

# REGULATORY LANDSCAPE IN THE EU AND THE UK: CONSIDERATIONS FOR 2025

January 2025

Following the recent elections in 2024, both in the European Union (EU) and the United Kingdom (UK), new leaderships are looking to re-evaluate EU and UK’s roles on the global stage, and review their strategies to balance openness and protectionism to ensure economic growth.

Paired with a new US administration, regulatory and legislative developments come at a time when the relationship between the EU and UK is at a crossroads, with debates intensifying over whether to strengthen or loosen ties between those two close neighbours.

In our annual outlook Steptoe’s European team in Brussels and London outlines the anticipated development for 2025 across:

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Through series of short notes on each subject we are aiming to help you navigate through regulations and legislative changes that present both challenges and opportunities for businesses.



# EU Trade

*Renato Antonini, Eva Monard, Byron Maniatis, Yongqing Bao, Elli Zachari*

The European Union's trade landscape is poised for significant developments in 2025 under the new EU Commission, led by President Ursula von der Leyen. While the Commission continues to pledge commitment to open, rules-based international trade, its new [political guidelines](#) underscore the risks and threats resulting therefrom, including unfair competition and economic security threats. President von der Leyen has signaled a shift towards a **more assertive stance** in defending the EU and leveraging trade policy to enhance **competitiveness, security, and sustainability**.

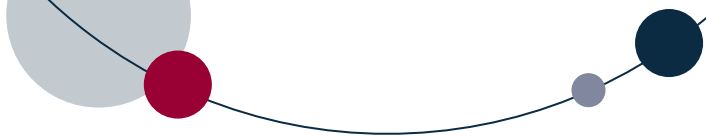
The new Commissioner for Trade and Economic Security, Maroš Šefčovič, has outlined his priorities, focusing on "3 Ds": driving EU competitiveness, defending EU businesses against unfair practices, and deepening the EU's alliances. These priorities will guide strategic actions such as **rethinking supplier relationships**, ensuring economic stability and supply security through **new fair trade agreements (FTAs)**, and employing **robust trade defense mechanisms** to counteract unfair trade practices.

Presented during the confirmation process, Šefčovič's [Mission Letter](#), along with his [Q&A response](#) and [Confirmation Hearing](#) at the European Parliament, highlight several priority areas. One area of focus is on **strengthening bilateral trade relationships and partnerships**. This includes reducing the EU's dependency on single suppliers for raw materials by incorporating critical raw materials chapters in trade agreements and finalizing a trade agreement with Australia. Strengthening relations with the US also remains a strategic priority, with efforts to update the EU-US Trade and Technology Council (TTC) and resolve bilateral disputes such as US tariffs on steel and aluminum.

**Trade defense** will remain a key focus, with the Commission having adopted a **more assertive approach** in the past year. In 2024, there were 25 new trade defense investigations (or 33 new investigations when looking separately at the number of countries that the investigations were initiated against). The Commission's first *ex officio* anti-subsidy investigation into Chinese electric vehicles was concluded, resulting in hefty duties ranging from 7.8% to 35.3%. It is evident that the EU is increasingly focusing on strategic products and clean tech in its investigations – such as recently with electric vehicles and biofuels – as it is seeking to enhance the competitiveness of EU industries in these sectors.

China is likely to remain a target for the EU's trade defense measures due to perceived market distortions and overcapacities causing unfair competition with EU producers. In addition to initiating new trade defense investigations, the EU is seeking to intensify its efforts to address **circumvention of existing trade defense measures**. There have been growing calls from European industries to enhance the effectiveness of anti-circumvention measures, tackling practices such as transshipment or minor modifications to products.

At the same time, the EU has started to roll out its arsenal of new trade tools. 2024 saw the Commission's first investigations launched under the **Foreign Subsidies Regulation** pursuant to notification, including into public tenders notified by Chinese solar panel producers, a bid by a Chinese train manufacturer, and an acquisition by a UAE state-owned telecom operator. In addition, there were two *ex officio* investigations into the participation of Chinese wind turbine producers in wind



procurement operations and a Chinese security scanner company. These investigations indicate the Commission's focus on Chinese companies using this new trade instrument. In this context, the new Commissioner for Clean, Just, and Competitive Transition, Teresa Ribera Rodríguez, and Commissioner for Prosperity and Industrial Strategy, Stéphane Séjourné, have been tasked with "vigorously enforcing" the Foreign Subsidies Regulation and proactively monitoring foreign subsidies granted to companies operating in the EU. 2024 also saw the first use by the Commission of the **International Procurement Instrument**, with an investigation launched into the practices and measures of the Chinese public procurement market for medical devices.

Economic security will also be a key focus for the new Commission, with trade policy and economic security merged under Šefčovič's role. The Commission aims to ensure the EU's technological leadership, increase resilience, and tackle coercive practices by third countries. A **new foreign economic policy** will integrate economic security, trade, and partnerships to pursue EU interests. A **new economic security doctrine** will be developed, setting out how economic security tools can be utilized within the EU. Standards for economic security in critical supply chains will be developed in collaboration with the G7 and other partners.

Finally, **customs reform** is also on the agenda, with ambitions to complete negotiations on the Customs Reform package proposed in May last year. This package aims to introduce significant changes, especially as regards online transactions, and will entail the digitalization of the customs system.



# Sanctions and Export Controls

*Alexandra Melia, Eva Monard, Guy Soussan, Algirdas Semeta*

UK and EU policy on sanctions and export controls in 2025 will be crafted by new administrations. While continued UK and EU coordination on key areas of sanctions policy such as Russia is expected to continue, alignment will not be absolute and some divergence will remain evident. Following its election victory in July 2024, the new Labour government in the UK has largely sought to foster continuity with the previous administration's sanctions and export controls policies. Whether that remains the case will become clearer following the publication of the new government's strategic defense review, which is expected to report in the first half of 2025. The confirmation process of the new European Commission has reiterated the EU's commitment to robust enforcement of sanctions while balancing it with the need to safeguard the EU's economic interests and strategic autonomy.

There has been a consistent focus in 2024 on closing loopholes in existing sanctions legislation implemented in response to Russia's invasion of Ukraine in 2022, as well as on cracking down on those that circumvent, or facilitate the circumvention, of those sanctions. There continues to be close alignment between the UK and EU on these objectives, for example, both the UK and EU have increasingly focused on designating vessels in the so-called "shadow fleet" used to transport Russian oil and gas. However, the mechanisms used to achieve these shared objectives reflect the growing differences in the sanctions architecture of the UK and EU. For example, the UK has expanded the designation criteria under its Russia sanctions regime in an unprecedented way to have a secondary sanctions-like effect by permitting the designation of third country persons that provide financial services to, or trade with, persons that are involved in destabilizing Ukraine or that obtain a benefit from or support the Government of Russia, even when that activity is outside the scope of the UK's sanctions regime.

