

MAY 2020

Coronavirus disease (COVID-19)

Treasury cut taxes to reduce PPE costs

From 1 May, PPE purchased by care homes, businesses, charities and individuals to protect against Covid-19 will be free from VAT for a three-month period until 31 July 2020. The zero rate applies to both domestic sales of PPE and on import. Read more about the tax cut [here](#). For more information on the impact this will have on customs processes please contact jane@sportsandplay.com.

Electronic signatures

Electronic signatures are now being used more frequently due to the lockdown. They can be used to validly execute various agreements and deeds, but there are certain conditions which need to be met. Read more [here](#).

Supply contracts

Covid-19 has of course had a huge impact on supply chains, so now more than ever it is more important to understand how contracts deal specifically with supply issues, force majeure, and payment issues. Read more [here](#).

The Coronavirus Act 2020

The Coronavirus Act details some of the emergency powers and measures taken by the government to address the crisis. The act became law on 25 March 2020, but some provisions have not yet been brought into force, pending further regulations. Read a summary of the impact for businesses [here](#) and a summary of the impact for employers [here](#).

Furlough

There have been further amendments to the 'furlough' job retention scheme, the most significant being that it has been extended until 31 October. In addition, from the beginning of August, furloughed employees will be able to return to work on a part-time basis and employers will be asked to pay a percentage towards the salaries of their furloughed staff. Read more [here](#).

Carrying over holiday

The government has announced new rules to allow workers to carry over up to four weeks of their annual leave entitlement into the next two holiday years. The rules will apply where it is "not reasonably practicable" for a worker to take some or all of their statutory leave entitlement as a result of Covid-19, which is quite a wide-ranging test and could apply to many workers. Read more [here](#).

Keeping workers safe

There is a risk of a surge in liability/employment claims arising from the pandemic, even if they have no merit. To avoid the potential administrative burden and bad publicity, employers should be making sure they rigidly enforce their policies and procedures. Read more [here](#).

ICO statement

On 15 April the Information Commissioner, Elizabeth Denham, issued a [statement](#) which sets out what businesses can expect from the ICO in the coming months. The ICO will consider the impact of Covid-19 when taking formal action (such as issuing fines) however it has made it clear that it will continue to take a strong regulatory approach against any organisation breaching data protection laws to take advantage of the current crisis. It is therefore important that businesses don't ignore their data protection obligations. Read more [here](#).

Commission's note on proofs of preferential origin

Several EU Member States and EU trading partners have been struggling to provide certificates for preferential origin purposes in due form (i.e. signed, stamped and in the right paper format), as in a number of countries contacts between customs and economic operators have been suspended. The Commission has therefore published a [note](#) proposing temporary measures to be used in the current circumstances. The proposed measures will start being operational between the EU Member States and the EU trading partners that have expressed their interest in using them and upon confirmation by the Commission services.

Commission publishes report on the impact of coronavirus on EU trade

The current world health crisis will result in a decline of 9.2% in EU exports and 8.8% in EU imports from third countries in 2020, according to the EU Chief Economist [note](#), based on the estimated decline in GDP worldwide. The analysis outlined in this note is one of the few attempts at predicting the impact of the COVID19 outbreak on trade flows.

Sport cabinet response

The EU Commissioner in charge of sport, Mariya Gabriel, has indicated that her team is currently working on an impact study to evaluate the needs of the sector.

ILO action plan

In April, ILO launched the 'Action in the Global Garment Industry Plan', providing a coordinated response to the current crisis, through which urgent financial relief is to be made available to vulnerable garment factories and workers. Read more [here](#).

Brexit update

Launch of FTA talks between the UK and US

On 5 May, trade agreement negotiations between the UK and the US were formally launched. The first round of negotiations have been taking place over multiple virtual meetings since then, with the last one in this round taking place on 15 May. The UK negotiating team is being led by Oliver Griffiths, Director for US Negotiations at the Department for International Trade; and the US negotiating team by Dan Mullaney, Assistant U.S. Trade Representative for Europe and the Middle East. Over 200 staff from UK and U.S. government agencies and departments are expected to take part in the negotiations. Read more [here](#).

