before the 21 September

EU

ESPR ban on destruction of unsold clothing and footwear now in force

A ban on large enterprises destroying unsold apparel, clothing accessories and footwear under article 25 of the Ecodesign for Sustainable Products Regulation (ESPR) came into force on 19 July 2026. Medium-sized enterprises must comply from 19 July 2030. The ESPR sets out circumstances where destruction is permitted and documentation which companies are required to maintain.

EU PPWR's first compliance deadlines set to arrive in August

The first wave of requirements under the EU Packaging and Packaging Waste Regulation (PPWR) take effect next month.

From 12 August, any business that places or distributes packaging on the EU market must carry out conformity assessments and draw up a declaration of conformity for each type of packaging placed in the EU market. food contact packaging containing PFAS (per- and polyfluoroalkyl substances) above specified thresholds will be banned. The PPWR is set to transform EU market access business that face a substantial range of compliance obligations and deadlines in the years ahead.

European Commission launches Digital Product Passport information hub

The European Commission has launched a dedicated web page as a central information hub for the Digital Product Passport (DPP), developed under the Ecodesign for Sustainable Products Regulation (ESPR). The page follows the Commission's consultation on the DPP registry and provides guidance on how the DPP will work, what it means for different stakeholder groups and how implementation will progress across product sectors.

The DPP will be introduced progressively, beginning with certain battery categories, before extending to textiles, steel and construction products. Businesses operating in the EU can use the new web page to track implementation updates and sector-specific guidance as it is published.

Products

European Commission exempts smartwatches, fitness trackers and electric toys from portable battery removability rules

The European Commission has adopted a delegated act that extends the list of products exempt from EU requirements that portable batteries be removable and replaceable by end users. Under the EU Batteries Regulation, such removability is generally required to extend product lifetimes and facilitate battery recycling. Certain product categories, including medical devices and wet appliances such as electric toothbrushes, were already exempt on safety grounds, with their batteries required only to be accessible to independent professionals.

Six new product categories have now been added to the exemption list, including wearable devices such as smartwatches and fitness trackers, electric toys, and equipment falling within the scope of the ATEX Directive, which covers products used in explosive atmospheres. Updated guidance for manufacturers on applying the new derogations has also been issued.

The delegated act now passes to the European Parliament and the Council of the EU for scrutiny, and will enter into force 20 days after publication in the Official Journal unless either institution objects.

Council formally adopts End-of-Life Vehicles Regulation

The Council of the EU formally adopted in late June the regulation on circularity requirements for vehicle design and the management of end-of-life vehicles, following the European Parliament's first-reading adoption on 18 June. The regulation requires new vehicles to be designed for easy disassembly, and sets minimum recycled plastic content thresholds of 15% within six years of entry into force and 25% within ten years, of which at least 20% must be sourced from end-of-life vehicles.

Extended producer responsibility will apply three years after entry into force, making manufacturers financially responsible for the collection and treatment of end-of-life vehicles across the EU. The regulation also bans the export of unroadworthy used vehicles and strengthens traceability measures to address illegal dismantling and export. The regulation will be published in the Official Journal and will start to apply two years after entry into force. The supply chain and product design implications for automotive manufacturers and suppliers are likely to require early assessment.

European Commission proposes simplification of energy and tyre labelling rules

The European Commission has proposed amendments to the EU energy and tyre labelling frameworks to reduce compliance costs for suppliers and retailers while maintaining consumer-facing information. The proposal is expected to save businesses and market surveillance authorities up to €125 million annually over the next ten years.

The principal changes would allow greater flexibility in how labels are displayed depending on the sales channel, including permitting electronic shelf displays as an alternative to paper labels, requiring labels to be provided at the point of the contractual offer for appliances sold through installers, and simplifying the process for updating tyre labels. The proposal also clarifies the responsibilities of representatives of non-EU manufacturers.

European Parliament calls for suspension of Urban Wastewater Treatment Directive EPR obligations
See life sciences and healthcare above.

