

Corporate Law Update

The Modern Slavery Act 2015 – does it apply to your business?

New UK legislation enacted in October 2015 requires all large commercial business in the UK to confirm publically that their supply chains are slavery free.

The Modern Slavery Act 2015 (the "Act") is aimed at ensuring that businesses take the issue of modern slavery seriously at the highest levels and consolidates offences relating to trafficking and slavery. For the purposes of the Act, "slavery and human trafficking" includes offences of slavery, servitude and forced/compulsory labour, human trafficking and exploitation, traffic in prostitution offences and trading for exploitation.

This legislation sees the UK government continue to develop the law governing human rights issues for businesses, following requirements introduced in 2013 requiring listed companies to report publically on human rights issues.

The Act applies to all commercial organisations supplying goods or services with a minimum turnover of £36 million per year, those typically termed "large businesses". This includes bodies corporate with business in the UK (includes trades of professions) and partnerships (as defined under the Partnership Act 1890) with business in the UK. Turnover is calculated based on the turnover of the commercial organisations and any subsidiary, after trade discounts, value added tax or any other tax. All qualifying organisations will be required under the legislation to prepare a yearly slavery and human trafficking statement.

The slavery and human trafficking statement must include either: 1) details of steps taken to ensure slavery and human trafficking is not taking place within the organisation's supply chains or 2) a confirmation that the organisation has taken no such steps.

The statement must be approved by senior levels of the organisation for it to be published. For companies, it must be approved by the board of directors; LLP members must approve their statements and have it signed by a director; a general partner must approve and sign the statements of Limited Partnerships, whilst for others a general partner is simply required.

The statement must then be published on the organisation's website, with a link to it being made available in a prominent part of the website's home page. If the organisation does not have a website they are then required to provide a copy of their statement to anyone who makes a written request for it, within 30 days of receiving the request.

The Secretary of State has the ability to enforce the duty to prepare the statement during civil proceedings by way of an Injunction but currently there is no financial or criminal penalty will be imposed on organisations for non-compliance.

The Act came into force in October 2015, with a transition period to allow businesses sufficient time to prepare their statements.

Contact



Richard Gray
Partner | Corporate
+44 (0)28 9034 8868
richard.gray@carson-mcdowell.com



Rosie Timoney
Solicitor | Corporate
+44 (0)28 9034 8868
rosie.timoney@carson-mcdowell.com