Ireland/Northern Ireland Specialised Committee meeting

The first meeting of the Ireland/Northern Ireland Specialised Committee was held on 30 April, co-chaired by officials from the UK Government and European Commission. The UK and the EU discussed how to implement the Northern Ireland Protocol. The UK Government is focused on protecting the Good Friday Agreement and preserving Northern Ireland's place in the UK. Read more [here](#).

Product compliance

Update to PFHxA restriction consultation

The ECHA has updated the consultation page for the proposed restriction of undecafluorohexanoic acid PFHxA, its salts and related substances. The deadline for the consultation is 25 September 2020. Read more [here](#).

EU consultation on chemicals

The Commission has published a [roadmap](#) for its strategy for sustainability, expected to be adopted in Q3 this year. The strategy aims to simplify and strengthen EU rules on chemicals in order to reduce the risks associated with producing and using chemicals. The purpose is to better protect people and the environment from hazardous chemicals; to encourage the development of safe and sustainable alternatives; and to make it easier to trade safe chemicals within the EU. The roadmap is open for feedback until 20 June 2020.

ECHA Scip database conference

On 3 July, Chemical Watch are hosting a virtual conference to discuss the latest updates on reporting requirements for substances of concern. Speakers will include a representative from ECHA as well as senior industry experts from across Europe. Find out more [here](#).

Regulation on mutual recognition of goods

On 19 April, [Regulation \(EU\) 2019/515](#) on the mutual recognition of goods lawfully marketed in another Member State came into force. Under the new rules, companies can submit a "mutual recognition declaration" to show that their products are lawfully marketed in another Member State. This should make it easier for companies to sell their products throughout the EU.

Trade

Update: Sourcing goods from Cambodia

On 22 April, the Commission published [Delegated Regulation \(EU\) 2020/550](#) withdrawing EBA trade preferences for certain products imported from Cambodia. The HS codes of the products now excluded from the EBA tariff are listed in [Article 1](#). MEPs and Member States did not oppose the Commission's decision within the two-month deadline.

Vietnamese National Assembly expected to ratify the EVFTA

The EU-Vietnam Free Trade Agreement (EVFTA) was submitted for ratification by the Vietnamese National Assembly on 20 May 2020. Once ratified, it will go into force on the first day of the second month following the date on which the Parties notify each other of the completion of their applicable legal procedures (if notification is given in May, entry into force will take place in July; if given in June, it will be for August). The deal balances the interests between Vietnam and the EU, matches WTO regulations, and demonstrates Vietnam's commitment to the international free trade system.

Public consultation on new GSP Regulation

The European Commission has been running a 12-week public online consultation on the Generalised System of Preferences (GSP) Regulation. The purpose of the consultation is to collect information, views and opinions on the effectiveness, efficiency, coherence and relevance of the GSP, from a wide variety of stakeholders. The Commission intends for the findings of the consultation to feed into work already carried out to support a possible review of the legal framework governing the GSP. The deadline for giving feedback is 3 June 2020. Read more and respond [here](#).

Commission's IP action plan

The European Commission announced in its Industrial Strategy that it will soon adopt an IP action plan. The plan will focus on measures to make the IP system more effective for SMEs, through actions to simplify IP registration procedures (e.g. reforming the EU legislation on industrial designs), to improve access to strategic IP advice (e.g. by making such advice standard in all EU-level R&D funding), and to facilitate the use of IP as a lever to gain access to finance. The plan will also focus on how to make the fight against counterfeiting more efficient, both offline and online. According to the Commission, the plan should be published before summer 2020, but delays might be expected.

Corporate responsibility

Shadow Textile Strategy document

A group of 65 civil society organisations has published a [document](#) setting out their vision for the upcoming Textile Strategy. The group asks the Commission to consider various points on due diligence, the circular economy, transparency, and traceability (including of chemicals), purchasing practices and trade policy.

OECD Global Forum on Responsible Business Conduct

This year's Global Forum on Responsible Business Conduct (GFRBC) will be held virtually and in two parts: 19 May 2020: COVID-19 and Responsible Business Conduct ; and 17 June 2020: Access to remedy. Find the agendas and registration details [here](#).

Digital

The Commission's consultation on the European Strategy for Data

The Commission has launched a [public consultation](#) on its [European strategy for data](#), which will be open for feedback until 31 May 2020..