Katie Vickery, Partner
T: +44 207 105 7250
katie.vickery@osborneclarke.com

Veronica Webster Celda, Associate Director
T: +44 207 105 7630
veronica.webster@osborneclarke.com

Charlie Hennig, Associate
T: +44 207 105 7524
charlie.hennig@osborneclarke.com

Thomas Stables, Senior Associate
T: +44 207 105 7928
thomas.stables@osborneclarke.com

Regulated procurement

Regulated procurement

PPN 022 updated to require reporting of steel origin in contract notices

The Cabinet Office has updated Procurement Policy Note 022 (PPN 022) to introduce a new transparency requirement for steel procurements commencing from 1 October 2026. Central government departments, their executive agencies and non-departmental public bodies are in-scope and must confirm in a contract details notice whether UK-produced steel is to be used by the prime contractor or within the supply chain.

The requirement applies to procurements valued at £10 million or more, or where more than 500 tonnes of steel are anticipated. Four standardised wording tags record whether steel origin is UK, non-UK, mixed or not yet known. Where non-UK steel is selected, where there is a combination of UK and non-UK steel, or where origin is not yet known, a rationale must be provided alongside the relevant tag. Acceptable reasons include cost, quality, availability, lead time and embodied carbon. The updated guidance makes clear that PPN 022 does not mandate the use of UK-produced steel.

Prime contractors on government contracts will find that as the steel origin data requirements cascade through their contracts and subcontracts that they will need to record and make available origin information for reporting purposes.

Cabinet Office publishes Investigation process guide for procurement compliance service

The Cabinet Office has added a new investigation process guide to its procurement compliance and oversight guidance, setting out how the Procurement Compliance Service will investigate potential non-compliance with the Procurement Act 2023.

The guide explains that the service focuses on systemic and institutional breaches affecting multiple contracting authorities or involving repeated failures by a single authority, rather than complaints about individual procurements. It outlines the service's statutory and non-statutory powers, its risk-based triage process, investigation stages, reporting arrangements and the circumstances in which findings may be published on gov.uk. It also clarifies referral arrangements and the role of contracting authorities during investigations.

Regulations defer move away from Contracts Finder to May 2027

The Procurement (Amendment) (No. 2) Regulations 2026 came into force on 1 July and has deferred by seven months the date on which contracting authorities will be required to stop publishing below-threshold contract notices on Contracts Finder. The change, originally due to take effect on 1 October this year, will now apply from 1 May 2027, with publication transferring to the Find a Tender central digital platform.

Catherine Wolfenden, Partner
T: +44 117 917 3600
catherine.wolfenden@osborneclarke.com

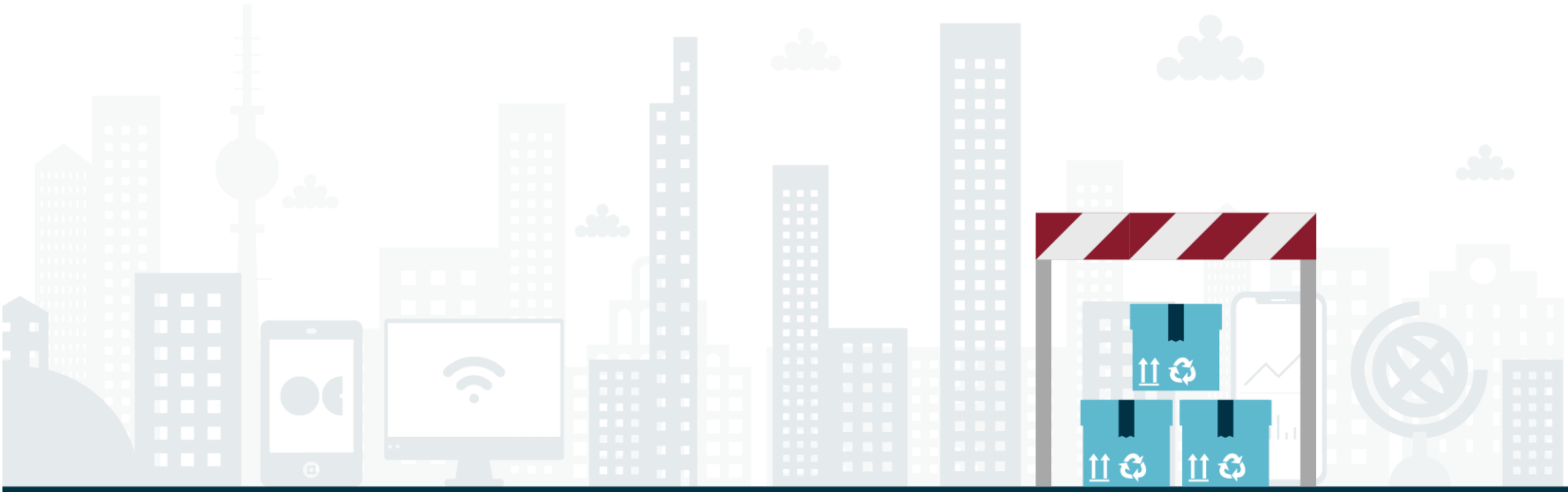
Craig McCarthy, Partner
T: +44 117 917 4160
craig.mccarthy@osborneclarke.com

