The COVID-19 pandemic has created unprecedented challenges for compliance professionals around the world, including those in the UK. The following is a selection of UK and constituent countries actions as well as news and analysis articles compiled by the Thomson Reuters Regulatory Intelligence editorial staff. The selection includes Regulatory Intelligence and Reuters news coverage. More COVID-19 news and information can be found via the TRRI platform's search facility.

Additional COVID-19 resources are also available on the Thomson Reuters COVID-19 Resource Center.

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- UK watchdog expects mortgage payment holidays to end on Oct. 31
- UK retail sales surge past pre-COVID peak in July

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1 This COVID-19 Coverage was compiled by Thomson Reuters Regulatory Intelligence editorial staff.
COVID-19 COVERAGE – UNITED KINGDOM

LEGISLATIVE AND REGULATORY ACTIONS OF THE HOME NATIONS

ENGLAND

The Health Protection (Coronavirus, International Travel) (England) (Amendment) (No. 10) Regulations 2020 amend The Health Protection (Coronavirus, International Travel) (England) Regulations 2020 by removing Austria, Croatia and Trinidad and Tobago from the list of exempt countries regarding self-isolation requirements. It also adds Portugal to that same list, among other matters.

The Statutory Sick Pay (General) Regulations 1982

No relevant new actions.

The Health Protection (Coronavirus, Wearing of Face Coverings in a Relevant Place) (England) Regulations 2020

No relevant new actions.

Coronavirus Act 2020, UK ST 2020 c. 7 (Royal Assent 25 March 2020)

No new actions.

Financial Services and Markets Act 2000 (Regulated Activities) Order

No new actions.

The Financial Services and Markets Act 2000 (Exemption) (Amendment) Order 2020

No new actions.

Individual Savings Account Regulations 1998

No new actions.

The Income Tax (Exemption for Coronavirus Related Home Office Expenses) Regulations 2020

No new actions.

Value Added Tax Act 1994

No new actions.

The Employment Rights Act 1996 (Coronavirus, Calculation of a Week’s Pay) Regulations 2020

No new actions.

The Health Protection (Coronavirus, Restrictions) (England) Regulations 2020

No relevant new actions.

The Taking Control of Goods and Certification of Enforcement Agents (Amendment) (Coronavirus) Regulations 2020

No new actions.

2 Links to the TRRI Regulatory Guidance Summary for this provision and not the original text of the legislation.
The Value Added Tax (Extension of Zero-Rating to Electronically Supplied Books etc.) (Coronavirus) Order 2020

No new actions.

Accounts and Audit (Coronavirus) (Amendment) Regulations 2020

No new actions.

The Statutory Sick Pay (Coronavirus) (Funding of Employers’ Liabilities) Regulations 2020

No new actions.

COUNTRIES ACTIONS

Scotland


The Health Protection (Coronavirus) (International Travel) (Scotland) Amendment (No. 10) Regulations 2020 amend The Health Protection (Coronavirus) (International Travel) (Scotland) Regulations 2020 by removing Austria, Croatia, Switzerland and Trinidad and Tobago from the list of exempt countries and territories. As a result a person is no longer exempt from the movement restrictions, if during the 14 days preceding their arrival in Scotland, they have departed from or transited through the above countries.

The Health Protection (Coronavirus) (Restrictions) (Scotland) Regulations 2020

No relevant new actions.

Wales

The Health Protection (Coronavirus, International Travel) (Wales) (Amendment) (No. 6) Regulations 2020 amend The Health Protection (Coronavirus, International Travel) (Wales) Regulations 2020 by removing Austria, Croatia and Trinidad and Tobago are removed from the list of exempt countries. It also adds Portugal to that same list, among other matters.

The Health Protection (Coronavirus Restrictions) (No. 2) (Wales) Regulations 2020

No relevant new actions.

Northern Ireland

The Health Protection (Coronavirus, International Travel) (Amendment No. 7) Regulations (Northern Ireland) 2020 amend The Health Protection (Coronavirus, International Travel) Regulations (Northern Ireland) 2020 by removing Austria, Croatia, and Trinidad and Tobago from the list of exempt countries, among other matters.

Health Protection (Coronavirus, Wearing of Face Coverings) (Amendment) Regulations (Northern Ireland) 2020

No new actions.

