

Amendments to the Modern Slavery Act 2015: From discretionary reporting to a mandatory framework

On 30 June 2026, the Government introduced the Immigration and Asylum Bill (the “**Bill**”) in the House of Commons.¹ Notwithstanding its title, the Bill is as much about modern slavery as it is about immigration and asylum. Among other things, it proposes a more robust legal framework to tackle modern slavery. This includes strengthening business accountability and transparency by standardising supply chain reporting and introducing civil penalties for non-compliance. MPs considered the Bill at its Second Reading on Monday, 13 July 2026. In this article, we discuss the recasting of the transparency-in-supply-chains regime in Section 54 of the Modern Slavery Act (the “**MSA**”) 2015, the new financial penalties enforcing it, and two further reforms (mandatory human rights due diligence and forced-labour import bans) which this iteration of the Bill omits, highlighting how the changes are likely to impact businesses if they take effect.

I. Background

Clauses 44 to 49 of the Bill, if enacted, would substantially alter the reporting regime on modern slavery in Section 54 of the MSA 2015. Section 54 of the MSA requires commercial organisations with a turnover of more than £36 million to publish an annual modern slavery statement.

¹ Immigration and Asylum Bill (Bill 105, Session 2026-27), introduced in the House of Commons on 30 June 2026; Bill homepage: <https://bills.parliament.uk/bills/4254>. The modern slavery reporting provisions are at clauses 44 to 49 and Schedule 5 (inserting new Schedule 4ZA into the MSA). Full text of the Bill as introduced: <https://publications.parliament.uk/pa/bills/cbill/59-02/0105/260105.html>. The Bill was presented by the Secretary of State for the Home Department, Shabana Mahmood.

However, in 2024, a Committee appointed by the House of Lords in its Report on the post-legislative review of the MSA (the “**Committee’s Report**”) noted that the MSA was world-leading when enacted in 2015 but the world had changed and best practice had moved on since then.² The Committee found that modern slavery statements on supply chains under the MSA were highly variable and inconsistent, making it difficult for companies to be held accountable even if they voluntarily published these statements.³ While the Home Secretary is empowered to enforce the duties under Section 54 via an injunction, this power has never been used. Therefore, the Committee concluded that Section 54 requirements had not been meaningfully enforced.⁴

II. What does the Bill change?

a. Mandatory Contents of the Statement

Clause 44 amends Section 54 of the MSA by providing detailed statutory guidance on the requirements for a compliant slavery and human trafficking statement. These requirements are set out under the new Schedule 4ZA.⁵ The Schedule replaces the current discretionary list and makes reporting on several categories of information mandatory:

- the organisation’s structure, operations and supply chains;
- the parts of its operations and supply chains at risk of slavery and human trafficking, and the steps taken to assess and reduce or remove those risks;
- its policies;
- its due diligence processes;
- training available to its staff and the staff of its supply chains; and
- an assessment of the effectiveness of steps taken by the relevant entity measured against such performance indicators as it considers appropriate.⁶

These obligations, however, take the form of ‘comply or explain’ duties under which an organisation may still report that it has taken no steps in a given area, but where that is the case, it must “*give reasons why*”.⁷ Thus, the obligations take on a more proactive nature and passive compliance is no longer possible.

b. Approval

Clause 45 allows for these statements to be approved by a parent organisation on behalf of its subsidiaries. The statements must contain a declaration from the person signing them that they are “*accurate to the best of their knowledge and belief*”.⁸ This is notwithstanding the concerns mentioned in the Committee’s Report on this: Dr Bruce Pinnington had criticised the practice of

² Committee Report, Summary; para. 177.

³ Committee Report, ch. 5, para. 187.

⁴ House of Commons Library, *Immigration and Asylum Bill 2026-27* (CBP-10940, 8 July 2026), pp. 46-47 (summarising the key findings of the Committee Report, ch. 5), available at <https://commonslibrary.parliament.uk/research-briefings/cbp-10940/> (the **Library Briefing**).

⁵ Immigration and Asylum Bill, cl. 44(3) (MSA s.54(4)); Sch. 5.

⁶ Immigration and Asylum Bill, Sch. 5, MSA Sch. 4ZA, paras. 2-7 (quoting para. 3(2)(b) and para. 7(a)).

⁷ Immigration and Asylum Bill, Sch. 5, MSA Sch. 4ZA, paras. 3-7 (para. 4(b): “*contain a statement that the relevant entity has not had any such policies in place and give reasons why*”).

