G7 Foreign Ministers’ Statement on Ukraine

We, the G7 Foreign Ministers of Canada, France, Germany, Italy, Japan, the United Kingdom and the United States of America and the High Representative of the European Union, are united in our condemnation of Russia’s continued actions to undermine Ukraine’s sovereignty, territorial integrity and independence.

Today, seven years after Russia’s illegitimate and illegal annexation of the Autonomous Republic of Crimea and the City of Sevastopol, we reaffirm our unwavering support for and commitment to the independence, sovereignty and territorial integrity of Ukraine within its internationally recognised borders.

The UN Charter, the Helsinki Final Act and the Paris Charter clearly state the fundamental principles of respect for the territorial integrity of any State and the prohibition of any use of force to change borders. By its use of force against the territorial integrity of Ukraine, Russia has clearly violated international law and contravened these principles.

We unequivocally denounce Russia’s temporary occupation of the Autonomous Republic of Crimea and the City of Sevastopol. Russia’s attempts to legitimise it are not, and will not, be recognised. We condemn Russia’s violations of human rights on the peninsula, particularly of Crimean Tatars. We call on Russia to respect its international obligations, allow access to international monitors, and to immediately release all those who are unjustly detained. We welcome in principle Ukraine’s initiative to establish an International Crimean Platform to consolidate the international community’s efforts on Crimea.

We also firmly oppose Russia’s continued destabilisation of Ukraine, especially Russia’s actions in certain areas of the Donetsk and Luhansk regions, disregarding the commitments it made under the Minsk agreements. The full implementation of the Minsk agreements is the way forward for peace. Russia is a party to the conflict in eastern Ukraine, not a mediator.

We welcome the recommitment to the ceasefire implemented on 27 July last year, which has significantly reduced violence in the conflict area. However, the conflict continues to claim lives and cause serious damage to critical infrastructure. We deplore recent military escalations by Russian backed armed formations at the line of contact. We call on the Russian Federation to stop fueling the conflict by providing financial and military support to the armed formations it backs in eastern Ukraine, as well as by granting Russian citizenship to hundreds of thousands of Ukrainian citizens, and to instead ensure that steps recently taken by Ukraine aimed at helping improve people’s lives on both sides of the line of contact are reciprocated. We reaffirm the importance of respecting the ceasefire as fundamental for any progress towards a peaceful resolution of the conflict.

We commend France and Germany's tireless efforts as part of the Normandy Format to pursue a diplomatic path to resolve the conflict and affirm our readiness to provide further support to these efforts. We call on all sides to fully implement the Minsk agreements and underscore Russia's responsibility to engage constructively in the Normandy Format and the Trilateral Contact Group with a view to achieving a fair and lasting political solution to the conflict.

The G7 remains fully committed to the implementation of sanctions and will continue to stand with Ukraine in support of its independence, sovereignty and territorial integrity within its internationally recognised borders. Crimea is Ukraine.

Plug-in car, van and truck grant to be targeted at more affordable models to allow more people to make the switch

The grant scheme for electric cars, vans and trucks has been updated to target less expensive models and reflect a greater range of affordable vehicles available, allowing the scheme's funding to go further and help more people make the switch to an electric vehicle.

From today (18 March 2021), the government will provide grants of up to £2,500 for electric vehicles on cars priced under £35,000.

This will mean the funding will last longer and be available to more drivers. Grants will no longer be available for higher-priced vehicles, typically bought by drivers who can afford to switch without a subsidy from taxpayers.

The number of electric car models priced under £35,000 has increased by almost 50% since 2019 and more than half the models currently on the market will still be eligible for the grant, including spacious family cars, such as the Hyundai Kona 39kWh and the MG ZS EV.

Government measures to encourage people to switch to electric vehicles are also working, with nearly 11% of new cars sold in 2020 having a plug. This was up from just over 3% in 2019 – and battery electric car sales almost tripled over that same period.

The plug-in vehicle grant scheme was renewed last year, with £582 million of funding intended to last until 2022 to 2023.