The EU has made several changes to its Russia sanctions framework. In particular, the EU has introduced the so-called "no-Russia clause," which requires EU operators to contractually prohibit their non-EU counterparts from re-exporting certain goods and technology to Russia and for use in Russia, and a related requirement to contractually prohibit the use of intellectual property rights and trade secrets in connection with so-called common high priority items. EU operators must also implement due diligence mechanisms to detect and report breaches of the no-Russia clause. In 2024, non-Russian third-country nationals and entities were for the first time designated under the EU's Russia asset freeze sanctions based on the standalone designation criterion of facilitating circumvention or otherwise significantly frustrating the provisions of the Russia sanctions. Further non-EU entities were listed in the EU's 15th sanctions package in December 2024, such as Chinese suppliers of drone components. Further designations based on such criteria are likely in 2025, as well.

A growing focus on enforcement in 2024 is expected to continue into 2025. In the UK, a new body focused on trade sanctions, the Office of Trade Sanctions Implementation (OTSI), was launched in October 2024. OTSI's mandate includes the investigation and enforcement of breaches of non-UK movements of sanctioned goods and technology and the provision of ancillary services, as well as the provision and procurement of sanctioned services. In a significant change, OTSI has the power to impose civil monetary penalties for breaches of these sanctions on a strict liability basis. The



investigation and enforcement of UK financial sanctions by HM Treasury's Office of Financial Sanctions Implementation (OFSI) also continues to grow, with a recent media report suggesting that 37 investigations are currently underway into UK-linked businesses for breaches of the UK's Russia oil sanctions. Recent legislative changes also increased OFSI's information gathering powers by bringing new sectors into the scope of the UK's mandatory reporting regime. This regime provides an increasingly important source of intelligence on potential sanctions breaches and its expansion likely will assist OFSI in identifying new targets for investigation and enforcement.

In the EU, the focus on enforcement and prosecution of sanctions circumvention further increased in 2024. The EU has also adopted a new framework to harmonize criminal offences and penalties for the violation of EU restrictive measures. The new rules aim to ensure minimum standards for criminal conduct that breaches EU sanctions, including penalties for intentional violations and circumvention attempts by both individuals and legal entities, with additional provisions for aggravating and mitigating circumstances. The rules encompass a variety of offences such as failing to freeze funds, not enforcing travel bans, and conducting financial transactions or trading goods and related services in violation of sanctions. They also address Member State jurisdiction over sanctions violations, promote enforcement cooperation between Member States, protect reporting individuals (under the EU Whistleblowing Directive), and mandate data collection for enforcement purposes. The framework applies from May 2025 and will likely further facilitate the uniform enforcement of EU sanctions across the block and reduce the risk of intra-EU "forum shopping" for sanctions circumvention.

While the origin of many UK and EU export controls historically has been UN Security Council resolutions and the common control lists formulated by various multilateral organizations, an increased focus on national security in relation to emerging technologies, and a perception of weaknesses in these multilateral systems, has resulted in the adoption of new unilateral export controls on certain semiconductor, quantum computing, and additive manufacturing technologies by the UK, as well as several individual EU Member States (*i.e.*, France, the Netherlands, and Spain). This new trend mirrors in many respects the move toward unilateral but coordinated sanctions that has been taking place over the past several years, and appears likely to continue.

There is little evidence to suggest that the fast-paced evolution of UK and EU sanctions and export controls will recede in 2025. The continued conflict in Ukraine and escalation of conflict in the Middle East appear likely to result in additional designations and sanctions. The incoming administration in the US may also bring the stance of the UK and EU on China under increased scrutiny, with one or both following the lead of the US in imposing sanctions and expanded export controls.

For further updates on sanctions visit our [International Compliance Blog](#) and dedicated Russia Sanctions Developments [webpage](#).



# Chemicals and Product Regulation

*Eléonore Mullier, Ruxandra Cana, Darren Abrahams and Tom Gillett*

## European Union

2024 was a pivotal year for chemicals regulation in Europe. As the last year of the European Commission's 2019-2024 mandate, we saw some of the flagship measures under the Chemical Strategy for Sustainability agenda make it into law while other measures stalled or were dropped altogether. 2025 will see a number of implementation measures, continued work on files started under the previous mandate, and expected new landmark initiatives.

The amendment of the **Classification, Labelling and Packaging (CLP) Regulation** was adopted and published in November 2024. The publication starts the clock on the transition periods for companies to review and update their substance communication. In parallel, the European Chemicals Agency (ECHA) has published an update to its guidance on the CLP Regulation which should give some long-awaited clarity on the application of the criteria for the new hazard classes. We expect to see national authorities issue new harmonized classification and labelling proposals under the new hazard classes in 2025.

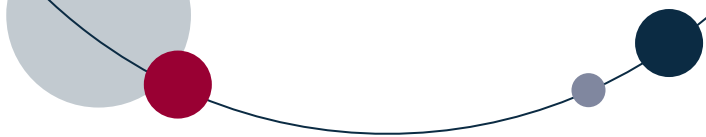
The **Ecodesign for Sustainable Products Regulation (EU) 2024/1781 (ESPR)** entered into force in July 2024. Work is underway to develop the ecodesign criteria that will have to be met for specific product categories to be able to be placed on the EU market. Among the sectors identified as priorities are textiles, chemicals, detergents, paints and lubricants, and we expect questions to arise (among others) on the interface between these ESPR criteria and the REACH and CLP Regulations.

In parallel, the European Parliament has announced that it will continue to progress on the following pending files with a high potential for compliance impact:

- the **One Substance One Assessment** package: this package of three measures proposes to streamline chemical substance assessments by (i) reattributing scientific and technical tasks currently distributed among various EU authorities to ECHA, (ii) enhancing cooperation among Union agencies (with a mechanism to resolve any divergence of scientific opinion amongst them) and (iii) establishing a common data platform, managed by ECHA, intended to group an unprecedented volume of data on chemicals. The data on this new platform would be used to inform policy making and set an early warning and action system for emerging risks, raising concerns of disclosure and misuse of sensitive and complex data;
- the **Green Claims Directive**: 2024 saw the adoption of a first set of measures on environmental claims through Directive (EU) 2024/825 on empowering consumers for the green transition through better protection against unfair practices and through better information. Legislative discussions will continue on its sister proposal for a Green Claims Directive, which seeks to regulate voluntary environmental claims in communications directed at EU Consumers;
- and many other important files such as the **Waste Framework Directive**, the **Detergents and surfactants Regulation**, the **Toy Safety Regulation** and the Regulation on **public access to European Parliament, Council and Commission documents**.

The revision of the **REACH Regulation**, anxiously-awaited, had been put on hold in the run up to the elections is. The Commission has confirmed that work has resumed on (a different version of?) the





proposal to revise this cornerstone piece of EU chemicals legislation. The reveal of the proposal, expected late in the year, will be a major event in 2025 and will serve as an important marker of the Commission's new policy direction on environmental matters.

