

# Regulatory and commercial interrelationships - legality



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## Individual report

M2: Explain the legal obligations that might impact the regulatory and commercial interrelationships

This report is about the legal obligations that might impact the regulatory and commercial interrelationships in the Heathrow airport but before we go further, legal obligations is defined by the law dictionary (2016) as the duty enforced by a court of law so we will be going in depth on these duties that might impact the commercial and legal interrelationships. The consequences of not complying with security regulations will be analyzed and concluded.

Research findings on the legal obligations that might impact the regulatory and commercial interrelationships:

1. Food safety laws prevent food safety issues from becoming a obstacle in international trade. (Sheward, E , 2006)
2. Investing in compliance activities saves an organization money (Anon, 2016)
3. Noncompliance cost organization a whole lot of money to deal with the consequences of noncompliance. (Anon, 2016).
4. Due to the legal obligations, the aviation industry should adhere to, there may be some inconvenience to anyone who uses the aviation networks. (no, A. 2016).
5. In the cases of threat procedures may change causing uncertainty. ( World Economic Forum, 2016).

The legal obligation has a wide impact on the regulatory and commercial interrelationship from negative where the organization must face consequences of non-compliance like “ business disruption and productivity loss” (Anon, 2016) and cost the organization a significant amount of money. It is said that investing in compliance activities will lower the cost of non-compliance by staying away from the consequences of non-compliance. The range of non-compliance ranges from 1. 4 million to almost 4 million for 46 organization with a headcount of \$820 per employee. (Anon, 2016). The food safety law prevents food safety issues from becoming an obstacle in the international trade, this is now a priority as it rings the standard to ensure food safety (Sheward, E , 2006). delay or cancelation of a flight are example of the inconveniences the legal obligation will cause to the passengers, the airline don not have a get timetable so flight plans can change anytime (no, A. 2016), most times it’s for the safety reasons for example in bad weather a airplane will cancel flights until it clears up. The aviation industry has to adopt to the changes in procedures in regard to the threat that it might faces, an effective way of responding to affects is change the normal procedures (World Economic Forum, 2016).

D1: Analyze and draw Conclusions about: The consequences of not complying with security regulations

Security regulation is very important in the aviation industry as this helps to keep or business and customer safe. The non-compliance of the security regulation will cause business disruption and productivity losses. Penalties, fines, and other settlements are some consequences that the industry will face of non-compliance occurs (Anon, 2016). Noncompliance cost the <https://assignbuster.com/regulatory-and-commercial-interrelationships-legality/>

organization millions of dollars to rectify whereas studies shows that the cost of non-compliance for 46 organization ranges from 1. 4 million to 28 million with a head count of \$820 per employee for non-compliance cost (Anon, 2016). Non-compliance to security regulation when doing an investigation may result in suspension of the employee activities at the airport. Fines maybe also be included in non-compliance; the airport security have the right to take away badges and key that they employee might have in regards to the airport. (Anon, 2016). In conclusion to the compliance of security regulation it is a lot easier to do just that, it saves time and money and also ruin the reputation of the person or organization. The consequences of not complying to security regulation set in place is very effective as it limits the amount of security breaches because no one wants to pay fines or be held accountable for any non-compliance.