Transport Minister Rachel Maclean said:

> We want as many people as possible to be able to make the switch to electric vehicles as we look to reduce our carbon emissions, strive towards our net-zero ambitions and level up right across the UK.
>
> The increasing choice of new vehicles, growing demand from customers and rapidly rising number of chargepoints mean that, while the level of funding remains as high as ever, given soaring demand, we are refocusing our vehicle grants on the more affordable zero emission vehicles – where most consumers will be looking and where taxpayers' money will make more of a difference.
>
> We will continue to review the grant as the market grows.

The plug-in car grant was introduced 10 years ago to stimulate the early market for zero emission vehicles. Since 2011, government has provided close to £1.3 billion in plug-in vehicle grant funding to bring ultra-low emission vehicles onto UK roads, supporting the purchase of more than 285,000 vehicles.

We have been clear since 2018 that we intend to reduce the plug-in car grant. We are retaining support for the switch to electric vehicles through other new investments. Today's changes are the latest step in this.

Generous tax incentives, including favourable company car tax rates, which can save drivers over £2,000 a year, will remain in place.

The government is also investing more than £15 billion of new money in alternatives to cars, including:

- £3 billion for buses
- £2 billion for cycling
- more than £4 billion for local transport in cities
- £5 billion for enhancements to the rail network, including electrification and reopening lines closed under the Beeching cuts

More affordable batteries mean that manufacturers can increase the range of the vehicles, including the VW ID.3 Pro (from £32,000 RRP) with a 263-mile range – more than the distance between London and Middlesbrough. This is more than 3 times the typical range available when the plug-in car grant first launched in 2011, thanks to steep falls in battery costs.

As the market develops even further, we expect further price reductions in electric vehicles.

TRIPS Council: UK statements

1. Notifications Under Provisions of the Agreement

Thank you, Chair.

As we've stated in previous sessions, the United Kingdom attaches great significance to the WTO notification system and its role in promoting transparency between WTO members. Transparent notification of IP measures promotes a well-functioning international IP framework and through that the growth of innovative industries worldwide.

To provide a clearer picture of the United Kingdom's IP framework to Members, we have been notifying to Members a number of legislative changes made since we last updated the Council on our IP laws and regulations.

This process has continued, with Members receiving updates via the eTRIPS system. We thank the TRIPS Secretariat for their patience and support throughout this process.

Additionally, we have also recently notified a number of new laws relating to the UK's exit from the EU. These have been of a technical nature, making amendments to domestic arrangements to ensure that UK national law continues to function effectively in light of the UK's exit, reflecting the Withdrawal Agreement and the retention of EU law in UK law, following the end of the transition period.

With regard to our historic notifications, which covered the areas of copyright, patents and enforcement, I will cite examples along a path reflecting the changing world around us and the importance of ensuring that the UK IP system is fit for purpose and makes the most of technological developments. Our examples highlight how the UK has continued to help innovators and creators protect their IP rights.

The UK remains committed to an effective and balanced IP regime that drives innovation, investment, and economic opportunity for the benefit of all.

By ensuring that the system remains up to date, we have been able to make sure that our IP regime remains fit for purpose.

The Copyright, etc Trade Marks (Offences and Enforcement) Act 2002 amended the criminal provisions in intellectual property law, specifically the law relating to copyright, rights in performances, unauthorised decoders and trade marks, to ensure the penalties reflected the seriousness of the crimes they cover.

This provision provides law enforcement with broader tools to help tackle IP crime and introduces further deterrents to criminals seeking to benefit from IP infringement.

The UK continues to greatly value harmonisation of international systems and standards, supporting the ongoing evolution of a global system that fosters innovation and creativity – an update to the UK’s IP system that demonstrates this was The Artist’s Resale Right (ARR) Regulations 2006.

Prior to the introduction of the ARR Regulations, there were no resale rights in the UK. The Artists’ Resale Right entitles creators of artistic works to a royalty payment each time their works are sold by an art market professional. This right to the royalty has the same duration as copyright – generally, the life of the author plus 70 years.

The 2006 Regulations also implemented aspects of Article 14ter of the Berne Convention for the Protection of Literary and Artistic Works. This is the only international agreement which grants and governs ARR. It is an optional right with a reciprocity obligation for and between countries that offer it, its implementation shows that the UK will make the most of the wider international framework to ensure its creators are duly rewarded for the fruits of their creative endeavours.