Kate Davies, Associate Director
T: +44 117 917 3151
kate.davies@osborneclarke.com

Ashlie Whelan-Johnson, Associate Director (Barrister)
T: +44 207 105 7295
a.whelanjohnson@osborneclarke.com

Millie Smith, Senior Associate
T: +44 117 917 3868
millie.smith@osborneclarke.com

Gabrielle Li, Associate
T: +44 117 917 3233
gabrielle.li@osborneclarke.com



Sanctions and Export Control

Sanctions and Export Control

OFSI publishes insights from consultation on the ownership and control test

The Office of Financial Sanctions Implementation (OFSI) has published a summary of responses to its call for evidence on the ownership and control test in UK financial sanctions regulations, which closed on 20 April 2026.

The call for evidence asked stakeholders to share feedback on the "hypothetical control test" in financial sanctions legislation. Respondents reported that:

- issues on the application of the test arise most often under the Russia regime and in cases involving state-linked entities, politically connected individuals, and trusts;
- assessments made on limited information result in cost increases, involving enhanced due diligence, engaging external legal advice, and delaying or escalating business decisions for senior review;
- existing tools and legal concepts relevant to control assessments are not reliable for implementing the test, but can be helpful for understanding the nature of control.

OFSI states that the insights provided have enhanced its understanding of how frequently firms encounter hypothetical control scenarios and the impact on their business operations. The responses will also help inform the government's ongoing work and support potential next steps. This remains a policy area under active review.

OFSI reminds firms that they are still required to assess ownership and control based on existing UK financial sanctions guidance.

UK and US publish comparative review of economic sanctions authorities

The US Department of the Treasury's Office of Foreign Assets Control (OFAC) and OFSI have published joint guidance comparing the key features of their economic sanctions regimes to help the private sector better understand obligations under both systems.

The guidance covers terminology and sanctions types under both regimes, and focuses on topics including sanctions lists, available licences, recordkeeping and reporting requirements. It notes where there are important differences between the regimes, which include:

- **Reporting requirements**: any US person holding, unblocking, or transferring blocked property must submit the relevant reports to OFAC within ten business days. Under the UK regime, certain transactions and activities under the regime-specific UK regulations must be reported to OFSI.
- **Statute of limitations**: OFAC may bring a civil enforcement action for violations of sanctions prohibitions within ten years of the latest date of violation. There is no statute of limitations under UK sanctions law.
- **Voluntary disclosure policy**: OFSI and OFAC consider voluntary disclosures of apparent sanctions violations to be a mitigating factor. To encourage self-disclosure, in cases involving a qualifying voluntary self-disclosure where a civil monetary penalty is warranted, OFAC may apply up to a 50% reduction to the base amount of a proposed civil penalty. OFSI may apply up to a 30% reduction to the final monetary penalty amount.
- **Liability standard**: OFAC applies a strict liability legal standard for sanctions violations, meaning that a person may be held liable even if they did not have knowledge that they were engaging in a prohibited transaction. OFSI applies a strict liability legal standard only to sanctions breaches that occurred after 15 June 2022.
- **Blocking and freezing:** OFSI and OFAC sanction entities where a designated person owns more than 50% of that entity's shares. OFAC's "50 Percent Rule" applies to property interests owned individually or in the aggregate by one or more blocked persons. OFSI's 50% requirement applies to both shares and voting rights in the entity, calculated on an individual basis.

See OFSI's blog for more on the OFSI-OFAC partnership.