In the meantime, the ECHA committees are continuing their assessment under the universal **PFAS restriction proposal**. In an update published in December 2024, ECHA and the five dossier submitters confirmed that the comments submitted during the public consultation (a never seen before number of comments – 5,600) are still being considered and that the committees will publish their (draft) opinions in 2025. ECHA's committees are also considering alternatives to the two restriction options contained in the restriction proposals (i.e. a full ban or a ban with time-limited derogations where alternatives are not yet available). These developments will be closely monitored by companies given the wide range of sectors and applications potentially affected by the proposal.

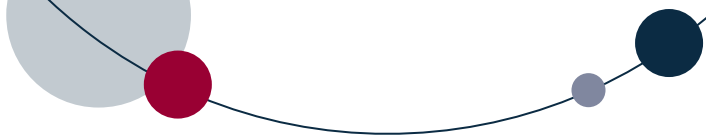
On December 31, 2025, data protection for existing active substances is scheduled to expire under the **Biocidal Products Regulation (BPR)**, long before the review programme for the evaluation of those active substances is concluded (currently scheduled for December 31, 2030). This would allow free-riding market access by companies (outside and within the EU) who have made no financial contribution to the cost of generating regulatory data. As industry and authorities grapple with the new review programme deadlines (in particular for submission of data on endocrine disrupting properties), they will also be reviewing progress under the BPR REFIT to see to what extent this revision can address the significant challenges under the BPR.

## United Kingdom

When the UK completed its exit from the European Union on January 31, 2020, Great Britain (England, Scotland and Wales) set itself on an independent path for chemicals and environmental law and policy. Northern Ireland continues to apply EU law, under the Northern Ireland Protocol (part of the EU-UK Withdrawal Agreement) and the Windsor Framework which modified arrangements under the Protocol from March 24, 2023.

2024 has been another year in which the UK seeks to define what to do with its new-found power to set its own chemicals policy agenda. Election of a Labour government, on July 5, has inevitably delayed decision making, the Labour party having made manifesto commitments to a relationship “reset” with European friends, neighbours and allies, and a focus on “tearing down unnecessary barriers to trade” with the EU.

REACH remains the core piece of chemicals legislation in Great Britain (GB). A consultation was initiated, by the previous Sunak government, on an alternative transitional registration model (ATRm) for “UK REACH” (applicable only in GB) which ended on July 25. The stated aim is to reduce the estimated £2 billion costs to the chemical industry under the transition from EU REACH to a domestic regime – mostly accounted for in data access costs and registration dossier submissions. The proposed changes include: reducing to a minimum the hazard information required for registrations (with associated changes to Chemical Safety Reports), refining use and exposure information requirements specific to GB including, strengthening measures against unnecessary animal testing, and increasing regulator powers to request data on specific chemicals of concern. A summary of consultation responses has been delayed to 2025, along with indications of the direction in which the Starmer government wishes to proceed. It seems increasingly likely that Registration deadlines (27 October 2026/’28/’30) may need to be pushed into the future (once more) – since, with just over 18 months to



go, the applicable registration rules are in flux. It is important to note that the ATRm focuses on transition and a more fundamental review of REACH in GB would follow subsequently (after the EU has issued its proposals on REACH revision, noted above).

For companies marketing in both GB and the EU, it is equally important to note that there is no current plan to incorporate the new hazard classes introduced into the EU CLP regime (noted above). Having retained in GB all existing EU harmonised classification and labelling in force on 31 December 2020, an independent system of mandatory classification and labelling (GB MCL) operates. This means that different choices on classification can and have been taken, for example with the declassification of titanium dioxide (in powder form) and granulated copper (which will both undergo further assessment within an as yet unspecified timeline). Moreover, the recent EU CLP amendments have led to Unionist parties in the Northern Ireland Assembly invoking the “Stormont Brake” (under the Windsor Agreement) for the first time ever, in an attempt to stop the new rules applying in Northern Ireland.

Regulatory responses to PFAS have not yet followed the EU universal restriction approach (noted above). However, the outcome of a 2024 consultation focused on PFAS in firefighting foams is anticipated in 2025. Further initiatives may follow, informed by the Regulatory Management Options Analysis (RMOA) on PFAS published by the Health and Safety Executive (HSE) in April 2023. The prospect of civil liability actions is an increasing feature of public discourse on PFAS and an area where companies will want to assess their potential exposure.

Looking ahead, the Retained EU Law (Revocation and Reform) Act 2023 provides powers to reform assimilated (EU) law, provided that (inter alia) such reforms do not increase overall regulatory burden for duty holders. Such powers can be used no later than June 2026 (to avoid a more onerous legislative process that would otherwise be required), so 2025 will be key for those public bodies and lawmakers wishing to use these powers to refine post-Brexit regulatory frameworks for chemicals. The HSE has been clear that it will seek to use these powers to drive important change in the biocides and CLP regimes, with informal stakeholder engagement already underway and formal consultation expected in 2025.





# Food Safety and Food Packaging Regulation

*Tom Gillett*

## European Union

In the packaging world, 2024 will be remembered as the year that the Packaging and Packaging Waste Regulation (PPWR) was finally agreed by the EU institutions. Following fraught and challenging trilogue negotiations in the Spring, a compromise text was finally approved in the European Parliament on April 24, 2024. The eleventh-hour agreement was reached during the final sessions of Parliament before the European elections. In December 2024, the Council duly provided its approval for the new rules, with 25 Member States voting in favour. At this final hurdle, only Austria and Malta abstained, citing concerns regarding administrative burden, increased costs and implementation challenges – all issues that have been ever-present in the negotiations.

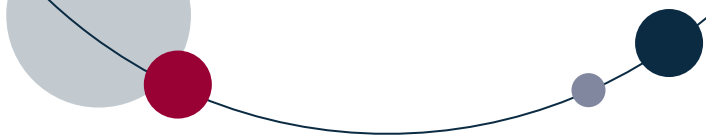
Driven by the political objective to ensure that all packaging is reusable or recyclable in an economically feasible way by 2030 and to reduce packaging waste, the PPWR introduces a raft of new requirements relating to sustainability (including recyclability requirements and recycled content targets), as well as changes to the existing labelling and extended producer responsibility requirements. While the PPWR concerns all packaging, regardless of the material used or intended use, it also contains specific provisions relevant for the food packaging industry, such as (for example) a prohibition of PFAS in concentrations at or above specific thresholds.

The PPWR is now expected to enter into force in 2025, however it should be noted that many important aspects will continue to crystallize in the coming months and years as the Commission is required to adopt implementing and delegated acts setting out much of the detail. All companies involved in the packaging value chain are advised to conduct an audit for potential PPWR impacts and to communicate any concerns directly to relevant actors (including the Commission), in order to ensure that the appropriate voices are heard in the ongoing legislative process.