We are still considering providing more details of the legislative changes and their functioning within the UK IP ecosystem, potentially in a workshop at a future point.

The United Kingdom continues to look forward to engaging with all WTO Members in our collective effort towards defending and improving the multilateral trading system.

Thank you Chair.

10. Follow-up to the 17th Annual Review under Paragraph 2 of the Decision on the Implementation of Article 66.2 of the TRIPS Agreement

Thank you Chair,

The United Kingdom remains committed to implementing Article 66.2 of the TRIPS Agreement to promote and encourage technology transfer to least developed country Members.

Recently, at WTO workshops on the implementation of TRIPS Article 66.2, the UK provided overviews of UK programmes encouraging technology transfer in the areas of health and the environment. These workshops were a great opportunity to improve collaboration and highlight capacity building projects. Examples of technology transfer in the health space were highlighted with the novel Cradle Microlife Vital Sign Alert device to prevent pre-eclampsia, and technology transfer for rotavirus immunogenetics. In the environment session, examples included technology transfer for renewable energy initiatives, such as smart phone enabled battery packs and a renewable microgrid-based business zone.

The UK would like to extend our gratitude to delegations who attended and contributed to discussions in these workshops. The sessions were highly useful for sharing experiences on transferring technology to Least Developed Countries. We look forward to contributing to additional sessions in the future to enable Least Developed Countries to develop and create sound and viable technological bases

Thank you Chair.

12. Proposal for a Waiver from Certain Provisions of the TRIPS Agreement for the Prevention, Containment and Treatment of Covid-19

Thank you Chair.

The UK has continued to engage in evidence-based discussions within the TRIPS Council. We have done this in good faith, wanting to get to the heart of the issue and to understand how this proposal can meet our shared objectives of preventing, containing, and treating COVID-19. Recently, in response to communication IP/C/W/672, we asked a number of questions relating to the proposal. Answers to these questions remain outstanding. To move forward with evidence-based discussion, it is vital these questions be answered, and we remain ready to engage with delegations via all available channels.

We have seen the intellectual property framework support innovation and collaboration in the form of R&D, manufacturing agreements and other technology transfer efforts. It is a framework that can continue to support the equitable global supply of quality and safe vaccines, diagnostics, and therapeutics.

We encourage Members and stakeholders to focus on the following key issues with regards to the most immediate task, inoculating the world. How many more vaccines are required to meet global need? What is the most efficient way to do this? Where are global efforts falling short? How do we take concrete and realistic next steps? How do we ensure vaccines are safe and effective?

The way ahead lies within the framework of multilateral rules. These rules have already been shown to support and encourage research and innovation while at the same time allowing licensing agreements that help to scale up manufacturing of medical products. Enabled by the TRIPS Agreement, and encouraged by its trusted collaborations, Astra Zeneca has licensed over a dozen large-scale manufacturers, including partnerships to produce up to 1.2bn doses specifically for low- and middle-income countries. It continues to enter into partnerships to scale up manufacturing, technology transfer under a licensing model which has delivered during the pandemic. The UK considers focusing on voluntary licensing and partnership models is an important part of the solution we are all striving for: saving lives and ending the pandemic as quickly as possible.

We are pleased to see industries’, both developers and manufacturers, continued emphasis on availability of vaccines and the role of industry partnerships in delivering this solution. Supply-chain bottleneck issues were recently explored at a summit on 8 and 9 March convened by the key stakeholders in these efforts. Looking carefully at how to build resilient supply chains, that develop and make the most of trusted partnerships, will be crucial as we continue to meet global vaccine needs including through the WHO COVAX facility.

The UK is pleased to see COVAX beginning to have a real-world impact with the first deliveries of vaccines making it to Ghana earlier this month, closely followed by deliveries to other countries across Africa, Latin America, and the Middle East.

Recently, at the G7 leaders' call, the UK announced that it will share the majority of future surplus vaccine doses with COVAX. Leaders also made additional commitments of over $4.3 billion to the ACT-Accelerator and its COVAX facility. This will support COVAX in striving towards its target to provide 1 billion COVID-19 vaccine doses to 92 developing countries in the course of this year. The Oxford-developed vaccine produced by AstraZeneca and its partners is a key element of the COVAX facility. The partnerships span across the world with fruitful engagements for example in China, Mexico, Brazil, Russia, South Korea and India. As discussed at the General Council last week, we, together with industry and stakeholders around the world, should look to these licensing and partnership models.

