

2021 No. 375

INSOLVENCY

**The Corporate Insolvency and Governance Act 2020
(Coronavirus) (Extension of the Relevant Period) Regulations
2021**

Approved by both Houses of Parliament

Made - - - - 22nd March 2021

Laid before Parliament 24th March 2021

Coming into force - - 26th March 2021

The Secretary of State makes the following Regulations in exercise of the powers conferred by sections 20(1)(c) and 41(1)(b) of the Corporate Insolvency and Governance Act 2020^(a).

Further to section 21(2) of that Act, the Secretary of State is satisfied that the provision made by regulation 2 of these Regulations is expedient for the purpose of securing that the duties of persons with corporate responsibility, or the liability of those persons to any sanction, take due account of the effects of coronavirus^(b) on businesses or on the economy of the United Kingdom.

Further to section 22(1) of that Act, the Secretary of State has considered the effect of the provision made by regulation 2 of these Regulations on persons likely to be affected by that provision.

Further to section 22(2) of that Act, the Secretary of State is satisfied that, in respect of the provision made by regulation 2 of these Regulations—

- (a) the need for that provision is urgent;
- (b) that provision is proportionate to the purpose for which it is made;
- (c) it is not practicable without legislation to bring about the result intended to be brought about by that provision; and
- (d) the Secretary of State cannot make the same provision that is made in regulation 2 in other subordinate legislation.

(a) 2020 c. 12.

(b) For the purposes of section 21 of the Corporate Insolvency and Governance Act 2020, “coronavirus” has the meaning given by section 27(1) of that Act.

Further to section 41(1)(b) of that Act, the Secretary of State considers that, in respect of the provision made by regulation 3 of these Regulations, it is reasonable to amend the relevant provisions specified in that regulation in order to mitigate an effect of coronavirus(a).

Citation and commencement

1. These Regulations may be cited as the Corporate Insolvency and Governance Act 2020 (Coronavirus) (Extension of the Relevant Period) Regulations 2021 and come into force on 26th March 2021.

Amendment of the Corporate Insolvency and Governance Act 2020 (Coronavirus) (Suspension of Liability for Wrongful Trading and Extension of the Relevant Period) Regulations 2020

2. In regulation 2(2)(b) of the Corporate Insolvency and Governance Act 2020 (Coronavirus) (Suspension of Liability for Wrongful Trading and Extension of the Relevant Period) Regulations 2020(b), for “30th April 2021” substitute “30th June 2021”.

Amendment of the Corporate Insolvency and Governance Act 2020

3.—(1) The Corporate Insolvency and Governance Act 2020 is amended as follows.

(2) In section 15(2)(b) (temporary exclusions for small suppliers: Great Britain)(c) for “30 March 2021” substitute “30 June 2021”.

(3) In paragraph 1(b) of Schedule 4 (moratoriums in Great Britain: temporary provision)(d) for “30 March 2021” substitute “30 September 2021”.

(4) In paragraphs 1(3)(b) and 21(1)(b) of Schedule 10 (winding-up petitions: Great Britain)(e) for “31 March 2021” substitute “30 June 2021”.

22nd March 2021

Callanan
Parliamentary Under Secretary of State
Department for Business, Energy and Industrial Strategy

(a) For the purposes of section 41 of the Corporate Insolvency and Governance Act 2020, “relevant provision” and “coronavirus” have the meaning given by section 41(2) of that Act.

(b) S.I. 2020/1349.

(c) Section 15(2)(b) was amended by S.I. 2020/1031.

(d) Paragraph 1(b) of Schedule 4 was amended by S.I. 2020/1031.

(e) Paragraphs 1(3)(b) and 21(1)(b) of Schedule 10 were amended by S.I. 2020/1031 and S.I. 2020/1483.

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.

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£4.90

www.legislation.gov.uk/ukxi/2021/375

ISBN 978-0-11-130223-1



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