

## TheCityUK response to the Department for Business and Trade (DBT) working paper on non-compete clauses

TheCityUK is the industry-led body representing UK-based financial and related professional services. Our purpose is to champion and support the success of the UK-based financial and related professional services ecosystem, and thereby our members.

The industry we represent is a national asset, contributing over 12% of the UK's total economic output and employing almost 2.5 million people, with two thirds of these jobs outside London across the country's regions and nations. The industry plays an important role in enabling the transition to net zero and driving economic growth across the wider economy through its provision of capital, investment, professional advice and insurance. It also makes a real difference to people in their daily lives, helping them save for the future, buy a home, invest in a business and manage risk.

### Executive summary

Our industry supports the government's objectives of boosting labour market dynamism and promoting competition and innovation. However, we are seriously concerned that the proposed reforms to non-compete clauses risk undermining these objectives. More broadly, the proposals outlined in the working paper underscore concerns about a lack of coherence across the multifaceted policy and regulatory landscape that determines the UK's attractiveness in the face of ever stronger international competition for investment, talent and growth.

We do not believe the government should proceed with proposals to ban or restrict the use of non-compete clauses. The benefits of this type of restrictive covenant are clear and well-understood, particularly in knowledge-intensive industries, as set out in the research noted in the annex. This reinforces our view that statutory reform of non-compete clauses will have significant implications for the UK's international competitiveness and attractiveness as a place to do business, while also undermining the very policy aims the government is aiming to achieve.

A summary of the key points of our response is below. We also respond to the specific questions posed in the working paper.

- **The existing legal framework – which has evolved to reflect economic needs over the past 100 years – strikes a careful balance between protecting employers' interests in their trade secrets and other confidential information and employees' freedom to work and to move freely between jobs.** Non-compete clauses that go beyond what is reasonably necessary to protect legitimate business interests, including the protection of confidential information, are already unenforceable.
- **Non-compete clauses are often the *only* way to pre-emptively protect confidential information and intellectual property (IP) when employees move to competitors.** Confidentiality clauses alone are insufficient to protect knowledge-based industries, with breaches difficult to prove and only provable after the fact, once highly valuable confidential information has been transferred.
- **The UK's current approach to non-compete clauses is aligned with other major financial centres, including New York, Delaware, Singapore, Hong Kong and Dubai (DIFC), where reasonable non-compete clauses remain enforceable.** There is no

widespread or settled international practice in favour of blanket bans on non-compete clauses or statutory limits on their duration. Where bans have been introduced, or attempted to be introduced, these have proven detrimental or failed.<sup>1</sup> If implemented in the UK, there is a real prospect of legal challenges and companies relocating to competing geographies. Major financial services firms largely avoid operating in California, where non-competes are banned, and some major technology companies have recently relocated from California to other states like Texas, Florida and Tennessee, where non-competes are regularly enforced. In particular, Florida has attracted business with its 2025 “CHOICE Act”, which strengthens the enforceability of non-competes. This landscape indicates bans may stifle growth in local economies rather than stimulate them.

- **Non-compete clauses promote competition and innovation in high-value industries, including financial and related professional and business services, and for economy-wide research and development (R&D) activity.** If employees could take their employer’s confidential information with them when moving to a competitor, their former employer’s investment in R&D would be of limited utility, the competitor would gain an unfair competitive advantage, and there would be significant market disincentive to further investment in innovation.
- **An outright ban on non-compete clauses would weaken protection for confidential information and reduce incentives to invest in innovation and R&D in the UK.** This could prompt the transfer of jobs, skills and valuable business information outside the UK. We urge the government to recognise the scale of international competition and the risks of undermining the UK’s commercial attractiveness.
- **A blanket duration limit – whether or not tied to company size – is a blunt instrument unsuited to dealing with the wide variety of circumstances in which restraints apply.** The legitimate business interests in restraining an employee depend on factors including the employee’s role and access to commercially sensitive information. Long restraints may be reasonable for highly remunerated and skilled employees who contribute to the creation of IP and business-critical information, which would be difficult to protect with a confidentiality clause alone. The variety of circumstances in which any duration limit would apply means the employer, the employee, and the courts are better placed to assess the reasonableness of a restraint’s duration on a case-by-case basis.
- **Salaries are an imperfect proxy for employees with access to confidential information.** If non-compete clauses are being used inappropriately for low-paid workers, there may be merit in exploring the use of a “remuneration threshold” or even tiered thresholds, whereby escalating duration limits apply for lower earners, and for higher earners, no limit would be applicable.
- **There is no basis for the introduction of restrictions to other restrictive covenants or wider workplace contracts.** Other types of restrictive covenants, such as non-solicitation covenants, provide essential protection against the very real damage which can be caused by an employee leaving a business and actively soliciting or poaching the clients/