HMRC publishes technical notes for 2025 to 2026 sanctions enforcement activity

HM Revenue & Customs (HMRC) has published supplementary technical notes providing information on sanctions enforcement activities undertaken and outcomes achieved in the 2025 to 2026 financial year, previously published as part of the Strategic Export Controls Annual Report.

Sanctions and Export Control

HMRC continued to work with Border Force and UK prosecution authorities to undertake a wide range of enforcement activity through 2025 to 2026, including:

- 58 seizures of sanctioned goods, where goods destined for import or export were found to be in breach of sanctions;
- one compound settlement of £1,160,725.76 issued by HMRC for a breach of the Russia regulations;
- 18 HMRC warning letters issued as a result of voluntary disclosures;
- three positive charging decisions by the Crown Prosecution Service in respect of two cases currently awaiting trial.

HMRC also received 44 referrals from the Office of Trade Sanctions Implementation in 2025 to 2026. Of these, 21 are under review, 13 were used to support existing HMRC investigations, and no further action was taken on ten cases (due to insufficient evidence or the cases falling below the criminal threshold).

UK strategic export controls annual report 2025

The government has published the UK strategic export controls annual report 2025, covering updates on legislation, UK and international policy developments, compliance and enforcement. The report also details ongoing work to modernise the Export Control Joint Unit (ECJU).

Throughout 2025, the ECJU has made progress in transitioning away from the legacy SPIRE platform to LITE, its new online digital service for export licensing. Looking ahead to 2026, the ECJU will continue to develop additional licence types and further improve existing services on LITE. Additional development is also planned to enable LITE to produce new management information data, which is critical to supporting the ECJU in making operational improvements and reducing processing times.

UK issues dual-use goods open general export licence

The UK has issued a new open general export licence for listed dual-use goods. The licence permits the export of a wide range of dual-use items to a variety of destinations, including EU member states and the US. The licence entered into force on 25 June 2026.

Exporters must register via SPIRE before using the licence and enter their unique licence reference into the Customs Declarations System for relevant exports.

See the ECJU's related notice to exporters.

OFSI general licences and FAQs

OFSI has issued the following:

- FAQ 196, which explains the amendments made to General Licence INT/2025/8031092 (see below).
- FAQs 197-202 on basic needs allowance licences, which permit designated persons to access a capped monthly sum from frozen funds for essential living expenses.

OFSI has amended the following:

- General Licence INT/2025/5787748, which permits payments to arbitration associations and arbitrators to cover fees and expenses for their arbitration services, has been amended to introduce a new monthly reporting requirement. The amendment requires individuals to report any payments received under this licence during that month with specified details and supporting evidence. It came into effect on 28 March 2025 and is of indefinite duration.
- General Licence INT/2025/6641960, which permits non-designated persons who have made investments through designated brokers to transfer their funds to a non-designated broker. The general licence applies to transfers which would be prohibited by UK sanctions on Russia and Belarus and where the only designated party involved is the designated broker. The licence has been extended and now expires on 16 July 2027.
- General Licence INT/2026/9491628, which permits insolvency-related payments and activities connected with the Prince Group and their subsidiaries, subject to conditions, has been amended to include a new definition of "permitted insolvency activities". The licence took effect from 14 April 2026 and expires on 13 April 2031.

Sanctions and Export Control

General Licence INT/2025/8031092, which permits the continuation of business operations with Lukoil International entities, has been amended to remove the restriction set out in paragraph 4.2, which required funds made available for the benefit of Lukoil International GmbH or an international subsidiary must be paid into a frozen account. The licence took effect from 27 November 2025 and expires on 25 August 2026.

