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ALL MEMBERS MEMORANDUM No. 64 - 20

CORONAVIRUS - FURTHER UPDATES ON GOVERNMENT'S SUPPORT FOR BUSINESS

This AMM provides updated information for members on the Coronavirus (COVID-19) guidance, information and announcements made by Government on the support for businesses. More detailed information can be found at GOV.UK and at [guidance for employees, employers and businesses](#) which is being updated regularly.

This AMM includes updates on the following topics

- Amendments to insolvency law
- Updates on the Coronavirus Job Retention Scheme
- New rules on carrying over annual leave
- Where to find information for businesses and employers in Northern Ireland, Scotland and Wales

Government amends insolvency law to help companies keep trading while they explore options for rescue

Under the Government's plans, the UK's Insolvency Framework will add new restructuring tools that mirror the USA's Chapter 11 procedure. This includes:

- A moratorium for companies giving them breathing space from creditors enforcing their debts for a period of time whilst they seek a rescue or restructure.
- Protection of their supplies to enable them to continue trading during the moratorium; and;
- A new restructuring plan, binding creditors to that plan

The proposals will also include key safeguards for creditors and suppliers to ensure they are paid, while existing laws against fraudulent trading and the threat of director disqualification will continue to act as an effective deterrent against reckless misuse of these new measures.

Wrongful trading provisions

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The Government will also temporarily suspend the wrongful trading provisions to give company directors greater confidence to use their best endeavours to continue to trade during this pandemic emergency, without the threat of personal liability, should the company ultimately fall into insolvency.

The proposals will also include key safeguards for creditors and suppliers to ensure they are paid, while existing laws against fraudulent trading and the threat of director disqualification will continue to act as an effective deterrent against reckless misuse of these new measures.

In addition, while laws against fraudulent trading and director misconduct will continue to provide a deterrent against poor practices, wrongful trading provisions in the Insolvency Act will be temporarily suspended specifically to give confidence to directors to continue trading without the threat of personal liability, should the company ultimately fall into insolvency. Find out more [here](#)

Further details of Coronavirus Job Retention Scheme announced

[New guidance](#) on Coronavirus Job Retention Scheme has been published. In a move that could save businesses an extra £300 a month for each employee under the scheme, the government will now cover the employer national insurance and minimum auto-enrollment pension scheme contributions employers pay on the wages they must pay their furloughed staff – on top of the wages covered under the scheme. Those furloughed can volunteer for the NHS without risking their pay.

Guidance for employers on the Coronavirus Job Retention Scheme can be found [here](#) whilst guidance for employees can be found [here](#).

Rules on carrying over annual leave to be relaxed to support key industries during COVID-19

The Work Time Regulations 1998 will be amended allow up to 4 weeks of unused leave to be carried into the next 2 leave years, easing the requirements on business to ensure that workers take statutory amount of annual leave in any one year.

Northern Ireland, Scotland and Wales

Some aspects of business support are devolved. Specific information for businesses and employers in [Northern Ireland](#), [Scotland](#), and [Wales](#) is available.

BCSA staff are monitoring developments and further AMMs updating members on the guidance for businesses issued by government will be issued.

Dr D. B. Moore
Chief Executive Officer
BCSA