Department for Business, Energy & Industrial Strategy

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Darren Jones MP
Chair, Business, Energy and Industrial Strategy Committee
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Our ref:
Your ref:

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Dear Darren,

Thank you for your letter dated 8 February regarding the Company Law Common Framework. Please accept my sincere apologies for the delay in my response.

In response to your first comment on whether a three-year review period for this common framework will be sufficient to ensure its effectiveness, having a three-year review cycle rather than annually would allow my department and Northern Ireland DfE officials to conduct a more in-depth assessment of the framework. Additionally, the amount of time between reviews would give analysts time to gather a more substantive evidence base of how the framework is performing. Furthermore, either party is free to raise concerns and ask for a review at any time if issues do arise. Therefore, for now, we believe the three-year review cycle is more appropriate. However, this will be considered going forward.

In response to your second query regarding information sharing and access to information, information will be shared between BEIS and DfE officials to the extent necessary to develop policy and come to an agreement. This will be determined at official level where possible. This is set out in the Company Law Common Framework under page 9.

Finally, I am pleased to say that the draft legislation to which you refer has now been enacted in the form of the *Rating (Coronavirus) and Directors Disqualification (Dissolved Companies) Act 2021*. New powers in that Act now enable the Insolvency Service to investigate the conduct of former directors of dissolved companies, and to seek to disqualify them where appropriate. This will have far reaching benefits both to the economy in terms of improved confidence in lending, and to business and the wider public in protecting them from the actions of rogue directors.

Yours sincerely,

Martin Callanan

Lord Callanan