Latest news and updates on issues affecting business.

For more information, get in touch:

01793 714413
swindon@
bluefingroup.co.uk

In this issue

Paradise Papers and complying with the Criminal Finances Act

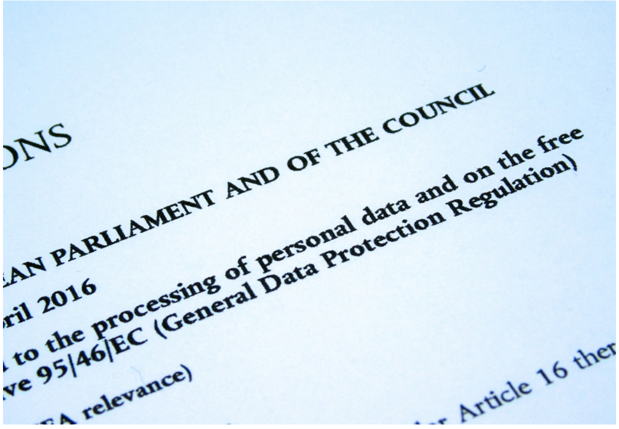
The Paradise Papers are a collection of 13.4m confidential electronic documents that provide information - including the identities of shareholders and directors - for more than 120k individuals and companies with offshore investments listed by the offshore law firm, Appleby, and corporate services provider, Estera. The information in these documents is concerning, since an offshore company, sometimes called a ‘tax haven’, can help investors deposit large sums of money that is exempt from taxes.

Coincidentally, before the release of the Paradise Papers, the Criminal Finances Act (CFA) came into force on 30 September. The CFA is a part of a larger government initiative to encourage greater corporate social responsibility and transparency by creating ‘a more hostile place for those seeking to move, hide, or use the proceeds of crime and corruption’. Under the CFA, the UK government will have the authority and tools to discover, investigate and penalise money laundering, tax evasion, terrorist financing and other corrupt practices. With these tools, the government has the ability to hold corporations, along with employees, accountable for failing to prevent the facilitation of tax evasion. The CFA is not limited to corrupt practices within the United Kingdom, and corporate entities can also violate the CFA if they engage in corrupt practices in foreign territories. Penalties for these offences include unlimited financial penalties as well as ancillary orders, such as confiscation orders or serious crime prevention orders.

The CFA is yet another expansion of director liability, since the CFA holds directors and senior management liable for failing to prevent the facilitation of tax evasion. To help shield your directors and officers from liability, consider purchasing an inclusive directors’ and officers’ (D&O) liability policy.

The CFA, paired with the fallout from the Paradise Papers, emphasises how important it is for organisations to remain wholly transparent in their business operations and to prevent tax evasion.

Addressing the elephant in the boardroom: GDPR preparation



Only 10% of UK boardrooms are involved in the General Data Protection Regulation (GDPR) compliance process right now, with only about six months to go until the GDPR becomes law, according to research from security software and solutions provider, Trend Micro. What's more, 56% of UK organisations are unaware that email marketing databases count as personal information under the forthcoming regulations. Such ignorance could be catastrophic, as 73% of UK organisations do not know that GDPR fines for non-compliance can top out at €20m, or 4% of global turnover, whichever is higher.

Even though the 25 May 2018 deadline to comply with the GDPR is rapidly approaching, your organisation still has time to comply. To help you complete this process, implement the following practices:

- Complete the official GDPR self-assessment from the Information Commissioner's Office (ICO).
- Review the ICO's 12 recommend steps that you should take right now.
- Prioritise cyber-security at the highest level of your organisation by building cyber-governance into your organisational structure. Emphasise that cyber-security and GDPR compliance is the entire organisation's concern, from board members down to interns.
- Review your organisation's process for collecting clients' consent. Whatever your process may be, it must provide an active opt-in. Additionally, keep well-organised records that clearly outline what individuals have consented to, what they were told, and when and how they consented.
- Purchase a comprehensive cyber-insurance policy, which can provide cover for management liability, reputational damage and privacy breach costs.

Recent HSE news and prosecutions

DVSA to fine drivers who breached rest rules within the last 28 days
On 1 November, Driver and Vehicle Standards Agency (DVSA) agents and police officers were granted the authority to begin issuing fines of up to £300 to drivers who did not rest properly and spent their rest breaks in problematic places, such as in the cab of their lorry in a layby. In a single roadside check, DVSA traffic examiners will be able to issue fines for up to five drivers' hours offences, which means a driver could be fined up to £1.5k.

Almost half of workers not replacing old work boots due to discomfort
According to research commissioned by Dr. Martens, 40% of UK workers are putting off getting new boots because of the pain and discomfort associated with breaking in a new pair. On average, it takes up to a week for a pair of boots to be properly broken in. If this period could be reduced, the majority of the surveyed workers said that they would be more inclined to purchase a new pair sooner.

Britain's annual injury and ill health statistics released
In 2016-17, 1.3m UK workers suffered from work-related ill health and 609k experienced a workplace injury, according to the HSE's annual injury and ill health statistics. If you would like to review the entire 2016/17 health and safety statistics, visit: http://www.hse.gov.uk/statistics/.

Avoid this common underinsurance mistake

Even though you may not be aware of it, your organisation may be guilty of making this common - yet costly - mistake. According to research from the Chartered Institute of Loss Adjusters, 43% of business interruption policies were underinsured by an average of 53%. Underinsurance occurs when a business has insufficient cover to meet its needs, whether that means its assets are valued and insured at less than their true value, its limit of indemnity is too low or its maximum indemnity period is too short.

Unfortunately, it is easy for your business to be underinsured if you do not plan for the worse - even if you believe it cannot happen to your business. To ensure that your organisation has the proper amount of cover, take the following precautions:

- Review your business interruption policy at least annually to ensure that all your information is up to date.
- Provide the cost of rebuilding the property (including the costs of demolition, materials and professional fees) to your broker rather than the market value or the amount you purchased it for.
- Calculate and use your actual total revenue.
- Conduct regular, accurate valuations of your business and property.
- Determine an appropriate indemnity period that allows your business enough time to recover.

Mental health conditions become the most common work-related illness

In 2016-17, the number of UK workers that suffered from mental health conditions - including work-related stress, depression and anxiety - rose by nearly 10% to 526k, according to the HSE. This makes work-related stress the most common work-related illness in the United Kingdom. These conditions account for an annual average of 12.5m working days lost and cost the UK economy an estimated £33b to £42b, according to Deloitte.

Mental health conditions harm organisations by reducing productivity and profitability. What's more, recent research from the charity, Business in the Community, found that 60% of employees have experienced symptoms of at least one mental health condition as a result of their work.

To help your employees manage their mental health, your organisation must establish a workplace culture that promotes positive mental well-being. To do so, consider implementing these three best practices:

1. Develop a policy that outlines your organisation's commitment to making workplace mental health a priority. This should include programmes or initiatives that you will implement to achieve this goal.
2. Develop policies and practices for workplace harassment, violence and bullying, as these are some of the most common causes for mental health conditions.
3. Encourage employees to adopt a healthy work-life balance and institute policies that support manageable workloads.

Bluefin

INSURANCE BROKERS CII CHARTERED

bluefingroup.co.uk

Bluefin Insurance Services Limited. Registered Office: 1 Tower Place West, Tower Place, London, EC3R 5BU.
Registered in England No: 931954. Authorised and regulated by the Financial Conduct Authority.

2350-1217