

# Compliance & Risk

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- Bank of England warns Bitcoin regulation likely, p.16
- First right to be forgotten cases come to court, p.19

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## Gender pay gap reporting reveals huge disparity in some sectors

As the UK gender pay gap reporting deadline is passed, many companies are now publishing the results of their internal investigations, to nothing short of a furore in the press and other media.

All companies with more than 250 employees were obliged to publish the pay gap for hourly wages and bonuses, as well as the percentages of men and women receiving bonuses and at different pay scales, by 4 April 2018.

Government data released in March 2018 reveals a huge disparity in the number of men and

women earning a six-figure income, giving rise to mounting concerns over the gender pay gap in the City and other professions.

According to what have been described as “scandalous” figures, there are almost four times more men than women in Britain’s highest-paid posts, with 681,000 men earning £100,000 or more in 2015-16, according to new HMRC data, compared with only 179,000 women.

Recent figures show that 17,000 men earned £1m in 2015-16, while only

2,000 women did so.

The data also revealed a large gender gap in average earnings, with male taxpayers having a median annual income of £25,700, whilst their female counterparts earned only £20,300. The figures do not include those who do not earn enough to pay income tax, and so are not skewed by the fact that more women are in part-time and low-paid work.

Several major firms publishing their reports had tried to disguise the full

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## EU announces measures aimed at taxing the digital economy

Measures calculated to tax the digital economy have been expected for some time and in a number of jurisdictions. No surprise, then, that on 21 March 2018, the European Commission announced that it is moving ahead with proposals to implement both a directive on digital permanent establishment (“digital PE”), and an interim targeted turnover tax.

The announcement fol-

lows on from a proposal document, leaked on 26 February 2018, which noted that there is a continuing mismatch between where value is created from the digital economy, and where profits are taxed. The difference is chiefly due to supplies being made where a digital business is not physically present, heavy reliance on intellectual property, and value being created by users.

Certain details have been developed following on from the leaked proposal document. In respect of the Directive, the following thresholds will determine whether an entity will have a digital PE:

(a) revenues from digital services in a Member State exceeding €7 million (lowering the proposed threshold of €10 million in the leaked

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