
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations extend the period within which liability is suspended under wrongful trading provisions in the Insolvency Act 1986 (c. 45) (“IA”) (referred to as “the relevant period”); and extend the period within which certain temporary provisions in the Corporate Insolvency and Governance Act 2020 (c. 12) (“CIGA”) (referred to as “the relevant period”) are to have effect.

Regulation 2 concerns the temporary suspension of wrongful trading provisions in the IA: specifically, section 214 (wrongful trading); and section 246ZB (wrongful trading: administration). Those provisions were suspended by the Corporate Insolvency and Governance Act 2020 (Coronavirus) (Suspension of Liability for Wrongful Trading and Extension of the Relevant Period) Regulations 2020 (S.I. 2020/1349). These Regulations extend the relevant period in regulation 2 of S.I. 2020/1349 until 30th June 2021.

Regulation 3 extends the relevant period of various temporary provisions in the CIGA. The temporary provisions consist of modifications to aspects of corporate insolvency law so as to mitigate the effects of coronavirus. The relevant period of the temporary provisions to which this regulation applies have previously been extended by the Corporate Insolvency and Governance Act 2020 (Coronavirus) (Extension of the Relevant Period) Regulations 2020 (S.I. 2020/1031) and the Corporate Insolvency and Governance Act 2020 (Coronavirus) (Extension of the Relevant Period) (No. 2) Regulations 2020 (S.I. 2020/1483). These Regulations extend the relevant period until 30th June 2021 (in the case of temporary modifications relating to the use of certain types of contractual term and to winding-up petitions) and 30th September 2021 (in the case of modifications to the moratorium procedure in Part A1 of the Insolvency Act 1986).

An impact assessment has not been produced for this instrument. An explanatory memorandum has been published alongside this instrument at www.legislation.gov.uk.