In addition to those immediate efforts, we are ready to explore what role the TRIPS Council may play now and in the longer term.

The UK remains committed to working to support the global response to the Covid-19 pandemic. Supporting the scale-up of manufacturing to meet global needs for diagnostics, vaccines, and therapeutics as part of the multilateral IP framework will be a concrete way to achieve this. We look forward to continuing our evidence-based discussions to this end.

Thank you chair.

13. Extension of the Transition Period under Article 66.1 of the TRIPS Agreement for LDC Members

Thank you Chair,

The UK would like to express its support for LDC Members. We note the wide range of policy concerns that they face, particularly during this unprecedented time of global pandemic and its impact on social and economic wellbeing. Therefore, we welcome this discussion and urge Members to find a progressive solution that meets the needs of LDCs, without losing the many successes that have already been achieved.

This delegation recognises the special requirements of LDCs as well as their need for flexibility to create a viable technological base.

The UK remains committed to working with and to assisting LDCs to ensure that they have the tools necessary to enact and maintain a fit-for-purpose intellectual property framework, and we look forward to further discussions on this issue.

Thank you Chair.

14. Intellectual Property and Innovation: Making MSMEs Competitive in Green Tech

Thank you Chair,

The United Kingdom would like to thank Switzerland and the co-sponsors for preparing this paper on 'Making MSMEs Competitive in Green Tech'. We are pleased to co-sponsor it and to have the opportunity today to respond to some of the issues it raises. We would also like to highlight the presentations and discussions heard at the event held on 9 March. These gave a useful insight into the practices and opportunities IP provides to MSMEs in the space of green tech and in tech transfer to developing countries.

Micro, Small and Medium-sized Enterprises (MSMEs) play a pivotal role in the UK's efforts towards more sustainability. They constitute the core engines of innovation and growth and provide for 70% of employment. The United Kingdom is not alone in this; across the globe, MSMES represent 95% of businesses and, as is clear from the paper, their significance to the economy is increasingly recognised. In times of uncertainty, it is even more important that we look at ways to bolster the capacity of MSMEs to support green economic recovery.

The UK considers that an intellectual property framework, which enables these highly skilled enterprises to protect their creativity and innovation, is crucial to maintaining their competitive edge and to supporting and nurturing their continued growth.

Therefore, the UK government is committed to working to increase MSMEs' understanding of the instrumental role effective IP management can play in development of their businesses. We want and help these businesses to recognise and understand all their assets and to be able to access the relevant IP information, guidance and support at the appropriate time in order to maximise their value and potentially make tangible difference. To that end the UK Intellectual Property Office has in the last six months supported 26 high-growth businesses in the Green Tech space by funding comprehensive Audits with IP Professionals. The audits have provided these businesses with in-depth analysis of their IP, including opportunities for increasing revenue as well as any potential risks, together with recommendations for maximising the value of the IP.

In 2009, the UK Intellectual Property Office introduced the "Green Channel", to fast-track patent applications covering green technology, making it possible to grant such a patent in under a year. Since its inception the Green Channel has received over 3000 requests.

Intellectual property rights are about encouraging innovation and creativity to enable all to benefit. Innovative green solutions will be pivotal to address challenges like climate change, and IP rights will play a major role. For example, they can secure investments in research and development, and enable the technology to be effectively commercialised, ensuring it can have real world impact. It is crucial to recognise the influence and possibilities that "Green IP" can bring to bear on building back better, building a sustainable future.

Integral to adopting a change towards a more sustainable lifestyle based on green technologies, as part of the development of new global environmental policies, will be balanced and effective protections of IP rights.

To develop clean technology solutions, organisations must explore how they can use IP assets and associated rights more collaboratively. Promoting green growth of MSMEs is important in achieving inclusive and sustainable growth.

Once again, the UK thanks Switzerland for presenting this paper. We believe it serves as an excellent catalyst for discussion.

Thank you, Chair.

