

CORPORATE & COMMERCIAL TIMELINE

STEPHENS SCOWN
01392 210700 / 01872 265100
www.stephens-scown.co.uk



January 2017

The Companies, Partnerships and Groups (Accounts and Non-Financial Reporting) Regulations 2016 apply to financial years of companies and qualifying partnerships commencing on or after 1 January 2017.

This requires certain large public interest entities, (which includes traded companies), with more than 500 employees to include a non-financial statement as part of their strategic report relating to environmental, social and employee-related matters, respect for human rights and anti-corruption and bribery matters. The statement will include a description of the policies, outcomes and the risks related to those matters and the company will be required to explain why, if that is the case, it has not pursued policies in relation to these matters.

March 2017

Brexit – Article 50 is expected to be triggered.

AREA TO WATCH - the legislative and regulatory changes following Brexit will shape commercial developments throughout 2017 and beyond. Businesses should review their contract arrangements in readiness as many contractual terms will be impacted by Brexit including, termination triggers, pricing, shipping and duties, jurisdiction for bringing claims and enforcing judgments. **Early 2017 – AREA TO WATCH** - new legislation proposing amendments to the E-Privacy Directive is expected to be announced. The changes proposed include requiring web service providers to obtain user consent to the processing of location data and the prohibition of the automatic processing of personal data without an individual's consent. Messaging services such as Skype and Whatsapp would also be subject to stricter rules on the handling of personal data if enacted.

May 2017

Deadline for the government to deliver a streamlined process to incorporate a company and for that company to register for corporation tax, VAT and PAYE.

May 2017

Directors statutory duties will apply to shadow directors. A shadow director is someone who has not been appointed as a director, but who gives directions or instructions which the directors of a company are accustomed to act. This change means that the statutory duties of directors, such as the duty to promote the success of the company for the benefit of its members and the duty to avoid personal conflicts of interests will apply, even though such persons are not registered directors.

During 2017 – AREA TO WATCH

The Modern Slavery Act 2015 (MSA) is a relatively new piece of legislation which imposes certain transparency reporting requirements on companies with a turnover of over £36 million. In 2017, the Modern Slavery (Transparency in Supply Chains) Bill will be considered. If enacted this will extend the principles of the existing legislation to public procurement by requiring contracting authorities to exclude economic operators who have not complied with their MSA obligations from public contract tenders. Therefore, companies who bid for public contracts will need to adhere to the MSA requirements or risk missing out on contract bidding opportunities.

During 2017 – AREA TO WATCH

On 29 November 2016 the Department for Business, Energy and Industrial Strategy (BEIS) published a Green Paper on corporate governance reform. In particular the Green Paper seeks views on options for strengthening the employee, customer and wider stakeholder voice at boardroom level, illustrating that fair corporate governance will be a key topic in 2017.

Having adopted an employee ownership model Stephens Scown LLP is well placed to assist businesses in considering new methods of addressing corporate governance.

During 2017 – AREA TO WATCH

The draft Geoblocking Regulation proposes that companies cannot have different terms and conditions for consumers in different Member States for electronically provided services (such as cloud storage agreements) and delivery of physical goods and services provided in the Member State of the trader (such as hotels and care hire). There are also proposals which require companies to enter into agreements with one another, for example the copyright proposals require information society services to enter into agreements with rights-holders.

9 May 2018

Member states will need to adopt and publish any necessary laws, regulations or administrative provisions required to comply with the Network Information Security (NIS) Directive. The UK Government has confirmed that the NIS Directive will be implemented despite Brexit.

This Directive will lay down security obligations (including notification requirements) for operators of essential services (e.g. transport, health and finance) and for digital service providers, such as online marketplaces, search engines and cloud services providers.

LOOKING FORWARD

January 2017

On 24th January 2017 the Supreme Court ruled that an Act of Parliament is required to trigger article 50 to exit the EU. Article 50 is still expected to be triggered by the end of March 2017 however; the Bill's progress through Parliament will need to be closely monitored.

Early 2017

Guidance on completing a PSC register is expected to be published by Companies House to address errors made by businesses identifying a 'person with significant control' (PSC). For information on how we can assist you with correctly completing the PSC register [PLEASE CLICK HERE](#)

Early 2017

A prohibition on corporate directors (S156A Companies Act 2006) is expected to come into force. Once in force there will be a period of 12 months to phase out any existing corporate directors and it will be a criminal offence to breach this provision.

Whilst awaiting further guidance from Companies House with confirmation of an effective date we would advise you to compile a list of any corporate directors you do have. It is also advisable to check your articles of association to see whether there are any provisions directed at corporate directors.

6 April 2017

Duty to report on payment practices as required by S3 of the Small Business, Enterprise and Employment Act 2015 (SBEAA) will come into force. This requirement will apply to large private companies, large LLPs and large quoted companies who will be required to report on their payment practices and policies on a half-yearly basis.

6 April 2017

The Copyright (Amendments) Regulations 2016 will come into force. The regulations amend the current legislation to provide copyright protection for design works made before 1 June 1957 and will end compulsory licensing when copyright is received.

Spring 2017

The Privacy and Electronic Communications (EC Directive) Regulations 2003 (SI/2003/2526) will be amended to introduce personal liability for directors for nuisance calls. Liability could be up to £50,000 per company director for any breaches. If a company has multiple directors then each could be liable for a fine.

April 2017

The Insolvency Rules are due to be revised to introduce a simplified system.

April/May 2017

QUEEN'S SPEECH: The Great Repeal Act is expected to be announced to repeal the European Communities Act 1972.

26 June 2017

Transposition deadline of the Fourth Money Laundering Directive which will require the government to implement changes to the existing PSC regime.

Changes are likely to include:

- imposing a shorter timescale to register a change in an entity's PSC register. This is estimated to be a period of six months from the change. Currently, the requirement is to update the register at least once every 12 months
- extending the scope of entities caught by the PSC requirements to include unregistered companies and Scottish partnerships, amongst others

During 2017 – AREA TO WATCH

The EU's Single Digital Market initiative will effect certain existing contractual arrangements. This initiative will:

- introduce proposals to make cross-border e-commerce easier
- provide better access for consumers and businesses to digital goods and services
- reform the current copyright regime
- reform current telecom rules

During 2017 – AREA TO WATCH

We expect to see more test cases under the Consumer Rights Act 2015, with consumer groups (including transport and passenger groups) preparing to claim against transport providers for consumer rights breaches. We also expect more enforcement cases against companies across the EU for breaches of consumer rights law. For example, Virgin Media has been recently fined 225,000 EUR for breaches of consumer law.

25 May 2018

The General Data Protection Regulation (GDPR) comes into force which will introduce significant changes to the existing data protection legislation, especially to those who process personal data. The GDPR introduces a substantial fine which is the maximum of £20 million or 4% of annual worldwide turnover. The GDPR will have force in the UK notwithstanding the result of the EU Referendum. Throughout 2017 anyone offering goods or services, or monitoring behaviour on anyone in the EU, will need to be aware of the changes and take steps to ensure compliance in readiness for the go-live date. In 2017 we also expect to see the data protection regulator (ICO) taking more interest in the contractual obligations imposed on companies to keep information secure, the level of privacy data subjects are entitled to and prevention of cyber-breaches.