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<sup>1</sup> The US Federal Trade Commission was forced to abandon its proposal for a US-wide ban on non-competes in 2024 in the face of challenge from business. The Governor of the State of New York in 2023 vetoed legislation that would have imposed a blanket ban on employee non-competes. Similar issues could arise in the event of a ban on non-competes in the UK, with the potential for legal challenge to State action which interferes with existing contractual rights at common law and under Article 1 of Protocol 1 to the ECHR, a point considered in the annexed legal opinion of Amy Rogers KC. This raises the serious prospect of protracted and expensive legal action in the event the proposed reforms are implemented.

employees of that business. These covenants afford businesses a short period of time to shore up these essential relationships and do not prevent departing employees from being employed elsewhere, including by a competitor.

## Assessing the evidence base within the working paper

The then government's 2023 Impact Assessment<sup>2</sup> on potential reforms to the duration of non-compete clauses noted: *"The evidence base is not clear-cut and is an emerging area of policy and analytical interest. We have made significant efforts to improve our evidence base, including by commissioning two business surveys and one employee survey. However, the evidence landscape remains highly complex. The economic impacts of the policy are therefore subject to a significant amount of uncertainty and will depend on how businesses and workers respond."*

The working paper does not set out any new evidence on the potential economic impact of the proposed reforms. The significant amount of uncertainty noted in the 2023 impact assessment remains. Nor does it consider the potential merits of alternatives to statutory reforms. For example, it does not consider measures to improve transparency. The government could focus its attention on engaging with employers and employees, heightening awareness and understanding of non-compete clauses, including the limited scope for enforcement, in particular among less well-paid roles, where the working paper notes a particular concern. This could involve working with specific sectoral stakeholders in sectors where the government believes there are greater challenges with transparency and a greater impact on less-well-paid roles.

We do not agree with the assertion made in the working paper that *"both UK and international evidence suggests that reform of non-compete clauses could help drive change."* International approaches to limit non-compete clauses do not support the government's approach to reform, as set out above. To help inform the evidence base, the annex to this response contains the following:

- An economics paper drawing together:
  - A report by Frontier Economics, one of the largest economic consultancies in Europe, which assesses the economic effects of non-compete clauses and concludes that non-compete clauses can create and protect value in some high-growth sectors.
  - A US academic literature review on the economic impact of non-compete clauses. This review considers a broader body of academic literature than that referenced in the DBT's working paper and identifies a number of flaws in the studies relied upon there.
- Legal opinion from barrister Amy Rogers KC, who is widely recognised as a leading legal practitioner in employment competition disputes. Her opinion concludes that the current common law legal framework governing non-compete clauses works well, guarding against the risks that such clauses may be used to stifle market competition and/or to oppress junior or low-paid employees.

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<sup>2</sup> <https://assets.publishing.service.gov.uk/media/645e2770ad8a03001138b3b7/non-compete-clauses-impact-assessment-.pdf>

- A table summarising the approach taken to non-compete clauses across both G20 countries and leading international hubs in which our members either do business or from which they face competition.<sup>3</sup> This indicates that non-compete clauses are permitted in all these jurisdictions, with limited exceptions: India, one province in Canada (Ontario), and a minority of US states.<sup>4</sup> In a majority of these jurisdictions, non-compete clauses may be enforceable for durations of two or more years in some circumstances.<sup>5</sup>

## Implications across the wider policy environment and the government's growth mission

As noted above, we do not believe that the government has made a compelling case for reform. There is a critical lack of consideration of the government's drive to bolster knowledge-intensive industries. Specifically, the proposals could undermine the fact that, as noted by the Intellectual Property Office (IPO), IP protection – the key confidential information protected by non-compete clauses – is positively associated with various indicators of business success. Furthermore, the Patent Office Innovation and Growth Report 2024/25 notes that protecting ideas, creations and technological developments can accelerate innovation and drive the UK's national and regional growth.