2024 also saw significant developments in the regulation of food contact materials (FCMs), including a ban on bisphenol A (BPA), with further changes anticipated. Notably, the Commission has, during recent industry events, begun to characterize its work on the long-awaited revisions to the FCM rules into “short-term” projects and “medium-term” projects (or aspirations). Following industry consultation in 2024, a Commission Regulation intended to improve the quality control of plastic FCMs under Regulation (EU) No 10/2011 (a “short-term” project) is anticipated in Q1 of 2025. However, the more fundamental structural changes to the FCM framework (now “medium-term” aspirations) still appear to be a way off. The Commission has confirmed that it anticipates publication of an Impact Assessment in 2026, in advance of a full legislative proposal in 2027.

## United Kingdom

Using powers under The Retained EU Law (Revocation and Reform) Act 2023 (explained above) the Food Standards Agency (FSA) has indicated that it is exploring potential changes to FCM regulation in Great Britain. While there is little in the public domain regarding the potential extent of such changes



by the FSA, this will be an issue to track closely in 2025. The “use it or lose it” nature of these powers will doubtless focus minds on the most pressing legislative updates and priorities.

While the HSE and FSA will do much of the heavy lifting on any proposals, they will need to ensure alignment with the latest government approach, to obtain the necessary ministerial buy-in. Following the election of a new government in 2024, the Secretary of State for the Department for Environment, Food & Rural Affairs (DEFRA), the Rt Hon Steve Reed OBE MP, set out his five key priorities, confirming both that his department will “*work towards a zero-waste economy where resources are reused and recycled, creating new jobs and investment, but also protecting nature.*”, but also that “*this Government’s top priority is to grow the economy.*” Providing further colour to these high-level ambitions, Mary Creagh MP, Parliamentary Under-Secretary at DEFRA, confirmed in November 2024 that the three core pillars of the Government’s ambitious packaging reforms are: (1) extended producer responsibility for packaging (pEPR); (2) a deposit return scheme; and (3) the ‘Simpler Recycling’ programme (which addresses household waste collections).

The new pEPR rules place additional financial obligations on brands, shifting the costs of managing household packaging waste from taxpayers and local authorities to businesses. Estimates suggest that this policy change (which enjoys cross party support) may represent an increase in the financial burden on industry from £600 million (the approximate size of the existing producer responsibility burden) to an estimated £2 billion. Brands will become a signal point of payment for these new liabilities, with the stated policy objective to drive change in packaging volumes and material choices. With reporting obligations under the new pEPR rules already applicable, and waste management invoices for packaging placed on the market in 2024 anticipated to land in October 2025, now is time for those affected to ensure that they are fully-prepared for these significant changes.



# ESG, Climate and Sustainability

*Eva Monard, Eléonore Mullier, Ruxandra Cana, Renato Antonini, Elli Zachari*

As we look ahead to 2025, several new instruments addressing ESG concerns are on the horizon, and they are expected to have direct and indirect impacts on EU companies and non-EU companies with activities in the EU.

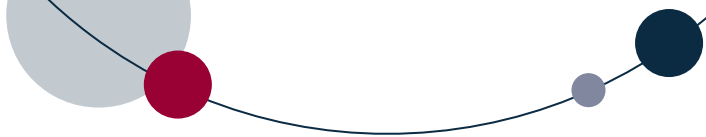
The **Corporate Sustainability Due Diligence Directive (CSDDD)** and **Forced Labour Regulation (FLR)**, formally adopted in 2024, although not yet fully applicable, will require significant efforts from companies to demonstrate compliance with relevant human rights and environmental standards. Beyond their impact on the companies directly subject to these instruments, there will be a substantial indirect effect on both EU and non-EU companies that are part of the supply chains of subject companies. These instruments will require companies to undertake significant due diligence efforts, which could potentially lead to the exclusion from the EU market of operators and suppliers that are unable to meet the relevant requirements. To meet these new standards, it will be necessary for companies to start implementing internal due diligence systems already.

In addition, **the EU Deforestation Regulation** will have a profound impact on businesses trading relevant products with the EU. Its implementation has been postponed by one year to the end of 2025, providing companies additional time to prepare. Businesses will need to ensure that their sourcing practices do not contribute to deforestation, which will entail comprehensive monitoring and verification processes. The complexity of this regulation is a key reason for the postponed implementation. Companies are already in the process of establishing due diligence systems to ensure compliance, but significant efforts and ongoing dialogue with the Commission and relevant authorities will be necessary to clarify the scope of their obligations and identify best practices to ensure compliance.

In the meantime, 2025 will mark the last year of the transitional period for the **Carbon Border Adjustment Mechanism (CBAM)**. During this period, it will be crucial for companies subject to the CBAM to focus on preparing for the full implementation thereof, ensuring that their carbon reporting and compliance measures are accurate and robust. The calculation of embedded emissions under the CBAM is particularly complex, and companies are already investing significant efforts in developing new business systems to ensure proper implementation, as well as potentially adjusting their sourcing to reduce their burden under CBAM.

Work will also continue on the implementation of new sustainability requirements imposed on products. The end of 2024 saw the adoption by Council of the EU's new **Packaging and Packaging Waste Regulation (PPWR)**, which sets ambitious recycling and recyclability targets likely to affect, directly or indirectly, many supply chains. Sustainability requirements for specific product groups will also become clearer in 2025 as the work to adopt criteria for product categories under the **Ecodesign for Sustainable Products Regulation (ESPR)** continues. (See more on those in Food Safety and Food Packaging Regulation chapter of this article)

In parallel, the EU will continue to discuss its proposal for a **Green Claims Directive**, following the adoption in 2024 of the Directive on empowering consumers for the green transition which prohibits certain greenwashing commercial practices. The scope of these initiatives is wide and, if not already underway, companies are advised to carefully review their marketing and communications from a compliance perspective.



2025 should also provide insights on how the European Parliament elections and the new European Commission will tackle existing and new initiatives on sustainability and ESG, among calls to support the EU industries' competitiveness and to cut red tape. Announced for February 2025, the Commission's planned **Omnibus Regulation** is set to simplify various EU regulations including the **Corporate Sustainability Reporting Directive (CSRD)**, the **CSDDD** and the **EU taxonomy**. This eagerly awaited initiative will set the tone for the level of simplification companies can expect (also in other areas where simplification has been announced, e.g. chemicals), at a time when preparations for compliance with these instruments is already well underway.



# Pharmaceuticals and Medical Devices

*Elizabeth Anne Wright*

The basic provisions of the current EU legislation governing medicinal products were adopted in 2001. 23 years' later related revisions are arguably merited. Revisions, in the form of the Pharma Package, were anticipated to be adopted in 2024. This did not, in the end, occur. Adoption of the Pharma Package is a priority for the new European Commission.

The current legislation governing medical devices and *in vitro* diagnostic medical devices is substantially more recent. Not all aspects have, however, been a success. Revisions to some aspects of the Regulations are anticipated in 2025.

Both President Von der Leyen and the European Commissioner for Health, Olivér Várhelyi have announced that adoption of revised legislation in the pharmaceutical sector is a priority. In his hearing before the European Parliament Commissioner Várhelyi committed to publishing a proposal for a Critical Medicines Act within 100 days of the new European Commission taking office. The European Parliament has also called for the European Commission to publish revisions to the Medical Devices Regulation and the *in vitro* Diagnostic Medical Devices Regulation within its first 100 days. Both appear to be remarkably ambitious timelines. Moreover, although proposals may be forthcoming within 100 days, some elements may cause a delay in their adoption beyond the end of 2025.