⁸ Clause 45(6C)(a).

large multidivisional businesses producing only one modern slavery statement for their wide-ranging areas of business.⁹

Further, for a body corporate other than a limited liability partnership (LLP), the statement must be approved by the board of directors (or equivalent management body) and signed by a director (or equivalent).¹⁰ For an LLP, the statement must be signed by a designated member and approved by the members.¹¹

c. Extension to Public Authorities

Clause 46 extends the duty to report annually on actions taken to address modern slavery in supply chains to the public sector. The budget requirements for a public authority to fall within the scope of this clause are to be determined by regulations (subject to the affirmative procedure) made by the Secretary of State. Notably, the definition of what constitutes a public authority has been broadened to mean “*a person with functions of a public nature*” based on Section 6 of the Human Rights Act 1998.

d. Timeline

Clause 47 provides that the statements must be submitted no later than six months after the end of the organisation’s financial year.

e. Enforcement

Most importantly, the new Section 54ZD empowers the Secretary of State to impose a financial penalty on an organisation or authority which “*without reasonable excuse, fails to comply with a duty imposed*”.¹² The penalty is capped at the higher of:

- (a) 1% of the relevant turnover for commercial organisations (or budget for public authorities); or
- (b) £1 million.¹³

The regime is to be developed by regulations providing for warning notices, representations, rights of appeal, cost recovery and “*the publication of information relating to an organisation or authority on which a financial penalty is imposed*”, which is likely to be reputationally significant.¹⁴ Enforcement by means of an injunction remains preserved under the new Section 54ZE.¹⁵

III. Impact on Businesses

⁹ Committee Report, para. 185.

¹⁰ Clause 45(6A)(a).

¹¹ Clause 45(6A)(b).

¹² Immigration and Asylum Bill, cl. 49 (MSA s.54ZD(1)).

¹³ Immigration and Asylum Bill, cl. 49 (MSA s.54ZD(2), (7)). See also Library Briefing, para. 5.4 (penalty of “*up to a maximum of either £1m or 1% of turnover or budget*”).

¹⁴ Immigration and Asylum Bill, cl. 49 (MSA s.54ZD(4), in particular (4)(c)-(i)).

¹⁵ Immigration and Asylum Bill, cl. 49 (MSA s.54ZE - enforcement by the Secretary of State in the High Court by injunction, or in Scotland under s.45 of the Court of Session Act 1988).

For organisations already within scope, the Bill signals a shift from a light-touch reporting regime to an enforceable compliance framework, requiring board-level sign-off, and creating reputational and financial exposure in instances of non-compliance.

Organisations should consider:

- mapping their current Section 54 MSA statements against the categories of information mandated under Schedule 4ZA, focusing particularly on the assessment of the effectiveness of steps taken;
- establishing the evidential basis needed to support a director's accuracy declaration;
- preparing for a fixed six-month deadline and mandatory publication of their statements; and
- anticipating contractual pressure as public authorities falling within the scope of the Bill are likely to conduct more demanding due diligence on their private sector contractors to ensure compliance.

Finally, it is notable that the Bill stops short of incorporating two further recommendations in the Committee Report. Firstly, the Committee recommended the introduction of mandatory human rights due diligence for companies meeting the £36 million turnover threshold.¹⁶ Secondly, it urged the Government to consider imposing forced-labour import bans, cautioning that these bans should be imposed on companies known to use forced labour as opposed to being targeted at particular countries, which could have serious foreign policy implications.¹⁷ This is arguably out of step with developments elsewhere in the EU and a UK Joint Committee on Human Rights recommendation that a failure to prevent mechanism, modelled on Section 7 of the UK Bribery Act, may be "*an appropriate one to apply to business and human rights*".¹⁸ More recently, the Australian Government has proposed a new criminal offence for 'failure to prevent' modern slavery, with a defence where businesses can establish they took reasonable steps to prevent modern slavery.¹⁹ The impulse for reform is similar to that in the UK i.e., getting domestic legislation in line with international best practice.

However, the amendments could be said to balance competing policy concerns: they aim to create a consistent, enforceable regime to strengthen expectations on businesses and public bodies, and create civil penalties for those who do not comply,²⁰ while ensuring that any administrative costs of compliance remain proportionate.

We will continue to monitor the passage of the Bill through various stages in the Parliament, and analyse any subsequent iteration of it likely to affect our clients.

If you have any questions about the issues addressed in this memorandum, or if you would like a copy

¹⁶ Committee Report, para. 227.

¹⁷ Committee Report, para. 239.

¹⁸ [UK Joint Committee on Human Rights \("JCHR"\). Human Rights and Business 2017: Promoting responsibility and ensuring accountability. Sixth Report of Session 2016-17. 5 April 2017.](#) See also, [A UK Failure to Prevent Mechanism for Corporate Human Rights Harms](#), co-authored by Julianne Hughes-Jennett.

¹⁹ [Anti-Slavery Commissioner welcomes Government's move to strengthen modern slavery laws | Australian Anti-Slavery Commissioner.](#)

²⁰ Explanatory Notes, para. 38.

of any of the materials mentioned in it, please do not hesitate to reach out to:



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