Business Secretary launches major overhaul of UK's audit regime in wake of big-name company collapses

- Government consults on plans to break up dominance of "Big Four" audit firms and require large businesses to be more transparent about their finances, helping to avoid company failures and safeguard British jobs
- proposed reforms to strengthen UK's position as a world-class destination for investors by improving the quality of corporate reporting and sharpening focus on long-term success of large companies
- Business Secretary Kwasi Kwarteng: "Restoring business confidence, but also people's confidence in business, is crucial to repairing our economy"

Major new reforms to the UK's audit regime will aim to safeguard British jobs, avoid company failures and reinforce the UK's reputation as a world-leading destination for investment, the Business Secretary has announced today (Thursday 18 March).

The UK is consistently placed as one of the leading destinations for foreign investment in Europe and around the world, but in recent years, investor and public confidence in how businesses are governed has been undermined by large-scale company failures, such as Carillion, Thomas Cook and BHS, leading to severe job losses and the British taxpayer picking up the bill.

To improve corporate transparency and strengthen the UK's position as a world-class destination for investors, the government is launching a consultation on wide-ranging reforms to modernise the country's audit and corporate governance regime, targeting the UK's biggest businesses and ensuring markets work effectively.

Robust and rigorous scrutiny of large firms provided by auditors, as well as greater transparency and trustworthy information, is essential to ensuring that investors, employees and consumers have an accurate picture of the health of the company – underpinning a thriving, pro-enterprise business environment in the UK.

To unleash competition in the audit market, the government's proposals would see the creation of a new audit profession overseen by a new regulator, which will aim to drive up quality and standards in the market and increase choice for businesses, while breaking up the dominance of the so-called "Big Four" firms. Last year, almost a third of FTSE 350 audits inspected were in need of improvement.

Business Secretary Kwasi Kwarteng said:

> Restoring business confidence, but also people's confidence in business, is crucial to repairing our economy and building back better from the pandemic.
>
> When big companies go bust, the effects are felt far and wide with job losses and the British taxpayer picking up the tab. It's clear from large-scale collapses like Thomas Cook, Carillion and BHS that Britain's audit regime needs to be modernised with a package of sensible, proportionate reforms.
>
> By restoring trust in our corporate governance regime and encouraging greater transparency, we will provide investors with clarity and certainty, cement the UK's position as the best place in the world to do business, and protect jobs across the country.

As part of the government proposals to improve the audit market:

- large companies would be required to use a smaller "challenger" firm to conduct a meaningful portion of their annual audit, watering down the supremacy of big-name auditors that put markets at risk whilst boosting jobs and growth of smaller audit firms across the country
- the Big Four could also face a cap on their market share of FTSE 350 audits if competition in the sector does not improve.
- a new regulator, the Audit, Reporting and Governance Authority (ARGA), which could oversee the largest unlisted companies as well as those on the stock market, will also have the power to impose an operational split between the audit and non-audit functions of accountancy firms, to reduce the risk of any conflicts of interest that may affect the standard of audit they provide

To reinforce investor and public confidence in audit:

- new reporting obligations would be introduced on both auditors and directors around detecting and preventing fraud, with boards required to set out what controls they have in place and auditors expected to look out for problems
- audits will also be able to extend beyond a company’s financial results to look at their wider performance, including against key climate targets, to ensure investors and other interested parties are fully informed and can hold companies to account as the UK seeks to eliminate its contribution to climate change by 2050
- the new regulator will be backed by legislation, funded by a mandatory levy on industry, and given much stronger powers to enforce standards. For instance, where serious problems occur, ARGA would be able to order companies to go back and redo their accounts without having to go through the courts.

Plans also aim to make directors of the country’s biggest companies more accountable if they have been negligent in their duties – reflecting the level of responsibility that comes with holding such a position:

- directors of large businesses could face fines or suspensions in the most serious cases of failings – such as significant errors with accounts, hiding crucial information from auditors, or leaving the door open to fraud
- under the UK’s Corporate Governance Code, companies could be expected to write into directors’ contracts that their bonuses will be repaid in the event of collapses or serious director failings up to two years after the pay award is made, clamping down on ‘rewards for failure’
- large businesses would need to be more transparent about the state of their finances, so they do not pay out dividends and bonuses at a time when they could be facing insolvency. Directors would also publish annual ‘resilience statements’ that set out how their organisation is mitigating short and long-term risks, encouraging their directors to focus on the long-term success of the company and consider key issues like the impact of climate change

The proposals, which will ensure the UK’s markets are at the cutting-edge of global best practice, come alongside the government’s wider work to ensure the UK is a world-class destination for investment, including the Hill Review on listings and Kalifa Review on fintech, as well as the Plan for Growth, which sets out how infrastructure, skills, and innovation will help drive the UK economy.

