

COVID-19 Business actions and legal considerations - commercial law overview

- UK businesses will be taking important actions to improve their **Enterprise Resilience** in the current COVID-19 pandemic. This includes considering short and medium term issues relating to **Commercial Resilience, Operational Resilience** and **Financial Resilience**.
- KPMG's Legal Services team has been involved in many of the firm's multi-disciplinary responses to our clients' challenges right now across many different sectors.
- We have identified 5 key commercial law areas that UK businesses should consider, particularly in the 'essential' goods/services industries, but equally important for all businesses impacted by the COVID-19 pandemic.

	Supply chain negotiations	Changes to business models	Industry collaboration	Additional staffing models	Data protection
Summary of the Issues	<ul style="list-style-type: none"> — We are working with businesses dealing with their supply chain issues. We are finding suppliers across national and international supply chains suffering labour shortages, government-enforced lockdowns and reduced logistic routes for example. — Suppliers are approaching businesses with requests to change e.g. delivery schedules; payment terms; price increases; quantity reductions or worst case, suspension of contracts due to force majeure or frustration. — We are helping businesses re-negotiate their contracts, often on short notice. 	<ul style="list-style-type: none"> — Businesses dealing with various issues such as spikes in demand, closure of certain sales channels, changes to their workforce etc may need to make changes to their business models and/or find alternative routes to market. — Businesses must consider their legal/regulatory obligations to their customers and workers in light of any changes they must make. — We are helping businesses with supply chain issues maintain their customer base e.g. by making changes to transportation routes/logistics, finding alternative suppliers, deal with excess stock and re-deploying workforces. 	<ul style="list-style-type: none"> — Supply chain issues and relaxation of certain competition laws will lead to greater vertical collaboration amongst competitors. Those businesses capable of combining manufacturing, resources and suppliers may choose to enter into joint ventures and partnerships in order to maintain supply to end consumers. — We are advising businesses on various issues, such as sharing facilities and workforces, ensuring regulatory compliance in areas such a product liability and health & safety and dealing with the allocation of risk and liability between parties combining production lines and distribution channels. 	<ul style="list-style-type: none"> — Businesses looking at different options for staffing models, whether on an interim or a longer-term basis, need to consider their immediate resourcing needs, identify the nature and scope of their requirements and then consider the various issues arising from any such changes. — We are helping businesses making changes to their workforce consider various issues such as costs, expenses and liabilities for each worker, existing contracts and insurances, any tax implications and for workers being redeployed, suitable terms and procedures for management, performance, grievances etc. 	<ul style="list-style-type: none"> — Businesses must maintain Data Protection compliance during the pandemic, dealing with any changes to their data processing as necessary. — This may arise as a result of changes to the way personal data is collected and shared, due to different resourcing models or ways of working etc. — We are helping businesses adapt quickly to minimise their business impact. Where businesses change personnel, replace Data Processors or need to make notifications for example, we are advising and assisting businesses based on the latest guidance, ensuring they maintain their ongoing Data Protection compliance.

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Document Classification: KPMG Public