The Health Protection (Coronavirus, Restrictions) Regulations (Northern Ireland) 2020

No relevant new actions.
The Business Tenancies (Coronavirus) (Restriction on Forfeiture: Relevant Period) (Northern Ireland) Regulations 2020

No new actions.

The Rates (Coronavirus) (Emergency Relief) Regulations (Northern Ireland) 2020

No new actions.

The Statutory Sick Pay (Coronavirus) (Funding of Employers’ Liabilities) (Northern Ireland) Regulations 2020

No new actions.

The Working Time (Coronavirus) (Amendment) Regulations (Northern Ireland) 2020

No new actions.

The Discretionary Support (Amendment No. 2) (COVID-19) Regulations (Northern Ireland) 2020

No new actions.

Isle of Man

Emergency Powers (Coronavirus) (Entry Restrictions) (No.2) Regulations 2020

No new actions.

Proclamation by the Governor in Council

No new actions.

Emergency Powers (Coronavirus) (Information Sharing) Regulations 2020

No new actions.

REGULATORS – COVID-19 UPDATES

UK REGULATORS

Financial Conduct Authority (FCA)

Mortgages and COVID-19: Additional Guidance for Firms (August 26, 2020)

The FCA is seeking comments on its draft additional guidance to facilitate firms providing support to mortgage borrowers who have benefited from payment deferrals under the current guidance and who continue to face financial difficulties. The guidance, which supplements the FCA’s ‘Mortgages and coronavirus: Updated guidance for firms’ published in June 2020, applies in the exceptional circumstances arising out of COVID-19 and its impact on the financial situation of mortgage customers, and has no relevance in circumstances other than those related to COVID-19.

Comments must be submitted by September 1, 2020.

For more information see the link here.
COVID-19: Information for Firms (August 26, 2020)

The FCA has updated its COVID-19 Information for firms page. Specifically, it has updated the text under heading "Open-ended funds review survey."

For more information see the link here.

Bank of England’s Prudential Regulation Authority (PRA)

PRA Statement on COVID-19: IFRS 9 and Capital Requirements – Guidance as COVID-19 Specific Payment Deferrals Come to an End (August 26, 2020)

The PRA has published a statement clarifying its approach to IFRS 9 and capital requirements, in response to updated FCA guidance on specific COVID-19 related retail mortgage payment deferrals, which has now come to an end. The draft updated guidance published on August 26, 2020 explains that, at the end of the current COVID-19 specific payment deferrals, if the borrowers involved cannot resume payments in full immediately with all deferred sums either paid in full or capitalised, tailored forbearance arrangements provided in accordance with the draft updated guidance should be considered.

For more information see the link here.

OTHER NEWS AND SUMMARIES

Johnson to launch drive to get Britain back to the office - Telegraph

(Reuters) - British Prime Minister Boris Johnson will launch a public campaign next week to get Britain back to the workplace, as ministers warn working from home will make people more vulnerable to being sacked, The Telegraph newspaper reported here on Thursday.3

The campaign will extol the virtues of returning to the office and provide reassurance that it is a safe place, while a new online tool will help people avoid the most-crowded trains and buses, the report said.

“There will be three main messages: showing people the workplace is a safe place to return to, highlighting the social benefits and the emotional case for going back to the office, and encouraging people to plan how they are going to go back so they feel confident about doing so,” the report added, quoting a government source.

The report added that Finance Minister Rishi Sunak is worried about further job losses, as well as the financial cost of running near-empty trains and buses.

“Clearly people should be going back to work because it is safe to do so. There are already problems with workers’ mental health. It’s not just about hard-nosed economics,” the report said, citing a Cabinet minister.

“There will be some economic consequences of shutdown. Companies will realise some people weren’t working as hard as they thought … There is going to be a review of how productive people are.”

According to data from The Centre for Cities, only 17% of workers in British cities had returned to their workplaces by early August.

“Once the schools go back we will be switching our attention to getting people back to their workplaces. It will be a call to arms to the nation,” the newspaper quoted another minister as saying.

Johnson last month encouraged people working from home to get back to their workplaces to help the economy recover from its 20% contraction in the April-June period, the largest fall among big developed economies.

