



**Department for
Business, Energy
& Industrial Strategy**

Rachel Reeves MP
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The Rt Hon Alok Sharma MP
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Dear Rachel,

I wanted to inform you that the Government has announced a number of reforms to help businesses in responding to the Covid-19 emergency, some of which will require the introduction of legislation into Parliament. These measures cover personal protective equipment and make changes to the insolvency and company law regimes.

You can view my announcement at the following weblink:

<https://www.gov.uk/government/news/regulations-temporarily-suspended-to-fast-track-supplies-of-ppe-to-nhs-staff-and-protect-companies-hit-by-covid-19>

We are taking action to speed up the process of getting PPE and hand sanitiser on the market. The Office for Product Safety and Standards has written to relevant Notified Bodies requesting they prioritise the conformity assessment of all newly submitted PPE requests over other work. It has also written to Market Surveillance Authorities requesting they prioritise the clearance or otherwise of PPE.

We are also working with the Health and Safety Executive (HSE) to support the UK manufacture of biocidal hand sanitisers that use propanol as their active ingredients. No longer requiring product authorisations for propan-2-ol containing products that meet the relevant WHO specified formula, will allow the process of producing hand sanitiser to be accelerated and enable supply of this essential product to be increased. Businesses wanting to follow this route can put their products on the market once they have received a derogation from HSE. I am pleased to see that so many businesses are responding and stepping up to support our communities during these unprecedented times.

To support business, the Government also announce that it will amend companies legislation to offer more flexibility to hold Annual General Meetings in line with government guidance on social distancing. Together with Companies House, the Government also announced that over 4 million businesses will be granted a three-month extension to the filing of their accounts, through a fast-track online process. We will continue to monitor companies' abilities to meet the range of other filing obligations they have under the Companies Act, and will provide further extensions if needed.

The insolvency measures mean that companies will be able to obtain temporary protection from their creditors while they pursue rescue options including a new restructuring plan. This

will allow them to continue as a going concern, avoiding an insolvent liquidation. The proposals contain safeguards to ensure creditors and suppliers get fair treatment.

In addition, the Government will also temporarily suspend the wrongful trading provisions. This will give company directors confidence to keep trading through the crisis with best endeavours without fear of future personal liability if insolvency cannot later be avoided. The suspension will be retrospective to the 1st March 2020 and will be initially until 31st May, although this can be extended if necessary.

The UK Government is responsible for the operation and regulation of business entities in England and Wales, and in Scotland. The Northern Ireland administration has previously agreed that, while the operation and regulation of business entities remains a transferred matter within the legislative competence of the Northern Ireland Assembly, amendments to the Companies Act 2006 and legislation regulating business entities should be made in the same terms for the whole of the United Kingdom. However, insolvency is a devolved matter in Northern Ireland, and is also partially devolved in Scotland, and I have written to Diane Dodds MLA and Jamie Hepburn MSP to ask each for a Legislative Consent Motion, to allow Westminster to legislate for the provisions in both jurisdictions in order to give effect to the whole of the United Kingdom as soon as possible.

I am sure you will appreciate the need for these reforms at this unique time.

A handwritten signature in black ink, appearing to read 'Alok Sharma', with a stylized flourish below it.

THE RT HON ALOK SHARMA MP
Secretary of State for Business, Energy & Industrial Strategy