Minister for Corporate Responsibility Lord Callanan said:

> Audit failure isn’t an abstract problem, it has real life consequences. Thousands of jobs have been lost in the wake of collapses like Carillion, and many more lives impacted, while wider confidence in big business is undermined.

> Auditors and rogue directors who have been asleep at the wheel must be held accountable. So, as part of our plans, we will look to ensure the new regulator is fully equipped to take action where serious lapses have occurred.
>
> We are grateful for the work of Sir John Kingman, Sir Donald Brydon and the Competition and Markets Authority, whose inquiries provided much insight and made clear the case for reform.

The government's consultation takes forward the vast majority of recommendations made by 3 independent reviews into auditing and corporate reporting:

Sir Donald Brydon said:

> I welcome the government's consultation and am pleased that they have accepted the core principles and the majority of the recommendations of my 2019 Review. I would urge all participants to engage with the important detail in this paper. The need for progress on these reforms remains urgent.

Sir John Kingman said:

> Since my 2018 report, much has already been done to strengthen regulation of UK audit, reporting and governance under new leadership at the FRC. The critical missing piece is to fix the regulator's legal status and powers. I therefore very much welcome the government's consultation, and look forward to seeing this followed through with legislative action as soon as possible.

Andrea Coscelli, Chief Executive of the Competition and Markets Authority, said:

> We welcome the government's commitment to restoring trust in audit through these reforms. The consultation contains many good proposals, which reflect the CMA's recommendations and – if they become law – will help improve the health and quality of the audit market.
>
> Ultimately these reforms must be judged on their results, so we are also pleased that the government intends to take reserve powers to go further than the current proposals, if these do not deliver the deep change that is needed to fix this broken market.

Chris Cummings, CEO of the Investment Association said:

> This consultation is an important next step in implementing much-needed audit reform, helping deliver better quality audits for shareholders, who rely on their quality and robustness when making investment and stewardship decisions. Investment managers have an important role to play in holding companies to account on their audit quality, and our members are committed to playing their part to drive up standards and improve transparency from auditors and companies. We look forward to working with government and industry in our role as secretariat to the new Audit Users Review Board to improve audit quality.

In light of the current challenges to the UK economy, the consultation period will run for 16 weeks.

The government will work to ensure reforms are implemented in a way that does not prove burdensome to businesses, and is actively investigating ways to make it simpler for companies to report on their performance, for instance by consolidating existing requirements.

The consultation will ask businesses and the public for their views on a wide range of issues, including:

- whether companies should be obliged to set out their approach to audit through a published policy, on which shareholders would vote
- whether shareholders should have a formal opportunity to propose to the audit committee where the auditor should focus more closely
- whether to establish a new set of enforceable principles for corporate auditing

Subject to the outcomes of this consultation, the government will bring forward primary legislation to take forward the proposed reforms when parliamentary time allows.

The main proposals contained in the government's consultation include the following.

Addressing Sir Donald Brydon's recommendation for a new audit profession

- a duty for auditors to take a wider range of information into account, and powers for the regulator to set enforceable principles for auditor conduct
- new reporting requirements for larger companies on anti-fraud measures and the level of independent scrutiny given to their published reports
- a voluntary scheme for the audit and assurance of more non-financial information over and above the statutory audit
- encouraging audit and assurance professionals to work towards a new audit profession, rather than a subset of the accountancy profession as now

Addressing the CMA’s findings that the “Big Four” firms dominate the audit of FTSE350 companies, harming audit quality and undermining market resilience