**UK watchdog expects mortgage payment holidays to end on Oct. 31**

(Reuters) - Britain’s financial watchdog has called on banks to continue supporting homeowners struggling to pay their mortgages due to the COVID-19 pandemic, after saying it expected its requirement for lenders to offer repayment holidays to expire on Oct. 31.4

The FCA had extended the scheme, which allows mortgage customers to defer payments if they have been impacted by the coronavirus, for a further three months from its original June end-point.

The regulator said lenders should consider a range of alternative support measures for customers in financial difficulty, including extending repayment terms, but stopped short of requiring firms to offer such support.

“We are proposing that firms contact their borrowers in good time before the end of a payment holiday, and work with them to come up with a tailored plan to help get them back on track,” the FCA’s Interim Chief Executive Christopher Woolard said.

The watchdog said it is asking for comments from banks and other stakeholders before publishing finalised guidance in early September.

More than 1.9 million borrowers have taken advantage of the scheme to delay payments since it was launched in March.

Britain’s central bank separately said on Wednesday it expected lenders to take a closer look at the credit risk implications of COVID-related loan repayment deferrals as the scheme is phased out.

The Bank of England said tailored support measures brought in as the payment holiday scheme ends would be as good an indicator of increased credit risk as forbearance was before the pandemic.

The FCA on Wednesday proposed that borrowers coming to the end of a payment holiday who were in need of further support after the end of October would have that fact reflected on their credit files.

Customers who apply for a three-month payment deferral before the end of October should be granted one lasting until the end of January, the FCA said.

**UK retail sales surge past pre-COVID peak in July**

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4 Lawrence White, Iain Withers, UK watchdog expects mortgage payment holidays to end on Oct. 31 (August 26, 2020) https://uk.reuters.com/article/uk-britain-mortgages/uk-watchdog-expects-mortgage-payment-holidays-to-end-on-oct-31-idUKKBN25M12B

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(Reuters) - British retail sales surged past their pre-coronavirus level in July, the first full month that shops selling non-essential goods were open since the country went into lockdown in March.  

Separate government borrowing data showed public debt rose above 2 trillion pounds in July for the first time and reached 100.5% of gross domestic product - its highest as a share of GDP since 1961.

The unexpectedly robust retail sales figures showed the strength of consumer demand even as other parts of the economy are struggling to recover from recent hefty losses.

Retail sales volumes rose by 3.6% from June - above all forecasts in a Reuters poll of economists - and were 1.4% higher than in July 2019, the Office for National Statistics said.

That represented a sharp recovery from double-digit falls in April and May.

Compared with February, before Britain was broadly affected by the pandemic, sales were 3.0% higher.

"This uptick in retail consumption may help ease concerns over the fragility of the UK economy - but not for long," Alistair McQueen, head of savings and retirement at Aviva, said.

Britain’s retail sector has enjoyed a much faster bounce back than almost all other parts of the economy hit by the coronavirus lockdown. But there have been contrasting experiences for different types of retailer.

Supermarkets and other food shops have benefited as British people eat at home more. Online sales have boomed, and household goods stores have seen strong demand.

Other areas have suffered, with clothing and footwear sales still 25% down on a year ago.

Companies such as Marks & Spencer (MKS.L), Boots <WBA.O>, John Lewis [JLPLC.UL], Dixons Carphone (DC.L) and WH Smith (SMWH.L) have announced plans for thousands of job cuts.

Economists fear the broad retail recovery could prove temporary.

"July’s retail sales likely will represent this year’s peak," said Samuel Tombs of consultancy Pantheon Macroeconomics.

Restaurants and bars began to reopen in July, giving people more options for their spending.

Furthermore, unemployment is forecast to rise sharply once a government job support scheme stops at the end of October.

Emergency state spending and a shortfall in tax revenue look set to increase borrowing this year to a record 322 billion pounds, the government’s budget forecasters say.

Friday’s figures showed borrowing between April and July hit 150.5 billion pounds, almost seven times higher than in the same period in 2019.

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Borrowing in July alone was the lowest since the start of the pandemic at 26.7 billion pounds. July is a month when tax receipts typically boost the public finances.

Finance minister Rishi Sunak has indicated that some taxes will need to rise over the medium term.

“Today’s figures are a stark reminder that we must return our public finances to a sustainable footing over time, which will require taking difficult decisions,” he said.

(This story corrects paragraph 16 to show latest OBR borrowing estimate of 322 billion pounds, not 298 billion pounds).