



### Brexit Update

The in/out referendum votes have been counted and the people of Britain have decided to leave the European Union (EU).

#### What does this mean for employment law in England?

It'll be business as usual in the immediate future, at least, with the mechanics of leaving (if indeed we will actually leave) to be ironed out over the coming weeks, months and years (a member state has to give at least two years' notice before it can leave the EU). Though a lot of English employment law is derived from the EU, many of the underlying principles and protections existed long before the EU laws we currently have, for instance, equal pay and discrimination laws. Also, businesses have become used to a lot of laws mandated by the EU, which have become embedded in employment contracts and policies. So, what could the future hold?

- Whilst a wholesale demolition of EU law is highly unlikely to take place, certain aspects could be revised in due course. Prime suspects would include:
  - Transfer of Undertakings (Protection of Employment) Regulations (TUPE)—namely the inability of employers to harmonise terms and conditions post acquisition/service provider change;
  - introducing a compensation cap on discrimination law claims; and
  - a reworking, or even repeal, of the Agency Workers Regulations, which have made the use of agency staff more costly and burdensome, while not gaining the level of entrenchment that other EU laws have.
- Warnings of restructurings, especially in the financial services sector, could come to fruition, which could potentially mean job losses and an increase in litigation that often follows in times of economic turmoil.
- The impact of EU laws slated to come into effect in the next few years could be curtailed or even nullified. However it'll likely be the case that the government will want to maintain trade with the EU, meaning complying with a negotiated version of the EU's rules in order to access the single market. Notable incoming EU laws include:
  - The new Trade Secrets Directive, which was due to be implemented by the British government within two years. Further details can be found [here](#); and
  - In May 2018, the EU's General Data Protection Regulation will come into effect across the EU. As we've [previously reported](#), this will bring with it a raft of new and enhanced initiatives to protect the data of European citizens, requiring fundamental changes to company privacy policies and procedures. Whilst the government might act to avoid the regulation, it will still apply to data controllers and processors based outside of the EU whose processing activities relate to the offering of goods or services to individuals in the EU.
- The homegrown Equality Act 2010 (Gender Pay Gap Information) Regulations 2016 is planned to take effect on October 2016 and will likely continue unabated, with the first reports on pay gaps to be published in April 2018. Click [here](#) for more information on what the reports will need to contain.

For more information about these issues or if you would like to discuss an employment-related matter, please contact: [Christopher Hitchins](#) at +44 (0) 207 776 7663 or [Sarah Bull](#) at +44 (0) 207 776 5222.

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