Looking at the DBT-led Modern Industrial Strategy, there is an emphasis on the need for certainty to give businesses the confidence to make investment decisions and challenge incumbents. While this is discussed in the context of regulation, it also applies to government policy and operational delivery: businesses holistically assess their operating environment, and the positive impacts of certain policies (or regulations) can be unpicked or rendered redundant by the negative impacts of others.

The need for a holistic approach is recognised in the Industrial Strategy, where the government says that it will ensure the UK's overarching regulatory frameworks, competition regime, company law, and national security processes support the competitiveness of frontier industries. However, as noted above, we do not believe that the government has effectively considered the damaging impact of reform to non-compete clauses, particularly in conjunction with other policies, which have the potential to undermine investment in the UK.

For example, there are widespread concerns about the effectiveness of the UK visa system, which could be deterring talent from the UK. A recent article in the Financial Times highlighted that the visa system “*has become a test of commitment. Those willing to navigate its complexity may still find the destination worthwhile, but the journey now demands patience, expertise and realistic expectations about timeframes and costs.*” We are concerned that reform to non-compete clauses would add another deterrent to investment in the UK, which is contrary to the government's aims.

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<sup>3</sup> The country members of the G20 are Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom and the United States: [G20 Members - G20](#). The table includes these, with the exception of Russia and Indonesia, and with the addition of Singapore, Hong Kong, Switzerland and the Dubai International Financial Centre (DIFC).

<sup>4</sup> California, Minnesota, North Dakota, and Oklahoma.

<sup>5</sup> Australia, Brazil, Canada (save for Ontario), China, France, Germany, Italy, Japan, Saudi Arabia, South Africa, Turkey, the USA (save for the aforementioned states).

Additionally, since the publication of the working paper, the government has acted to remove the cap on unfair dismissal compensation with effect from 1 January 2027. In contrast, most large economies maintain caps on dismissal compensation. This includes France and Germany, both of which have recently placed limits on dismissal compensation, through the Macron reforms and the German Banking Act, specifically to address concerns about the economic impact of dismissal protection. The removal of the unfair dismissal cap in the UK will reduce the attractiveness of the UK to businesses as a place to recruit and base talent. We are concerned that the proposed reform to non-compete clauses would further impact this attractiveness and encourage businesses to create jobs outside of the UK.

This context is provided to illustrate and underscore the fact that the government must not look at policies in isolation but consider the cumulative impact on location and investment decisions.

## TheCityUK response to specific questions in the working paper

### **Question 1 - Introducing restrictions on non-compete clauses**

We do not support the introduction of restrictions on non-compete clauses.

The current legal framework – which has evolved over more than 100 years and is articulated in the enclosed legal opinion from Amy Rogers KC – is practical and effective. English common law has developed a set of robust principles to ensure that non-compete clauses are not used in ways which stifle market competition and/or oppress junior or low-paid employees. Furthermore, the rigidity of a statutory scheme contrasts unfavourably with the current common law regime, which is flexible and can reflect current practice swiftly and without the need for legislative intervention. The adaptability of English law, with its common law framework, is itself one of the factors that makes the UK a world-class business hub.

Non-compete clauses are *prima facie* unlawful and are treated with caution by the courts. As with other clauses in restraint of trade, they are *only* enforceable if they are reasonably necessary to protect legitimate business interests and not otherwise damaging to the public interest. In the employment context, courts apply a high level of scrutiny to non-compete clauses, assessing the proportionality of a clause's scope, duration and geographical reach.

English courts also consider the public interest (including competition, innovation and employee mobility). A non-compete clause in the employment context will be upheld only where an employer can demonstrate that it is reasonable as between the parties and consistent with the public interest.

Many of our members operate in highly competitive, knowledge-intensive markets and depend, for their success and viability, on the protection of their confidential information. If statutory restrictions are placed on the use of non-compete clauses, confidential information will not be adequately protected in the UK. The UK will, as a result, be less attractive for jobs and investment than jurisdictions offering better protections for confidential information, and firms will move investment and job creation elsewhere. This pattern of a willingness for internationally

mobile firms to allocate labour and capital in more favourable locations has been seen in other contexts.<sup>6</sup>

It could also negatively impact on talent development within the UK. Companies may limit access to confidential information to a small group of employees and reduce the training which they provide, both of which would have an adverse impact on skills' development, innovation and productivity in the UK. Firms using non-compete clauses have been found to be more likely to provide higher levels of formal employee training.<sup>7</sup> Similarly, the evidence indicates firms may restrict internal access to productivity-enhancing information in the absence of non-competes, thereby stifling innovation.<sup>8</sup>

As well as negatively impacting job creation and skills' development in the UK, the introduction of statutory restrictions on non-compete clauses is likely to encourage brain drain: talent developed in the UK would be attractive to recruiters overseas, as a preferable option to candidates in their own jurisdictions who may have to sit out a non-compete period before starting a new role.

