

A SUMMARY OF THE EMERGING CHANGES AFFECTING RESTRUCTURING & INSOLVENCY

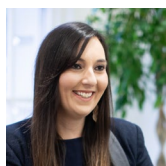
Last updated 30 March 2020

Event	Summary	Link
Temporary changes to insolvency law	<p>COVID-19 has had a significant impact on businesses around the world, making insolvency a real risk. Some jurisdictions have made temporary changes to their insolvency laws to assist companies (and their directors) and individuals given the current uncertainty of how long the crisis will last. On 28 March 2020, the Business Secretary Alok Sharma announced changes to the UK's insolvency legislation.</p> <p>The temporary changes will allow companies more flexibility in the current pandemic allowing them to emerge intact when the crisis ends.</p> <p>We are still waiting for the full details to be made known, however, what is clear is that there will be:</p> <ul style="list-style-type: none">• A temporary suspension of wrongful trading, as set out within section 214 of the Insolvency Act 1986, to apply retrospectively from 1 March 2020. Under this law, in certain circumstances, company directors can be held personally liable for trading a company whilst it is insolvent.• New rules to allow companies undergoing restructuring to continue to get access to supplies and raw materials.	
Joint statement by ICAEW and the IPA regarding measures to support IPs during the COVID-19 pandemic	<p>ICAEW and the IPA have been in conversation with the Insolvency Service and are looking at introducing various measures to ease the burden and support Insolvency Practitioners (IPs) during COVID19.</p>	Read more
Winding up and Bankruptcy Petitions in the Rolls Building	<p>On 25 March 2020 Chief Judge Briggs adjourned all winding up and bankruptcy petitions with liberty to restore, on an urgent basis only.</p> <p>Practitioners requiring their matter to be heard on an urgent basis are to contact the clerks via email.</p> <p>Any hearings that are deemed urgent will be undertaken remotely and by Skype.</p> <p>The Order also sets out that a party seeking dismissal of a petition may apply on notice to the other parties and to any person who has given notice of intention to appear. The application must be supported by evidence stating the reasons for the application and setting out the persons who have given notice of intention to appear.</p> <p>Any such applications and the petitions to which they relate will be listed in a general dismissal list to be conducted remotely by Skype or similar video conferencing technology and the parties and any person who has given notice of intention to appear must contact the court 7 days before the hearing for details of how the hearing is to be conducted.</p>	
High Court and Court of Appeal	<p>HMCTS has confirmed that the High Court and Court of Appeal will only deal with urgent matters and those matters will be dealt with remotely.</p>	Read more

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Protocol for Insolvency and Company Work at Central London	HMCTS has confirmed that the High Court and Court of Appeal will only deal with urgent matters and those matters will be dealt with remotely.	Read more
Remote Hearing Protocol	In light of the COVID-19 pandemic the judiciary has issued guidance on remote hearings and how they are to be dealt with.	Read more
3 month extension on filing company accounts	The Department for Business, Energy & Industrial Strategy and Companies House have announced that, in order to avoid penalties for late filing of accounts as a result of the coronavirus (COVID-19) outbreak, businesses will be able to apply for a three-month extension to file from 25 March 2020. Although an application is still necessary, those companies citing coronavirus as an issue preventing them from filing on time will be automatically and immediately granted the extension.	Read more
Suspension of possession proceedings	The Government has created measures to protect people being evicted from their homes. From 27 March 2020 the court service will suspend all ongoing housing possession action – meaning neither cases currently in the system or any about to go in the system can progress to the stage where someone could be evicted.	Read more
New Practice Direction 51Y supplementing the Civil Procedure Rules 1998	The new Practice Direction, brought in as a response to COVID19 clarifies the manner in which the court may exercise its discretion to conduct hearings remotely in private.	Read more
HMRC	HM Revenue and Customs will be giving small businesses a “time to pay” agreement if they are not able to meet tax bills. This will include suspension of debt collection and no charge for interest on deferred tax payments. VAT payments for the next quarter will be deferred until June 2020 and self-assessment payments deferred to January 2021.	Read more



Deanne Hamilton

M: 07384 813 925

E: dhamilton@hcrlaw.com



Sam Payne

M: 07725 914 791

E: spayne@hcrlaw.com