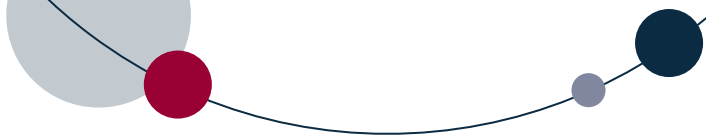
## Medicinal products

Issues with availability of medicinal products during the COVID-19 pandemic highlighted the need to establish a system at EU level which would address related concerns and prevent or limit the occurrence of shortages of essential medicinal products in the EU in the future. A framework for this process was included within the Pharma Package proposed by the European Commission in April 2023. The, currently limited, information available concerning the scope and content of a related proposed Critical Medicines Act suggests that the purpose of the proposed Act would be to establish procedures to address severe shortages of medicinal products and medical devices, to reduce dependency on third countries, improve EU self-reliance, and encourage EU/EEA production and supply by, amongst other things, helping to increase financial support and investment. Key elements would include supporting local pharmaceutical production, encouraging joint procurement, and streamlining administrative processes to retain SMEs within the EU.

The Pharma Package will also recommence its voyage through the adoption process in 2025. The Package includes proposed revisions to the current data and market exclusivity periods for innovative medicinal products, and actions to tackle antimicrobial resistance.

## Medical devices

Implementation and application of the Medical Devices Regulation (MDR) and the *in vitro* diagnostics medical devices Regulation (IVDR) have not progressed as smoothly as hoped. There remains a



substantial backlog in conformity assessment procedures and an insufficient number of notified bodies designated to conduct conformity assessment to the IVDR. Moreover, some medical device manufacturers, particularly in the *in vitro* diagnostics space, are finding the conformity assessment procedures with which they must comply sometimes insurmountable. This is leading to increased concerns of future shortages and of the disappearance of some devices from the EU market entirely.

The European Commission has acknowledged the need for revisions to the Regulations. In May 2024, the European Parliament itself published a proposal for substantial changes to the Regulations. These include establishment of a European Medical Device Office that would function in a manner similar to that of the European Medicines Agency, revisions to the Regulations to benefit Small and Medium Sized Enterprises, and establishment of common principles for the functioning of Notified Bodies. While there are acknowledged benefits to the establishment of a European Medical Device Office the extent to which EU Member States will be prepared to relinquish control over aspects of the regulation of medical devices may take some negotiation. It may be challenging to come to an agreement on extensive revisions to the medical devices Regulations in the course of 2025.

## Health Technology Assessment

The Health Technology Assessment Regulation (the HTA Regulation) will enter into application on 12 January 2025. The purpose of the Regulation is to establish procedures to determine the relative clinical effectiveness and relative clinical safety of new health technologies as compared with existing technologies. EU Member States' HTA bodies will conduct Joint Clinical Assessments of new medicines and certain high-risk medical devices. They will also engage in Joint Scientific Consultations to advise technology developers on clinical study designs that generate appropriate evidence. Concerns have, however, already been expressed that there are too few slots available for companies to seek Joint Scientific Consultations with the related risk for companies whose products will undergo Joint Clinical Assessments in several years' time, given that scientific advice is held prior to Phase II and III studies. There is, moreover, apprehension concerning the potential implications for pricing and reimbursement of new health technologies of the conclusions drawn in the assessment processes.





# AI, Data and Digital

*Anne-Gabrielle Haie and Maria Avramidou*

## AI Act Enforcement to Kick Off

2025 will mark the beginning of the [AI Act](#) enforcement. Key dates include February 2, 2025, when provisions related to prohibited AI systems will come into effect, leading to a complete ban on such systems in the EU. On the same day, general provisions of the AI Act, covering scope, definitions, and obligations related to AI literacy, will also be enforced.

Another significant date is August 2, 2025. From this day, enforcement provisions, including penalties for non-compliance and governance, will become applicable, and EU Member States must designate their national competent authorities. Additionally, this date is the deadline for providers of General-Purpose AI (GPAI) models to comply with the AI Act. By May 2025, the AI Office is expected to adopt a [Code of Practice](#) to guide GPAI model providers' compliance.

The AI Office is also expected to issue the first guidelines, templates, and implementing acts to clarify various aspects of the AI Act, including guidelines on prohibited AI systems.

## Data Protection and AI: A Key Focus for 2025

The European Data Protection Board (EDPB) concluded 2024 by adopting an [opinion](#) on certain data protection aspects related to the processing of personal data in the context of AI models. This opinion provides clarification on when an AI system can be considered anonymous and the conditions for relying on legitimate interest as a legal basis under the General Data Protection Regulation ([GDPR](#)) for processing personal data in AI contexts. It will undoubtedly influence EU regulators, leading to stringent enforcement actions in 2025.

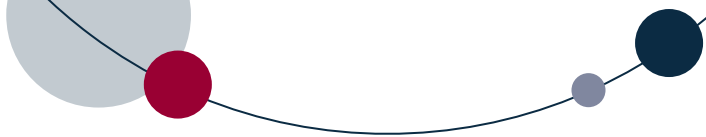
The [EDPB's work program](#) indicates that several guidelines, particularly relevant to the context of AI, will be adopted. These include guidelines on anonymization, pseudonymization, data processing for scientific research, and generative AI and data scraping.

## International Transfer of Personal Data Coming Back to the Forefront

The European Commission plans to adopt [new Standard Contractual Clauses \(SCCs\)](#) by the second quarter of 2025 for data transfers between GDPR-subject controllers and processors. Organizations will need to review their data transfer arrangements and update contractual agreements to implement the new SCCs.

## Clarifications Related to Cookies, Tracking Technology and Behavioral Advertising

The European Commission is expected to withdraw its long-stalled [proposal for an ePrivacy regulation](#). However, online tracking through cookies and other technologies, particularly for behavioral advertising, will remain a central issue in 2025. Following its [2024 opinion](#), the EDPB is



expected to issue [guidelines](#) on “Pay or Consent” models. These models present users with a choice to either agree to data processing for free access to a service, resulting in targeted advertising, or to pay a fee for access without data processing for advertising. Enforcement under the GDPR and Digital Services Act ([DSA](#)) related to this is also expected.

## Guidance Related to Protection of Minors and Age Verification Online

The protection of minors and age verification in digital services has become a growing concern and several initiatives are expected in this respect in 2025. The EDPB plans to adopt [guidelines](#) on children’s data and issue a [document](#) on age verification criteria. The European Commission will launch a public consultation to produce [guidelines](#) for protecting minors under the DSA, aiming to adopt these guidelines by summer 2025. GDPR and DSA enforcement related to these issues is expected.

