

# Compliance & Risk

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## Headlines

- EU Parliament approves data protection reform, p.15
- Businesses prepare to publish modern slavery statements. p.16
- New public register of beneficial ownership launched by UK PM, p.18

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## Major reforms to UK money laundering regime proposed

The UK government has recently set out its action plan for anti-money laundering and counter-terrorist finance, announcing the most significant changes to the UK's anti-money laundering and terrorist finance regime in over a decade.

The plan will deliver on the stated aim of the strategic defence and security review, that is to make the UK a more hostile place for those seeking to move, hide or use the proceeds of crime or corruption.

The Home Secretary, Theresa May, revealed

the government proposals ahead of the Prime Minister's global anti-corruption summit, demonstrating the UK's commitment to tackling the issue both at home and internationally.

The government's aim for the Anti-Money Laundering (AML) and Counter-Financing of Terrorism (CFT) regime is to make the UK financial system a hostile environment for illicit finances, while minimising the burden on legitimate businesses and reducing the overall burden of regulation.

The action plan outlines three main priorities:

- an enhanced law enforcement response to the perceived threats - including "building new capabilities in our law enforcement agencies and creating tough new legal powers to enable the relentless disruption of criminals and terrorists";
- reform of the supervisory regime to ensure that it is consistent, effective and targeted at the few companies who facilitate or enable money laundering to continue;

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## Whistleblowers fear prosecution under new European Trade Secrets law

The European Parliament has been debating new law that commentators say threatens to turn whistleblowers into criminals.

The proposed Trade Secrets Protection Act has been drafted to attempt to protect European companies from corporate spying by rivals in other parts of the world, but critics say that the new provisions could render whistleblowers and journalists criminals if they

publish information that companies deem to be secret.

According to the European Commission, one in five companies in Europe suffered an attempt to steal trade secrets in the last 10 years, and industrial espionage is clearly a primary concern in the corporate world.

The USA already has tough measures in place to deal with the issue –

offenders can be jailed for up to fifteen years, and a quarter of prosecutions have involved people connected with China.

However, opponents of the proposed European law say the bill is not sufficiently specific about the type of information that will be protected. A petition against the bill has so far been signed by more than half a million

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