

UK Government modern slavery legislation review consultation

Date : July 30, 2019

Introduction

The “Independent Review of the Modern Slavery Act 2015: Final Report”, which we wrote about [here](https://www.corderycompliance.com/uk-modern-slavery-review-final-report-time-for-govt-to-take-tougher-action/)

<https://www.corderycompliance.com/uk-modern-slavery-review-final-report-time-for-govt-to-take-tougher-action/>, has now been subject to an official response by the UK Government which at the same time has issued a consultation on the proposed changes coming out of the independent review, entitled “Transparency in Supply Chains Consultation”, which can be found [here](https://www.gov.uk/government/consultations/transparency-in-supply-chains) <https://www.gov.uk/government/consultations/transparency-in-supply-chains>. This article sets out the highlights of the consultation.

What is UK modern slavery compliance all about?

Under the UK Modern Slavery Act 2015 compliance disclosure/transparency requirements (Section 54), an organization with UK £36 million turnover that sells goods or services in the UK is required to annually publish a modern slavery statement (slavery statement) demonstrating what it is doing to ensure that there is no slavery or human trafficking in the business or the supply-chain (covering six recommended areas); this also applies to organizations based outside the UK selling goods and services into the UK. As the UK’s official guidance on the disclosure requirements states, organizations must “paint a detailed picture” of all the steps that they have taken. This compliance obligation has now been in force since 29 October 2015 and many organizations who fall under it have already previously published their slavery statements in the last few years.

Those organizations whose financial end-of-year was December 2018 and who meet the criteria to publish a slavery statement are required to publish one to cover the period of January-December 2018, which they should have issued by the end of June 2019 at the latest. If this is a slavery statement following on from any previous one(s) it/they will have to show progress on the previous one(s).

Last autumn the UK government updated its official guidance on transparency in supply chains (the guidance), which can be found [here](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/649906/Transparency_in_Supply_Chains_A_Practical_Guide_2017.pdf): [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/649906/Transparency in Supply Chains A Practical Guide 2017.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/649906/Transparency_in_Supply_Chains_A_Practical_Guide_2017.pdf)

There is also an on-going parliamentary process to amend the UK Modern Slavery Act 2015 with a view to giving modern slavery compliance enforcement more teeth, which we have written about [here](http://www.corderycompliance.com/update-on-proposal-to-amend-modern-slavery-act-2015/): <http://www.corderycompliance.com/update-on-proposal-to-amend-modern-slavery-act-2015/>

What does response and consultation say?

In the government’s view, although there has been significant progress and many organisations are publishing comprehensive statements, some are failing to take their responsibilities seriously and therefore the government wishes to strengthen the Modern Slavery Act’s transparency provisions. The aspects that the government is focusing on amending and seeking views on in the consultation that are of relevance to businesses are as follows:

- Slavery statement content – the government is considering making reporting on the six currently recommended areas mandatory in order to “encourage comprehensive reporting and prioritised action, as well as aiding external scrutiny by bringing consistency to reporting”. This said, the government “also recognise[s] that different organisations and sectors face different risks and will be at different stages in terms of developing their response. To retain adequate flexibility, we think it is important to allow organisations to justify why they have not reported on one or more of the criteria. We also want to ensure the required reporting areas are comprehensive and encourage businesses to be creative and ambitious in their response”; and,

- Transparency, compliance and enforcement – the government is focusing on the following three areas:
 - (a) Online registry publication – the government wants slavery statements to be “as visible and accessible as possible” and therefore it will develop an online registry for slavery statements to be published on, and it intends to make publication in the online registry mandatory;
 - (b) Single reporting deadline – in order to “bring clarity to the legislation and facilitate increased scrutiny and engagement”, the government wants to introduce a single reporting deadline when all organisations must publish their slavery statement; and,
 - (c) Enforcement – the government is “interested in whether the introduction of civil penalties could be an effective tool to increase compliance with the requirement to publish a modern slavery statement, and if so, what a proportionate approach to enforcement would be. One option would be the introduction of a variable monetary penalty [which] could be capped at a maximum prescribed sum”. If a new civil penalty scheme were to be introduced “the [government] would send warning letters providing opportunities to ensure compliance ahead of taking any formal enforcement action. Any enforcement scheme would also be appealable, in line with other civil penalties. If introduced, a new civil penalty scheme would not come into force until a minimum of one year after any other potential changes to the transparency requirements reporting requirement”. The issue of who should carry out enforcement would be considered later (as explained in the consultation).

Responses to the consultation must be submitted by 17 September, which can be done online here <https://www.homeofficesurveys.homeoffice.gov.uk/s/06W8A/>

Takeaways

Reform of the Modern Slavery Act 2015 is clearly on its way. Businesses should therefore take stock and ensure that they have solid and defensible modern slavery compliance practices in place. The two starting-points here are to have in place a user-friendly, realistic and robust modern slavery policy and to undertake training – in particular, employees and suppliers need to know how to spot the signs that modern slavery may be taking place, which we have made a short film about that can be found here: <http://www.corderycompliance.com/spotting-the-signs-of-modern-slavery/>

For other articles that we have written about modern slavery compliance please see here: <https://www.corderycompliance.com/category/modern-slavery/>

We have also written about modern slavery and Brexit here: <http://www.corderycompliance.com/brexit-and-modern-slavery-compliance-2/>

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