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Gordon Lindhurst MSP,
Convener,
Economy, Energy and Fair Work Committee
Scottish Parliament

Via email:
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19 February 2021

Dear Convener,

UK Government - The Corporate Insolvency and Governance Act 2020

I refer to previous correspondence in respect of the above and provide you with an update following correspondence received from the UK Insolvency Service.

The UK Government brought forward the Corporate Insolvency and Governance Act 2020 (the CIGA) in June 2020.

The purpose of this was to provide businesses with flexibility and breathing space which they needed to trade during the pandemic and help avoid insolvency.

The CIGA enabled the Secretary of State, through regulations, to amend or modify corporate insolvency or governance legislation to address the impact of the pandemic on businesses. A number of measures were brought forward, for example, restrictions on the ability to present winding up petitions based on statutory demands, and have subsequently been extended during the ongoing pandemic.

The powers given to the Secretary of State to bring forward regulations is due to expire on 30 April 2021. We have been advised that the draft [Corporate Insolvency and Governance Act 2020 \(Coronavirus\) \(Change of Expiry Date\) Regulations 2021](#) were laid by the UK Government on 11 February 2021. These draft regulations extend the power for the Secretary of State to bring forward regulations until 29 April 2022.

Extending the expiry date of the power will enable the Secretary of State to bring forward new measures (if required) to temporarily amend or modify the effects of specified insolvency or governance legislation to deal with unforeseen challenges arising from the pandemic. It does not affect those measures which are currently in place, which the UK Government can continue to extend, if it deems appropriate.

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I am aware that a number of the temporary measures are due to expire at the end of March and April and will advise you once I hear from the UK Government what its intentions are regarding these measures.

I hope that this update is of assistance.



JAMIE HEPBURN

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