In summary, statutory restrictions on non-compete clauses could significantly undermine the UK's attractiveness as a financial, professional and business services and research centre, reducing investment in people and innovation, encouraging relocation of talent and investment, and placing the UK at a substantial competitive disadvantage internationally.

### **Question 2 - A statutory limit on the length of non-compete clauses**

We do not support the introduction of a statutory limit on the length of non-compete clauses. The current approach of non-compete restrictions being looked at on a case-by-case basis is preferable and better reflects the differing requirements of different businesses and roles.

A statutory duration limit is a blunt instrument and one which may, contrary to the aims of the proposed reforms, actually result in employees being restricted for longer than they otherwise would be: it may encourage businesses to impose automatically the longest restriction allowed by statute, rather than assessing the necessary period of restriction on a role-by-role basis.

Imposing a statutory limit on length would be unlikely to deliver additional meaningful protection for employees. Under the current approach, the courts carefully assess each case on its specific facts, taking into account all relevant circumstances, including: the legitimate business interest in issue; the seniority of the employee; whether the employee will be able to find other work that is not directly competitive; and the employee's remuneration.

There is no "one size fits all" approach. The introduction of statutory maximum periods would reduce the protections in English law for trade secrets and other confidential information, and

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<sup>6</sup> Houston, Lin & Ma study whether cross-country differences in regulation influence bank capital flows, finding evidence that banks tend to move funds from more to less regulated jurisdictions. See Houston, J.F., Lin, C. and Ma, Y., *Regulatory arbitrage and international bank flows*, Journal of International Money and Finance, 30(8), pp. 1760–1785 (2011). Available [here](#).

<sup>7</sup> Competition and Markets Authority, *Competition and market power in UK labour markets*. London: CMA (25 January 2024). Available [here](#).

<sup>8</sup> Monahova, G. and Foreman, K., *A review of the economic evidence on noncompete agreements*, Competition Policy International (June 2023). Available [here](#).

so disincentivise businesses to invest and innovate in this jurisdiction, thereby undermining competition and innovation. This disincentive is significant given that many other G20 countries and financial hubs do enforce non-compete clauses with longer durations (as shown in the table in the annex). Furthermore, it would also discourage the use of English law – one of the UK’s most successful exports - for employment contracts.

**Question 3 - A statutory limit that differs according to company size**

We do not support the introduction of statutory limits on the length of non-compete clauses that vary by company size.

Many businesses, and particularly knowledge, technology and R&D driven businesses – from small innovative start-ups with a handful of employees to multi-national firms with thousands of employees – depend on confidential information for their success and viability.

There is no inherent link between the size of a business and the extent to which it may need to protect trade secrets and other confidential information using a non-compete clause. The appropriateness and duration of any non-compete restriction will therefore depend on the specific facts and circumstances, rather than the size or maturity of the business. As explained by Amy Rogers KC:

*“A small start-up with only a handful of employees who are closely involved in developing a new product may have an acute need for non-compete clauses, whereas an employee in a large multi-national business may not in fact be exposed to any significant confidential information, or only to information which will cease to be confidential relatively quickly. However, the opposite may equally be true. A large employer may have invested years and very substantial sums in developing confidential products, or systems and processes, whereas a start-up in the same sector may not yet have significant trade secrets. All will depend on the facts of the case.”*

A legal framework that differentiates protections by reference to firm size risks producing arbitrary outcomes and may significantly disadvantage firms operating in very competitive or innovation-driven sectors.

**Question 4 - The length and company size thresholds should be set at, for example:**

**(a) A statutory limit of 3 months for companies with more than 250 employees and a limit of 6 months for companies with 250 or fewer employees**

**(b) A statutory limit of 3 months for companies with more than 50 employees and a limit of 6 months for companies with 50 or fewer employees**

**(c) Other – please explain**

We do not support any of the proposed threshold-based options for the reasons set out under Question 3 above.