## Enforcement of Digital Services Regulations and New Initiatives

Vigorous enforcement of the DSA will continue at EU and national levels in 2025. The European Commission will also evaluate the interplay between the DSA and other laws, including the GDPR and EU consumer protection legislation. It will further introduce new initiatives, such as the [European Democracy Shield](#) to combat disinformation and a [Digital Fairness Act Proposal](#) to address dark patterns, influencer marketing, addictive digital product design, and online profiling.

## Data Act Enforcement and Completion of the EU Data Sharing Framework

Applicable from September 12, 2025, the [Data Act](#) imposes new rules on accessing, using, and sharing data generated by connected products and related services, affecting manufacturers and providers globally and across sectors. Organizations must promptly develop compliance programs and monitor the European Commission's adoption of [model contractual terms](#).

The [European Health Data Space](#), expected to be adopted early 2025, will mandate data sharing among health data holders, creating the first [common European data space](#).

The European Commission plans to enhance data sharing obligations through the "European Data Union Strategy," though its scope is unclear and may raise trade secret protection concerns.

## Enhancement of EU Cybersecurity Framework

The European Commission will enhance the adoption of [European Cybersecurity Certification Schemes](#), enabling service providers to demonstrate compliance of their solutions with EU laws. In 2025, the European Commission is expected to adopt implementing acts related to the newly enacted [Cyber Resilience Act](#). This Act mandates cybersecurity requirements for digital products throughout their lifecycle and will become applicable for most of its provisions starting from December 12, 2027.



# Antitrust/Competition

*Charles Whiddington, Ronan Scanlan, Martina Scassini*

The newly installed and more political than ever College of Commissioners, in which Teresa Ribera has been appointed as the Executive Vice President responsible for the double portfolio for ‘Clean, Just and Competitive Transition’, together with the inception of a brand-new digital regulatory regime across the Channel, brings us into a new year that is expected to be characterized by significant changes in the competition policy and enforcement in the EU and the UK.

## European Union

### Regulatory and enforcement

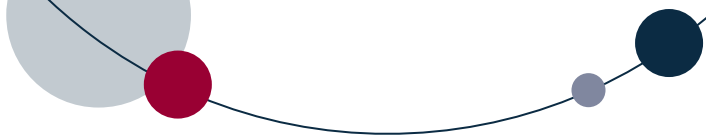
The most anticipated and intriguing aspect of competition policy in 2025 is how Commissioner Ribera will navigate her dual role in climate transition and competition. Observers are keen to see how she will leverage her extensive experience in environment and energy, and the extent to which she will implement recommendations of the Draghi Report on addressing key challenges for European growth. In terms of competition policy, the Commissioner is expected to continue the antitrust initiatives begun by her predecessor, such as the amendment of Regulation 1/2003, which is the procedural regulation empowering the Commission in its policing and enforcement efforts. We shall see whether the revisions to the Regulation give the Commission more legal space to enforce structural remedies and to design remedies which are effective in circumstances arising from digital technology.

### New Competition Tools

The Draghi Report recommended introducing a New Competition Tool, to function as a market investigation instrument designed to swiftly address structural competition issues. Many Member States (and the UK) already have such a tool, which is used to unpick markets with potential tacit collusion, or where consumer protection is most needed, or where there is a weak economic resilience. However, it remains to be seen whether Ribera will be permitted to introduce it; in particular, given already the breadth of her portfolio (which now encompasses climate change alongside competition) and the number of competing interests at play.

### Merger control

Commissioner Ribera is committed to modernizing competition policy, specifically for merger control, by engaging in a review of the Horizontal Merger Guidelines to better align it with contemporary challenges and dynamics such as globalization, digitalization, sustainability, innovation and resilience, as outlined in her mission letter. In line with the Draghi Report, Ribera has emphasized that the EU’s competition policy must evolve to bolster the competitiveness of domestic firms, enabling them to effectively compete with major corporations from the U.S. and China. However, she has not embraced the idea promoted by some, of ‘European Champions’ which she has referred to as a ‘trap’.



After the decision of the CJEU in *Illumina v. Commission* (and the consequent European Commission withdrawal of its Guidance on the application of the referral mechanism in Article 22 of the Merger Regulation to certain categories of cases), which we covered in our [blog](#) back in October 2024, businesses now face increased legal uncertainty. The Commission and national competition authorities are focusing on exploring alternative methods to address “killer acquisitions”. The Commission has not given up on the idea of being to investigate such suspected transactions and the method that is likely to be favored is the “call-in powers”, which would allow national competition authorities to request the notification of transactions that otherwise do not meet the notification thresholds under applicable national merger control rules, but may still raise competition concerns.

The call-in power is already available in a number of Member States and was most recently used in the Italian AGCM’s referral of Nvidia/Run:AI to the Commission (which was subsequently cleared).

## United Kingdom

The UK’s Digital Markets, Competition, and Consumers Act (‘DMCCA’) came into force on January 1, 2025 and represents a new tool that implements and significantly bolsters the competition and consumer regime in the UK, as well as introducing a new digital regulatory framework. We looked at both the DMCCA and major developments in the UK in 2024 in our November [blog post](#).

### New Digital Regulation

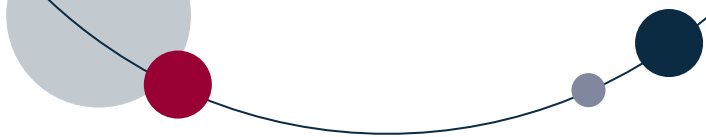
The DMCCA aims to level the playing field within digital markets by imposing stringent new notification requirements on firms with “Strategic Market Status”, but also significantly bolsters the Competition and Markets Authority’s (CMA) enforcement powers more broadly.

The CMA has been explicit, most recently in its *Provisional Findings in the Mobile Browsers and Cloud Gaming* market investigation, that it will use the Act (and its new ‘Digital Markets Unit’ (DMU) to investigate and begin to remedy perceived issues in the digital and tech sectors, including in regard to opening access, interoperability.

As a [reminder](#), the DMCCA gives the CMA far broader powers than the equivalent EU Digital Markets Act to designate firms with strategic market status, and once it has done so, impose conduct requirements and pro-competitive interventions that can range from behavioural remedies to full divestiture (akin to the CMA’s existing powers under the Market Investigation regime and what the Department of Justice is attempting in *US v. Google*). Some commentators have warned of the risk of opportunistic complaints to the DMU by motivated individuals and pressure groups, so the CMA will be under pressure to show that it can distinguish valid complaints only to pursue for investigations.

The CMA has indicated that it will launch three investigations in the first half of 2025 and confirmed on 14 January 2025 that the first will be an investigation into Google in the online search and search advertising sectors.

### New consumer protection powers



The DMCCA will also give the CMA unprecedented powers to levy penalties for consumer law breaches, which will shortly be on a par with competition fines (i.e. 10% of worldwide turnover).

In another cost-of-living crisis with the UK experiencing record inflation, slow or no growth and with a Government tightening purse strings ahead of another cold winter, we expect the CMA will take every opportunity to be a 'consumer champion' and that is likely to involve higher fines for consumer law breaches. This might include, for example, the practice of 'drip pricing', which was recently in the news and is specifically addressed in the DMCCA.

