

MODERN SLAVERY: UK GOVERNMENT RESPONDS TO INDEPENDENT REVIEW

17 July 2019 | London
Legal Briefings

The UK Government has published its [response](#) to the [independent review](#) of the UK Modern Slavery Act 2015, together with [a consultation paper](#) on proposed changes to the statement on transparency in supply chains required under [section 54 of the Act](#). If implemented, these changes could increase the burden on reporting companies and could provide some, presently missing, teeth in relation to compliance.

The final report of [the Review](#) was published in May 2019 and contains a number of recommendations to strengthen and enhance the effectiveness of the Act (for further information, see [here](#)). One of the areas of focus in the Review was section 54 of the Act, which [requires](#) commercial organisations within scope to publish a statement discussing the steps taken to ensure that slavery and human trafficking is not taking place in their business or supply chain.

The Review recommends that the Government intends to take forward include:

CONTENTS OF STATEMENTS

The Review recommended that statements should be *required* to discuss all of the six areas currently listed in the Act. At present, the Act merely states that an organisation "*may*" include information in those areas. This was upgraded to "*should aim to include information about*" those areas in the [updated guidance](#), published in October 2017. The Government supports this recommendation and is consulting on how this should be implemented. The Review also recommended that additional guidance be provided on the information that organisations are expected to provide in statements. The Government has committed to updating the statutory guidance in 2020. The updated guidance will include a non-exhaustive template of the information that organisations are expected to provide.

REPORTING DEADLINE

The Government is proposing to introduce a single reporting deadline on which all organisations would be required to publish their statements each year. At present, statements are produced in relation to a particular financial year, as soon as practicable after the end of that year (with the guidance suggesting that that should be within 6 months). The Government considers that aligning the publication date, will aid comparisons and facilitate better engagement. The consultation paper seeks views on this.

ONLINE REGISTRY

The Government will take forward the Review's recommendation that there be an online registry for statements. It is proposing to amend the Act to require publication of statements via this online registry, as well as via the organisation's website. This is a route that the [Australian Modern Slavery Act 2018](#) has taken. At present, the [Modern Slavery Registry](#), amongst others, is attempting to create such a registry in the UK on a voluntary basis.

ENFORCEMENT

The Review recommended that additional sanctions be added to the Act to tackle non-compliance, including warnings, fines and director disqualification. The Government has decided to consult on introducing fines for non-compliance. The Government does not intend to take forward the Review's proposal that a designated board member be accountable for the production of a statement on behalf of an organisation.

The consultation closes on 17 September 2019.

COMMENT

Whilst ground-breaking at its introduction, questions have been raised as to the effectiveness of the UK Modern Slavery Act for some time. The Anti-Slavery Commissioner has even publically [criticised](#) business' response to the reporting obligation. This announcement by the UK Government shows that it is willing to take steps to encourage improved reporting, if necessary, albeit it remains to be seen whether the suggested changes will actually lead to any increase in corporate transparency on these issues.

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



OLIVER ELGIE
SENIOR ASSOCIATE,
LONDON
+44 20 7466 6446
Oliver.Elgie@hsf.com



GARETH SYKES
OF COUNSEL,
LONDON
+44 20 7466 7631
Gareth.Sykes@hsf.com

LEGAL NOTICE

The contents of this publication, current at the date of publication set out above, are for reference purposes only. They do not constitute legal advice and should not be relied upon as such. Specific legal advice about your specific circumstances should always be sought separately before taking any action based on this publication.

© Herbert Smith Freehills 2019

SUBSCRIBE TO STAY UP-TO-DATE WITH LATEST THINKING, BLOGS, EVENTS, AND MORE

Close

© HERBERT SMITH FREEHILLS LLP 2019