**Question 5 - A ban on non-compete clauses in contracts of employment**

We do not support a ban on non-compete clauses in employment contracts for the reasons set out below (as well as those in the response to Question 1).

**Current legal framework**

Banning non-compete clauses in employment contracts would constitute a radical change to English law, which, in relation to non-compete clauses and post-termination restrictions more generally, is flexible, fair and appropriate as noted by Amy Rogers KC:

*“The relevant principles have stood for well over 100 years and strike a fair balance: protecting businesses’ trade secrets and other valuable confidential information, whilst also protecting employees’ freedom to work and the public interest.”*

Non-compete clauses are crucial for the protection of trade secrets and confidential information in high-value sectors – particularly those driven by knowledge, technology and R&D. The law prevents employers from relying on unreasonable or abusive restrictions and provides a flexible and context-sensitive approach to enforcement. As Amy Rogers KC highlights in her opinion:

*“It is important to remember why English law permits the use of non-compete clauses in the employment context: principally, to ensure that businesses have real-world protection for trade secrets and other confidential information in which they may have invested very significant time and money, and which may be fundamental to their commercial success.”*

## **Innovation**

A ban on non-compete clauses would mean that employees could take their employer’s confidential information with them when moving to a competitor. This would render their employer’s investment in training and R&D worthless and would enable competitors to obtain unfair advantages. This is likely to pose a significant market disincentive to innovation within the UK. This issue will be relevant whether the innovation is that of an established business or a start-up, as noted above.

## **Human capital growth**

Non-compete clauses de-risk and therefore encourage the sharing of commercially sensitive trading information between staff. Such knowledge sharing is likely to provide greater commercial benefits for firms and employees in the financial and related professional and business services industry (as well as other industries with a comparable skill base) than in industries where competition is less focused on the battle of ideas. A ban on non-competes may encourage businesses to relocate certain functions, jobs, investment, funds and sensitive activities to jurisdictions offering better protections for confidential information.

Additionally, the literature suggests that firms using non-compete clauses are more likely to provide higher levels of formal employee training, including training aimed at upgrading or teaching new skills. A ban on non-competes may disincentivise investment in employer-provided training for employees and may lead employers to withhold productivity-enhancing information from employees.

## **International approaches**

There is no global consensus in favour of a blanket ban on non-compete clauses. Nor is there any credible evidence in the literature or research that banning non-competes would help achieve the government’s objectives of boosting competition and innovation.

While there are a few jurisdictions in which restrictions have been imposed, the law on non-compete in most US states generally resembles English law, with non-compete clauses being enforced where they are reasonably necessary to protect an employer's legitimate interest and are appropriately tailored in time and scope.

If the UK were to impose a blanket ban on non-compete clauses or to restrict their use, it is likely to lose ground to other competing financial centres, notably New York, Singapore, Hong Kong and Dubai (DIFC), where reasonable non-compete clauses are enforceable. The UK would also be an outlier among the G20 where – with the exception of India, one province in Canada (Ontario), and a minority of US states – non-compete clauses are permitted subject to certain qualifications (and such qualifications are no more restrictive than the approach currently adopted by English courts).

### **Worker mobility**

Added to the above, there is a very real risk that a ban will materially fail to achieve its intended aim of improving worker mobility. As noted by Amy Rogers KC, a blanket ban risks being counterproductive, with businesses driven to explore alternative structures that would reduce worker protections rather than enhance them.

### ***Question 6 - A ban on non-compete clauses in contracts of employment below a salary threshold***

The law already takes into account the seniority, role and remuneration of the individual when considering whether a non-compete should be enforced. Remuneration is an imperfect indicator for matters like access to confidential information or the other legitimate interests that non-competes serve to protect. In practice, however, it is highly unlikely that a court would enforce a non-compete restriction against a very low-wage employee.

If non-compete clauses are being used inappropriately for low-paid workers, there may be merit in exploring the use of a “remuneration threshold” or even tiered thresholds, whereby escalating duration limits apply for lower earners, and for higher earners, no limit would be applicable. Such an approach would be aligned with the practical and legal position as recognised by the Supreme Court, which is that high-ranking employees can do particular damage to the legitimate interests of their employers when they leave, and that on entering into post-termination restrictions, “*they are able to negotiate with their employers on nearly an equal footing*”.<sup>9</sup>

The working paper suggests that there may be some challenge in correctly identifying an employee's relevant salary, but international evidence does not suggest that this is unworkable, and this approach has been deployed successfully in comparable jurisdictions.

