

A Legal and Political Outlook for 2025

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As we begin the New Year it is imperative to take a glance at the forthcoming legal and political changes we can expect to take place, particularly in the first half of the year. 2025 looks to be a seismic year in regard to shifts in geopolitics and more importantly, regulatory regimes. I will provide a brief guide on the forthcoming changes here at home, and abroad.

The United Kingdom

The New Year starts with one of the most controversial new changes from the Labour government elected back in July, implementing a 20% Value Added Tax (VAT) on private school fees. Over the holidays the government described this as the coming end of a longstanding tax break, a statement met with staunch opposition from the public. Starting this year, all private school tuition fees will be subject to VAT for the first time, leaving many parents compromising their lifestyles to support their children's education. This spring, the vast majority of the new government's first budget from November will also be put in place. Some key provisions of this budget include an introduction of inheritance tax on large agricultural properties, an increase in National Insurance (NI) payments from employers, and changes to the capital gains regime for pensioners.

It is also largely expected that the *Online Safety Act 2023* will see some of its provisions come to fruition this year. This act aims to combat disinformation bolstered by artificial intelligence and provide a layer of protection for children on the internet.

Abroad

The most important revelation that is certain for 2025 is the inauguration of Donald Trump for his second term as President of the United States. President Trump is largely expected to cut regulatory red tape in the energy sector, and there are expectations that he may revisit a trade deal with the United Kingdom.

He has also vowed to shrink the government bureaucracy by creating a Department for Government Efficiency (DOGE) which will be headed by Entrepreneurs Elon Musk and Vivek Ramaswamy.

It is also largely expected that two other G7 nations, Canada and Germany, will see a change of government this year. Elections are expected to take place in the first half of this year in Canada (although can be called until October 20th) and an election in Germany has already been dated for the 23rd of February. In Canada, the Conservative Party, led by Pierre Poilievre is expected to win a seismic majority. In Germany, the Christian Democratic Union, led by Friedrich Merz is also largely expected to win the most seats in the Bundestag. Both these leaders are expected to adopt right-leaning policies, which when considering the right-leaning governments in Italy and the United States, may leave Britain increasingly isolated on the world stage.