

Issues for Board Agendas 2015

Introduction

In a recent Financial Times survey of UK business leaders on the biggest risks for 2015, political uncertainty, market volatility and terrorism all featured high. But, as the CEO of the Investment Association remarked, “[the risks]... that are most worth worrying about are the ones over which we have some measure of control”.

Our *Issues for Board Agendas* publication highlights a selection of regulatory and governance issues that we believe require the attention of boards and management. We have chosen these issues because of their potential to result in serious financial and/or reputational damage. In many of them there have been developments or upcoming changes which mean that the time is now right for a review of the adequacy of existing strategy, procedures or working practices.

The issues we cover are:

- > **obligations to defend against cyber attacks.** A cyber security breach can have very serious repercussions. Legislators and regulators are prioritising this issue and are proposing new legislation to tighten up cyber security measures.
- > **the expansion of data privacy rules.** Controversial proposals to reform European data protection laws continue to inch forward. The new regime is likely to be more prescriptive, with the potential for very significant fines. Crucially, compliance is likely to require considerable advance planning.
- > **the tax planning tightrope for multinationals.** Tax – and the “fairness” principle – continues to generate much public interest, and this has galvanised governments and international organisations into further concerted action.
- > **the creative imagination of antitrust regulators.** The last 12 months have seen the EU Commission push the barriers as to what constitutes a cartel beyond what had been understood to date – with significant risk implications for many organisations.
- > **ensuring internal whistleblowing systems are sound.** A whistleblowing system that works well and ensures issues are evaluated and escalated quickly can be an important tool in managing or reducing risk. Boards should ensure that whistleblowing procedures work as intended and that issues raised by this route are investigated.
- > **successful succession planning.** Succession planning is one of the most important of a board’s functions. Poor planning and processes around board changes can create both short- and long-term problems. Listed companies need to consider their disclosure obligations carefully.
- > **human rights becoming hard law.** Adoption by multinationals of the UN Guiding Principles on Business and Human Rights is requiring companies to focus on how to implement those commitments - and can throw up more issues than you think.

The publication considers these issues in more detail, and includes checklists of points Boards should be considering. It is available to clients on our [Knowledge Portal](#).

If you would like to know anything further about the items highlighted in this article please contact Vanessa Havard-Williams or Bernice Dunsmuir.



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