There are several thresholds which are autonomously defined in other legislation, which could be used e.g. the minimum wage, those falling below the liability to pay the basic rate of tax or those falling below the liability to pay the higher rate of tax. Any possible salary threshold must be by reference to the employee's pay at the time of enforcement and should take into account any and all variable remuneration, including, for example, bonuses and commission.

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<sup>9</sup> Opinion of Amy Rogers KC, paragraph 19.

**Question 7 - How the government could ensure that a ban below a salary threshold also supports higher-paid innovators, experts and entrepreneurs in the UK**

The existing legal framework supports innovation and entrepreneurship in the UK for the reasons set out above.

**Question 8 - A combination of a ban below a salary threshold and a statutory limit for those who earn above the threshold**

We do not support the combination of a ban below a salary threshold and a statutory limit for those who earn above the threshold for the reasons set out above.

**Question 9 - Whether restrictions should be limited to non-compete clauses only or should also apply to other restrictive covenants**

We do not support the introduction of restrictions on non-compete clauses or on other restrictive covenants for the reasons set out under Question 1 above.

**Question 10 - How the government can ensure that other restrictive covenants, for example non-dealing clauses, are not used in a way that would have a similar effect as a non-compete clause, if restrictions were limited to non-compete clauses only**

The government should not introduce restrictions on non-compete clauses or any other restrictive covenants.

If the government clamps down on restrictive covenants in general, this may leave employers with no option but to relocate certain functions and investment, thereby reducing innovation and investment in skills in the UK.

**Question 11 - Whether restrictions on non-compete clauses should be limited to employment contracts or whether the government should consider applying them to wider workplace contracts**

The government should not introduce restrictions on non-compete clauses in employment contracts or in wider workplace contracts.

Non-compete clauses are used in a range of workplace contracts, including investment agreements, partnership agreements, limited liability partnership (LLP) agreements, and shareholders' agreements. In these contexts, the existing legal framework strikes an appropriate balance between the interests of the parties concerned. English courts assess the enforceability of such clauses by reference to the nature of the agreement, the circumstances in which it was entered into, and the relative bargaining positions of the parties. Where there is inequality of bargaining power, courts apply careful scrutiny to ensure that restrictive covenants are enforced only where they are reasonable in all the circumstances.

**Question 12 - Any evidence demonstrating that a ban, or restrictions, on non-compete clauses could impact inward investment or investment in training and upskilling**

Banning non-compete clauses would undermine innovation and competitiveness in the UK, as there would be no guarantee within high-knowledge industries that employees would not take that innovation and training elsewhere.

**Question 13 - Any obstacles to bringing claims on restrictive covenants, including non-compete clauses, in the courts**

We do not believe there are any obstacles to bringing claims in relation to restrictive covenants, including non-compete clauses, that are specific to these types of cases.

***Question 14 - Whether these obstacles are related to concerns about the costs of bringing a claim, and whether there are barriers to prospective claimants accessing mechanisms to reduce or predict costs (for example, FRC, LEI, CFA or DBA)***

Cost is not a particular obstacle to bringing a claim in relation to restrictive covenants for TheCityUK's members' employees.

Individuals involved in such claims are generally supported financially in that litigation by their intended new employers. In practice, such litigation is litigation between rival businesses and, in any event, the successful party can recover their costs.

***Question 15 - Any suggestions for what the most appropriate response would be, and how it might be implemented***

We do not believe that any regulatory or legislative response is necessary at present. The existing common law framework governing restrictive covenants, including non-compete clauses, provides proportionate and flexible protections for both employers and employees and operates effectively in practice.

If the government nevertheless considers that action is necessary to address concerns about the use of non-compete clauses in certain circumstances, this could be achieved through non-legislative measures. For example, the government could consider the publication of model contractual provisions reflecting the safeguards and limitations that courts typically expect to see in enforceable non-compete clauses. It could also consider issuing guidance clarifying good practice, including that employers should clearly draw (prospective) employees' attention to the presence of any non-compete clause when offering and negotiating an employment contract.

## Conclusion

The current legal framework supports both the protection of legitimate business interests and the rights of employees. It is a core element of supporting and facilitating investment and growth across the UK. We urge the government not to proceed with the proposed reforms as they would weaken the protection of critical business interests – including the protection of sensitive business information and IP – thereby undermining the government's growth mission and the UK's long-term competitiveness.