Greg Fullelove, Partner
T: +44 20 7105 7564
greg.fullelove@osborneclarke.com

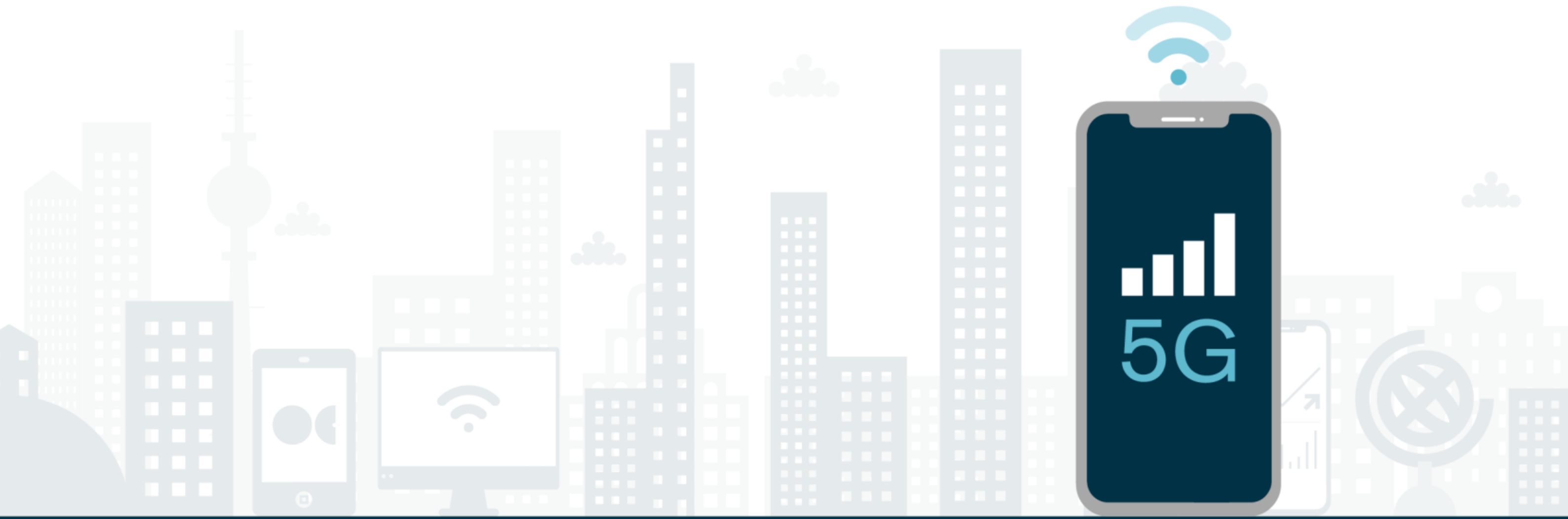
Kristian Assirati, Associate Director
T: +44 20 7105 7847
kristian.assirati@osborneclarke.com

Nick Price, Partner
T: +44 20 7105 7496
nick.price@osborneclarke.com

Chris Wrigley, Partner
T: +44 117 917 4322
chris.wrigley@osborneclarke.com

Galina Borshevskaya, Senior Associate
T: +44 20 7105 7355
galina.borshevskaya@osborneclarke.com

Carolina Toscano, Associate
T: +44 20 7105 7086
carolina.toscano@osborneclarke.com



Telecoms

Telecoms

Ofcom questioned on consumer outcomes, social tariffs, vulnerability and dispute resolution

On 29 June 2026, the Public Accounts Committee (PAC) took oral evidence from Dame Melanie Dawes (Ofcom CEO), alongside the CEOs of Ofgem and Ofwat, as part of its inquiry into the regulation of water, energy and broadband. The session drew on the National Audit Office report, Regulating water, energy and broadband to protect consumers in vulnerable circumstances (HC 27). A panel of consumer experts, including Martin Lewis CBE (MoneySavingExpert) and Citizens Advice, preceded the regulators.

The main broadband topics covered were:

1. **Mid-contract price rises.** Martin Lewis cited research finding that 75% of consumers (based on an examination of 47,000 tariffs) are paying more under Ofcom's current rules than they would have done otherwise, and argued that Ofcom should prohibit above-inflation increases mid-contract. Dame Melanie Dawes responded that Ofcom has introduced end-of-contract notifications and, separately, outlawed inflation-plus mid-contract price rises. She also argued that broadband pricing is falling, noting that average monthly prices have decreased from around £50 to £32–£34, with further discounts available, and that flattening the increase could eliminate discounting.

2. **Social tariffs.** Take-up is less than 9%, compared with 70% for the energy equivalent. Citizens Advice noted the lack of standardisation as a serious problem and observed that the current framework for broadband is a voluntary scheme without incentives for telecoms companies to promote social tariffs. As such, they recommended either a mandatory scheme or a voucher-based model. Dame Melanie Dawes acknowledged that take-up has stalled, pointed to the need for DWP data-sharing to identify eligible consumers, and noted that mandating social tariffs is a decision for government.