- growing the capacity and capability of challenger firms by giving the regulator powers to operate a managed shared audit regime (in which a subsidiary company audit is done solely by a challenger firm) and, to follow if needed, a managed market share cap reserving a proportion of listed company audits for challenger firms
- new powers for the regulator to set and enforce standards for FTSE 350 companies’ audit committees; new powers to impose an operational split between the audit and non-audit functions parts of accountancy firms; and new powers to monitor the resilience of the largest audit firms, together with improved powers to monitor the broader audit market

Addressing Sir John Kingman’s recommendation that the current audit regulator, the Financial Reporting Council, is not well equipped to tackle these and other challenges and should be replaced

- replacing the FRC with the Audit, Reporting and Governance Authority (ARGA), a regulator whose objectives, governance and funding will be underpinned by legislation
- expanding the definition of “Public Interest Entity” to include some very large non-listed companies, which will have to meet more stringent reporting and audit requirements (addressing issues arising from BHS and other failures) – recognising their economic importance and how this should be reflected in their responsibilities. The government will also consider an option to exempt newly listed firms from requirements associated with becoming a PIE to ensure the UK stays competitive on listings
- new directors’ duties relating to internal controls and risk management in a way that builds upon the UK’s existing framework, with the government’s initial suggested option less burdensome than the US Sarbanes-Oxley system and providing companies and shareholders greater flexibility
- new powers to hold directors of large companies to account in relation to their reporting and audit obligations
- improved powers to review companies’ corporate reporting, including proposals to extend those powers to the whole annual report
- stronger oversight of the accountancy and actuarial professions
- improved powers to monitor the quality of audits including powers to publish inspection reports in full

RPA opens window for farm payments for 2021

The Basic Payment Scheme (BPS) application window has opened today (18 March) for farmers to claim for their 2021 payments. The claim window for customers with existing Countryside Stewardship (CS) and Environmental Stewardship (ES) revenue agreements has also opened today.

Farmers are being encouraged to apply as soon as they are able, to ensure applications are submitted ahead of the deadline of 17 May.

All applicants can quickly update their personal and business information by applying through the Rural Payments service, where farmers and their agents can also view and transfer their entitlements and land parcels.

A number of simplifications have been made to the Basic Payment Scheme this year in order to reduce the burden on farmers as they focus on transitioning to the new system. This includes important changes to cross-compliance, such as an increased use of warning letters and offers of advice over farmers receiving a penalty as the default response to a breach of the rules. It was also announced earlier in 2020 that the greening requirements for BPS customers, which were complicated and historically delivered little for the environment, would be removed in 2021.

The Rural Payments Agency announced in January 2021 its best ever performance for 2020.

RPA Chief Executive Paul Caldwell said:

> I know how important cashflow is to rural and farming businesses. We will continue our commitment to ensuring timely payments to farmers and land managers but would urge you not to leave things until the last minute.
>
> We will continue to build on our recent performance while preparing ourselves to supporting farmers across the country as we move towards a greener future.

Now the UK has left the EU and new applications and agreements are no longer bound by the bureaucratic Common Agricultural Policy, the Government is introducing a new system that is tailored to the interests of our farmers. It is the most significant change to farming and land management in 50 years, designed to deliver a renewed agricultural sector, producing healthy food for consumption at home and abroad, where farms can be profitable and economically sustainable.

Direct Payments will be reduced fairly, starting from this year (2021), with the money released being used to fund new grants and schemes to boost farmers' productivity and reward environmental improvements. The biggest reductions will be made to the higher payment bands. Further reductions will be applied until the last payments are made in 2027.

The savings from phasing out these payments will free up funds which will go back to farmers through the roll-out of three schemes the Government is developing to encourage environmental land management and to boost farmers' productivity. The three schemes are the Sustainable Farming Incentive, Local Nature Recovery and Landscape Recovery.

Farming Minister Victoria Prentis said:

> We are undertaking the biggest change to agricultural policy in half a century, tailored to the needs of our farmers. I understand that some will be feeling anxious about the future. That is why we are making changes in a gradual way, and progressively reducing Direct Payments whilst we develop our new schemes.

> Farm resilience support is available to farmers throughout the first three years of the agricultural transition period, to help those most affected by the phasing out of Direct Payments. This will support the choices of individual farm enterprises, and help them plan for the future.