### **Expanded merger jurisdictional thresholds**

We expect the CMA in 2025 to continue to apply a low threshold for investigation and intervention in merger activity (including partnerships and employee transfers) in the Digital and Tech sector (and, in particular, 'big tech' companies).

The DMCCA introduces a new 'single party threshold', which allows the CMA to assert jurisdiction even where the target generates no turnover in the UK, provided that the acquirer has a 33% or more share of supply of services (and generates more than £350 million) in the UK.

As recent merger work shows (including the five AI mergers reviewed in 2024, *Amazon / Anthropic*, *Microsoft / Inflection AI*, *Google / Anthropic*, *Microsoft / OpenAI* and *Microsoft / Mistral*), the CMA is ultra-sensitive to any consolidation in AI (and is prepared to 'call in' mergers in this space even when they result in a 'found-not-to-qualify' outcome, ie the CMA had no jurisdiction to review the merger). This is despite finding no concerns in any merger investigation to date. The CMA repeatedly discusses the potential negative impacts of AI and frequently fields speakers at relevant legal and economic roundtables to flag these concerns and possible steps for intervention.

### **Behavioural remedies in merger cases are back on the table**

Finally, we also expect the CMA to continue to show greater willingness to consider behavioural remedies, both in light of the decision to conditionally clear *Three / Vodafone* and following public statements that strike a more receptive tone to these types of remedies.



# Insurance

*Guy Soussan, Algirdas Semeta, Maria Salome Bustos Mesa*

2024 witnessed significant developments in the EU regulatory and business environment for the (re)insurance sector. Following intense negotiations, the EU co-legislators reached the agreement on the review of the Solvency II Directive. The reform of the EU's (re)insurance regulatory framework covers a wide range of topics, from changes to its scope, the application of proportionality principle and reinforcing cross-border supervision, to revised capital charges, new macroprudential requirements, treatment of sustainability risks, and assigning additional tasks to the European Insurance and Occupational Pensions Authority (EIOPA). Meantime, the adopted Insurance Recovery and Resolution Directive (IRRD) establishes a new harmonized framework with tools and mechanisms for addressing the (near) failures of (re)insurers.

The review of the Solvency II Directive will be finalized in 2025 since a large number of delegated acts and regulatory/implementing technical standards will need to be developed and adopted to complete the reform.

Several other significant initiatives are on the horizon for 2025. The Commission's objective to develop a European Savings and Investments Union (ESIU) will entail furthering consumer and retail investor protection within the Retail Investment Strategy (RIS) package. In addition to the targeted amendments to the Insurance Distribution Directive (IDD) as part of the RIS, a comprehensive review of the IDD may be started in 2025.

For the insurance industry, the ESIU could also lead to a further evaluation of capital charges for long-term equity investments under Solvency II. Additionally, the Commission is expected to revise the prudential requirements for securitized assets as part of its goal of revitalizing the EU framework on securitization. This may involve reinforcing transparency and due diligence rules, as well as establishing a securitization platform.

In the area of digital finance, the Council and European Parliament have recently agreed on their negotiating positions regarding the Financial Data Access (FiDA) framework. The FiDA Regulation will likely be agreed in 2025. The Digital Operational Resilience Act (DORA) will come into effect on January 17, 2025, requiring (re)insurers to implement new ICT risk management practices to counter cyber threats. Regarding artificial intelligence (AI), the Commission will continue its efforts to identify the advantages and associated risks of deploying AI in financial services to leverage its opportunities.





Sustainable finance will remain a priority in 2025. Following several years of intensive rule-making in this area, the focus in 2025 is expected to shift to the implementation and application of the new standards. For example, the first CSRD-compliant sustainability reports will have to be produced in 2025. One significant legislative initiative next year will be a comprehensive review of the Sustainable Finance Disclosure Regulation (SFDR). The review should include the introduction of a sustainability-related classification/categorisation system for financial products and the revision of the definition of “sustainable investment” to provide investors with more clarity and address existing ambiguities. It is possible that the review may broaden the scope of the SFDR to include additional financial products.

Finally, the new further-harmonized EU AML/CFT framework was adopted in 2024. While the new and stricter AML/CFT framework will broadly start applying from mid-2027, the new EU Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA) will already begin its work in mid-2025. It can be expected that AMLA will begin developing the necessary level 2 and 3 measures under the new AML/CFT framework in 2025.



# Criminal Enforcement and Investigations in the UK

*Zoe Osborne*

## Criminal/Regulatory Investigations in the UK

On September 1, 2025, the new “failure to prevent fraud” law will come into force in the UK pursuant to which an organization may commit a criminal offence where

- (i) a specified fraud offence is committed by an associated person (defined as an employee, agent or subsidiary, an employee of a subsidiary, or a person who otherwise performs services for or on behalf of the organization),
- (ii) for the organization’s benefit, and
- (iii) the organization did not have reasonable procedures in place.

The new law applies to larger companies and partnerships, and is intended to have extraterritorial effect; namely, if an employee commits fraud under UK law, or targeting UK victims, their employer could be prosecuted, even if the organization (and the employee) are based, formed or incorporated overseas and the fraud offence took place outside of the UK. The only defense available to an organization caught by the offence is that it had reasonable procedures in place to prevent fraud or that it was reasonable not to have such procedures in place. On November 6, 2024, the UK government published [guidance](#) in which it provides direction as to how companies should prepare for the new offence coming into force. The UK Serious Fraud Office (SFO) has indicated that it foresees the new offence having a significant impact on its ability to prosecute serious fraud.

In its plan published in April 2024, the SFO set out its [strategy](#) for the next five years which includes strengthening its intelligence-gathering and enforcement capabilities to find ways to “build compelling cases in shorter timescales.” The five-year plan also suggests that we can expect to see more dawn raids and more compelled requests for the provision of documents or information at a pre-investigative stage.

We also expect to see an increase in the number of speak up and other internal investigations being commenced, including as a result of the recent signaling by the SFO that it wishes to explore options to offer financial rewards to incentivize whistleblowers and those involved in criminality to come forward with information. The SFO’s Director has also recently disclosed, for the first time, that the SFO has granted immunity from prosecution to an individual who assisted the agency in one of its investigations by using covert means to gather evidence on someone.

From the regulators, we expect a continued focus on financial crime. The UK Financial Conduct Authority (FCA) highlighted in its [2024 / 2025 Business Plan](#) that the reduction and prevention of financial crime is its number one commitment, with fraud (and fraud prevention processes) being identified as an issue that requires urgent attention. With such a focus, we expect enforcement actions in the area of fraud to increase significantly.