3. **Vulnerability and priority services.** There is currently no priority services register (PSR) in broadband. Dame Melanie Dawes was asked whether she supports the Department for Business and Trade proposal for a multi-sector "share once" register, which she said Ofcom supports in principle. However, she flagged concerns about data being held at local level rather than centrally, raising questions about how individuals can be identified and prioritised. Citizens Advice also called for a statutory advice and advocacy function in telecoms, noting it is the only essential sector without one.

4. **Alternative dispute resolution (ADR).** To provide customers with quicker resolution of their complaints, Ofcom has reduced the period after which an unresolved complaint can be escalated to ADR from eight weeks to six weeks, factoring in digital communications and speed.

5. **Consumer debt and disconnections.** Overall broadband satisfaction is 84%, falling to approximately 80% for vulnerable customers. Ofcom intends to follow up on disconnections, noting a rate of 1% every six months, which it considers potentially high. Dame Melanie Dawes confirmed that Ofcom will launch a consumer hub on telecoms shortly after the summer 2026 recess.

The session flags a number of areas of concern for both the public and the government, and signals potential areas for change in regulation. Notably, however, Ofcom did defend providers during the session. Dame Melanie Dawes highlighted that broadband and mobile are highly competitive markets operating on narrow margins, and cautioned that pushing social tariff adoption too far would almost certainly increase bills elsewhere. She also noted that certain measures sought by the committee, such as mandating social tariffs or establishing a PSR in broadband, are decisions for the government, and that investment in infrastructure such as mobile mast backup is costly and ultimately driven by government policy choices rather than provider reluctance. Providers may therefore take some comfort that Ofcom recognises the commercial constraints under which they operate, even as the regulatory and political environment continues to evolve.

Ofcom publishes updated Network and Service Resilience Guidance

On 16 June 2026, Ofcom published an updated version of its Network and Service Resilience Guidance, setting out the measures it expects communications providers to take in relation to the availability, performance and functionality of their networks and services. The updated guidance clarifies the expectations placed upon Mobile Network Operators (MNOs) to manage and mitigate the risks of power outages. This guidance supersedes and replaces Ofcom's 2022 Resilience guidance document and is intended to be read in conjunction with the Telecommunications Security Code of Practice, which focuses primarily on cyber-security aspects.

Telecoms

The Ofcom Statement on Network and Service Resilience Guidance (published in September 2024) left open the question of what specific measures MNOs should take to limit the risk of power outages. The updated guidance addresses this gap by setting out the following expected measures for mobile cell sites:

- Communications providers should run an ongoing risk assessment programme and make plans and investments proportionate to identified risks, considering both likelihood and impact, including vulnerabilities of specific communities (for example, to mobile Radio Access Network (RAN) site power failures).

- For access sites and equipment aggregating a significant number of customers' last-mile connections, resilience of the equipment and all key dependencies must be built into site and equipment design.

- Where possible, providers should eliminate the risk of losing key dependencies (such as mains power and network timing/synchronisation) for extended periods, recognising that citizens rely on access networks to reach emergency services.

The updated guidance does not specify a fixed number of hours of battery power backup for mobile cell sites. This represents a key difference from the guidelines on power backup for other network infrastructure, such as fixed access network active cabinets, for which Ofcom considers approximately four hours of power backup to be good practice, with longer durations expected in areas that suffer more frequent or prolonged outages.

Ofcom expects MNOs to take robust measures to manage and mitigate the risks of power outages, as outlined above, and to support continued communications services during power outages and surges which might reasonably be expected to occur. As such, MNOs should undertake greater action to ensure power backup in mobile RAN sites rather than relying on specified benchmarks.

Jon Fell, Partner
T: +44 20 7105 7436
jon.fell@osborneclarke.com

Eleanor Williams, Partner
T: +44 117 917 3630
eleanor.williams@osborneclarke.com

Hannah Drew, Legal Director
T: +44 20 7105 7184
hannah.drew@osborneclarke.com

TK Spiff, Associate
T: +44 20 7105 7615
tk.spiff@osborneclarke.com

Matt Suter, Associate Director
T: +44 207 105 7447
matt.suter@osborneclarke.com