**A Review of the Corporate Insolvency Framework response form**

The consultation response form is available electronically on the consultation page: <https://www.gov.uk/government/consultations/a-review-of-the-corporate-insolvency-framework> (until the consultation closes).

The closing date for this consultation is 06/07/2016.

The form can be submitted online/by email or by letter to:

Policy Unit

The Insolvency Service

4 Abbey Orchard Street

London

SW1P 2HT

Tel: 0207 291 6879

Email: Policy.Unit@insolvency.gsi.gov.uk

The Department may, in accordance with the Code of Practice on Access to Government Information, make available, on public request, individual responses.

Information provided in response to this consultation, including personal information, may

be subject to publication or release to other parties or to disclosure in accordance with the

access to information regimes. Please see page 9 for further information.

If you want information, including personal data, that you provide to be treated in confidence, please explain to us what information you would like to be treated as confidential and why you regard the information as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the department.

I want my response to be treated as confidential ☐

Comments:

**Questions**

**Name:**

**Organisation (if applicable):**

**Address:**

|  |  |
| --- | --- |
|  | **Respondent type** |
|   | Business representative organisation/trade body |
|  | Central Government |
|  | Charity or social enterprise |
|  | Individual |
|  | Large business (over 250 staff) |
|  | Legal representative |
|  | Local Government |
|  | Medium business (50 to 250 staff) |
|  | Micro business (up to 9 staff) |
|  | Small business (10 to 49 staff) |
|  | Trade union or staff association |
|  | Other (please describe) |

An Impact Assessment is also available online. In addition to responses to the questions below, we would welcome comments and further recommendations for change with supporting evidence, referencing the evidence provided in the Impact Assessment.

Please identify any unintended consequences or other implications of the proposals and provide comment on the analysis of costs and benefits. Are there any alternatives to the changes and regulations proposed?

**The Introduction of a Moratorium**

1. Do you agree with the proposal to introduce a preliminary moratorium as a standalone gateway for all businesses?
2. Does the process of filing to court represent the most efficient means for gaining relief for a business and for creditors to seek to dissolve the moratorium if their interests aren’t protected?
3. Do the proposed eligibility tests and qualifying criteria provide the right level of protection for suppliers and creditors?
4. Do you consider the proposed rights and responsibilities for creditors and directors to strike the right balance between safeguarding creditors and deterring abuse while increasing the chance of business rescue?
5. Do you agree with the proposals regarding the duration, extension and cessation of the moratorium?
6. Do you agree with the proposals for the powers of and qualification requirements for a supervisor?
7. Do you agree with the proposals for how to treat the costs of the moratorium?
8. Is there a benefit in allowing creditors to request information and should the provision of that information be subject to any exemptions?

**Helping Businesses Keep Trading through the Restructuring Process**

1. Do you agree with the criteria under consideration for an essential contract, or is there a better way to define essential contracts? Would the continuation of essential supplies result in a higher number of business rescues?
2. Do you consider that the Court’s role in the process and a supplier’s ability to challenge the decision, provide suppliers with sufficient safeguards to ensure that they are paid when they are required to continue essential supplies?

**Developing a Flexible Restructuring Plan**

1. Would a restructuring plan including these provisions work better as a standalone procedure or as an extension of an existing procedure, such as a CVA?
2. Do you agree with the proposed requirements for making a restructuring plan universally binding in the face of dissention from some creditors?
3. Do you consider the proposed safeguards, including the role of the court, to be sufficient protection for creditors?
4. Do you agree that there should be a minimum liquidation valuation basis included in the test for determining the fairness of a plan which is being crammed down onto dissenting classes?

**Rescue Finance**

1. Do you think in principle that rescue finance providers should, in certain circumstances, be granted security in priority to existing charge holders, including those with the benefit of negative pledge clauses? Would this encourage business rescue?
2. How should charged property be valued to ensure protection for existing charge holders?
3. Which categories of payments should qualify for super-priority as ‘rescue finance’?

**Impact on SMEs**

1. Are there any other specific measures for promoting SME recovery that should be considered?

**Do you have any other comments that might aid the consultation process as a whole? Comments on the layout of this consultation would also be welcomed.**

Thank you for taking the time to let us have your views. We do not intend to acknowledge receipt of individual responses unless you tick the box below.

Please acknowledge this reply [ ]

At BIS we carry out our research on many different topics and consultations. As your views are valuable to us, would it be okay if we were to contact you again from time to time either for research or to send through consultation documents?

[ ]  Yes [ ]  No