## Individual Accountability and Workplace Culture in the UK

The FCA has again signaled its commitment to promoting a healthy workplace culture – a place of diversity and inclusion with sound controls and good governance, where individuals can feel free to speak out, where remuneration does not encourage irresponsible behavior and where firms value robust adherence to its regulatory responsibilities – which it considers is critical both to consumer protection and to well-functioning markets. In 2025, the FCA is expected to implement new measures to bring non-financial misconduct within its regulatory framework. We predict a growth in the scrutiny placed on workplace cultures and a growth in the number of enforcement actions in relation to non-financial misconduct.

In a similar vein, from October 26, 2024, a new preventative duty was introduced into UK law requiring employers to take reasonable steps to prevent sexual harassment in the workplace. The new law renders employers accountable both for failure to address past sexual harassment as well as for not taking steps to mitigate the risk of such conduct occurring. A failure to comply with the duty could result in the employer being liable to a 25% uplift in any compensation being awarded to the employee, and/or the employer being the subject of an enforcement action by the Equality and Human Rights Commission.

Outside the regulated sector, organizations are increasingly recognizing the threat of poor personal conduct or ethical issues to their very existence. In 2024, we saw a series of investigations into high-profile business owners, celebrities and sportsmen which have prompted questions as to the future of the organizations with whom they were associated as well as the commencement of multi-million-pound civil law suits. 2025 is expected to be no different, with the possible exception that the authorities investigating the allegations will be under more pressure to investigate, charge and successfully convict those involved.



# UK Disputes

Leigh Mallon

## Cross-Border Recognition of Judgments

[Regulation \(EU\) No. 1215/2012 \(Brussels I Recast\)](#) governs the rules of jurisdiction, recognition, and enforcement of civil and commercial judgments among EU Member States. One impact of Brexit was that it ended the UK's participation in Brussels I Recast meaning that judgments of UK courts were no longer automatically enforceable in the EU. Instead, it became necessary to rely on an array of other regimes to have judgments of UK courts recognised and enforced in EU Members States. This necessarily increased costs and uncertainty in cross-border disputes.

However, on January 12, 2024, the UK signed The Hague Judgments Convention 2019. The Convention provides a new framework for recognizing judgments among contracting states. The EU acceded to the Convention on September 1, 2023 (applying to all EU Members States, except Denmark). The Convention will come in to force in the UK on 1 July 2025. While narrower in scope than pre-Brexit mechanisms, it will assist in maintaining London's role as a hub for international disputes.

## Mandatory Alternative Dispute Resolution

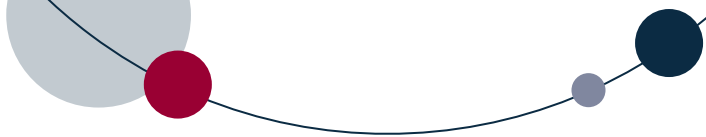
Alternative Dispute Resolution (ADR) has grown in popularity and prominence over the past twenty years. Mechanisms such as mediation and Early Neutral Evaluations have been used by commercial parties in efforts to reduce legal costs, preserve relationships and provide parties with certainty through negotiated outcomes. In some jurisdictions, such as Australia, parties are required to take genuine steps to resolve disputes *before* commencing certain proceedings.

In October 2024, amendments were made to the Civil Procedure Rules (CPR) to give courts greater authority to mandate ADR participation, integrating it into case management and costs decisions. Those amendments followed a decision of the Court of Appeal in *Churchill v Merthyr Tydfil County Borough Council* (2023) which confirmed that courts could compel ADR without infringing upon fair trial rights, provided it is proportionate. Whilst ADR is not yet compulsory in England & Wales, it is likely that courts will increasingly require parties to consider, if not participate in, some form of ADR as part of the case management process.

## Rise of Collective Actions

Collective actions are continuing to gain prominence, particularly in competition and data privacy claims. Building on the Supreme Court decision in *Merricks v Mastercard* (2020), these actions enable claimants to pool resources but expose businesses to significant liability.

However, recent decisions (such as *Prismall v Google UK Ltd* [2024] EWCA Civ 1516), have highlighted hurdles for opt-out collective actions. That case, involving the transfer of 1.6 million patient records from the Royal Free London NHS Trust to Google's AI subsidiary, DeepMind, was rejected because



class members did not share the “*same interest*” required by CPR 19.8. This builds on *Lloyd v Google LLC* (2021), emphasizing that opt-out actions require uniformity among claimants. This is particularly challenging in privacy-related actions where claimants can frequently prove a breach but are unable to point to a specific, uniform, harm suffered by all class members. As a result, it is likely that claimants will increasingly consider alternative mechanisms, such as opt-in group litigation orders (GLOs). Relatedly, the Solicitors Regulatory Authority has recently issued a warning to law firms to ensure that their marketing practices avoid unsolicited approaches.

## Litigation Funding and the PACCAR Decision

Litigation funding has gained in prominence since the 2008 Global Financial Crisis. However, the Supreme Court’s decision in *PACCAR Inc v Competition Appeal Tribunal* decision (2023) reclassified many third-party litigation funding agreements (LFAs) as damages-based agreements (DBAs), arguably rendering them unenforceable. This has disrupted the funding market and limited access to justice for claimants pursuing complex disputes. The previous Conservative Government had proposed legislation to address the issue but that legislation had not passed before Rishi Sunak called the General Election on 22 May 2024. The Labour Government has not adopted the same legislation and, instead, the Civil Justice Council (CJC) is reviewing litigation funding, with a final report expected in late 2025. Businesses should carefully assess litigation risks and funding structures while awaiting clearer regulatory guidance.

## Arbitration Bill 2024

The Arbitration Bill 2024, which seeks to modernize and enhance the Arbitration Act 1996, has successfully passed through the House of Lords, completing its third reading on 6 November 2024. It is now under consideration in the House of Commons, where it has undergone its first reading—a formal stage without debate. The Bill was covered in our [previous update](#) and includes key provisions to improve the efficiency of arbitration proceedings, including support for emergency arbitrators, mechanisms for summary disposal of unmeritorious claims, and clarification of court powers in arbitration-related matters.

The Bill is awaiting its second reading in the House of Commons following which it will proceed to a committee for detailed examination. The Bill is expected to come in to force during 2025.



## Conclusion

January 31, 2025 will mark the fifth anniversary of the UK's departure from the EU. Over these years, the UK and EU have diverged significantly in many domains, often competing to attract global investment. However, recent geopolitical instability has underscored common interests, particularly in economic stimulation, defense, and security. We anticipate increased collaboration in areas such as cross-border trade and energy security, while maintaining regulatory autonomy, and in many areas even widening the approaches, between the UK and EU.

We are closely monitoring all developments and will keep you informed of any significant changes. This will ensure your business remains prepared, compliant, and capable of leveraging competitive advantages to support your growth strategy within Europe.

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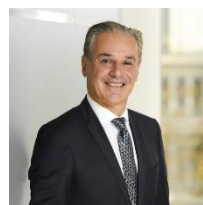
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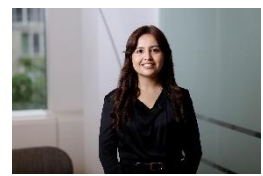
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