



# House of Commons

Wednesday 3 June 2020

## COMMITTEE OF THE WHOLE HOUSE

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*New Amendments handed in are marked thus ★*

*Amendments tabled since the last publication: 1 to 25 and NC1 to NC9*

### CORPORATE INSOLVENCY AND GOVERNANCE BILL

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#### NOTE

**This document includes all amendments tabled to date and includes any withdrawn amendments at the end. The amendments have been arranged in the order in which they relate to the Bill.**

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Keir Starmer  
Ed Miliband  
Lucy Powell  
Mr Nicholas Brown

1

★ Clause 1, page 3, line 24, after “debts,”, insert—

“(da) a statement on behalf of any trade union made on behalf of employees affected by the proposed rescue of the company as a going concern,”

***Member’s explanatory statement***

*This amendment would include trade union views among the relevant documents which must accompany an application by the directors of the company to the court for a moratorium.*

Keir Starmer  
Edward Miliband  
Lucy Powell  
Mr Nicholas Brown

2

★ Clause 1, page 4, line 38, at end insert—

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**Corporate Insolvency and Governance Bill, *continued***

“(2A) For small businesses, in this Chapter, the initial period, in relation to a moratorium, means the period of 30 business days beginning with the business day after the day on which the moratorium comes into force.”

***Member’s explanatory statement***

*This amendment would extend the moratorium for small business from 20 days to 30 days for businesses facing insolvency.*

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Keir Starmer  
Edward Miliband  
Lucy Powell  
Mr Nicholas Brown

3

★ Clause 10, page 63, line 21, leave out “June” and insert “September”

***Member’s explanatory statement***

*This amendment would extend to 30 September 2020 the period since 1 March 2020 during which a court in Great Britain is to assume that a person is not responsible for any worsening of the financial position of the company or its creditors that has occurred, following the onset of the coronavirus pandemic.*

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Keir Starmer  
Edward Miliband  
Lucy Powell  
Mr Nicholas Brown

4

★ Clause 11, page 64, line 46, leave out “June” and insert “September”

***Member’s explanatory statement***

*This amendment would extend to 30 September 2020 the period since 1 March 2020 during which a court in Northern Ireland is to assume that a person is not responsible for any worsening of the financial position of the company or its creditors that has occurred, following the onset of the coronavirus pandemic.*

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Keir Starmer  
Edward Miliband  
Lucy Powell  
Mr Nicholas Brown

5

★ Clause 13, page 69, line 12, leave out “June” and insert “September”

***Member’s explanatory statement***

*This amendment would extend to 30 September 2020 the period since 1 March 2020 during which section 233B of the Insolvency Act 1986 (to be inserted by clause 12 of this Bill) does not apply in Great Britain in relation to a contract for the supply of goods or services to a company where the*

**Corporate Insolvency and Governance Bill, continued**

*company becomes subject to a relevant insolvency procedure, and the supplier is a small entity at the time the company becomes subject to the procedure.*

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Keir Starmer  
Edward Miliband  
Lucy Powell  
Mr Nicholas Brown

6

- ★ Clause 17, page 76, line 1, leave out “June” and insert “September”

***Member’s explanatory statement***

*This amendment would extend to 30 September 2020 the period since 1 March 2020 during which Article 197B of the Insolvency (Northern Ireland) Order 1989 (to be inserted by clause 16 of this Bill) does not apply in Northern Ireland in relation to a contract for the supply of goods or services to a company where the company becomes subject to a relevant insolvency procedure, and the supplier is a small entity at the time the company becomes subject to the procedure.*

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Sarah Olney  
Ed Davey  
Alistair Carmichael  
Tim Farron  
Jamie Stone  
Christine Jardine

Layla Moran  
Daisy Cooper

Wera Hobhouse  
Munira Wilson

Wendy Chamberlain

13

- ★ Clause 23, page 79, line 20, leave out “section 18” and insert “sections (Moratoriums in Great Britain: time-limited effect and renewal), (Moratoriums in Northern Ireland: time-limited effect and renewal), (Arrangements and reconstructions for companies in financial difficulty: time-limited effect and renewal), (Protection of supplies of goods and services: time-limited effect and renewal) and 18”

***Member’s explanatory statement***

*This amendment allows the Secretary of State to make consequential, incidental or supplementary or transitional provision or savings (including modifying the effect of this Act or any other enactment, making different provision for different purposes and binding the Crown) in connection with NC6, NC7, NC8 and NC9.*

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Keir Starmer  
Edward Miliband  
Lucy Powell  
Mr Nicholas Brown

- ★ To move the following Clause—

NC1

**Corporate Insolvency and Governance Bill, *continued*****“Ring-fence for unsecured creditors**

- (1) Section 176A of the Insolvency Act 1986 is amended as follows.
- (2) After subsection (2), insert—

“(2A) The prescribed part of the company’s net property available for the satisfaction of unsecured debts shall not be less than 30 per cent.”

***Member’s explanatory statement***

*This new clause inserts into section 176A of the Insolvency Act 1986 a requirement that at least 30 per-cent of the proceeds from the sale of assets of businesses (after the deduction of the amounts owed to preferential creditors and the fees/expenses of the insolvency practitioners) in administration and liquidation shall be ring-fenced for payment to unsecured creditors.*

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Keir Starmer  
Edward Miliband  
Lucy Powell  
Mr Nicholas Brown

NC2

★ To move the following Clause—

**“Powers for the Small Business Commissioner**

- (1) The Secretary of State must make regulations by statutory instrument to enhance the effectiveness of the Small Business Commissioner in chasing late payment from larger companies.
- (2) Regulations under this section must include a definition of “larger companies”
- (3) Regulations under this section must include a Prompt Payment Code setting out requirements on larger companies to—
  - (a) pay suppliers on time—
    - (i) within the terms agreed at the outset of the contract
    - (ii) without attempting to change payment terms retrospectively, and
    - (iii) without changing practice on length of payment for smaller companies on unreasonable grounds;
  - (b) give clear guidance to suppliers—
    - (i) providing suppliers with clear and easily accessible guidance on payment procedures,
    - (ii) ensuring there is a system for dealing with complaints and disputes which is communicated to suppliers, and
    - (iii) advising them promptly if there is any reason why an invoice will not be paid to the agreed terms; and
  - (c) encourage good practice by requesting that lead suppliers encourage adoption of the code throughout their own supply chains.
- (4) Regulations under this section may include conferring on the Small Business Commissioner a power to levy fines on larger companies up to an amount to be defined in regulations for failure to comply with the Prompt Payment Code.
- (5) Except as provided in subsection (6), a statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of either House of Parliament.

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**Corporate Insolvency and Governance Bill, *continued***

- (6) Regulations under subsection (4) may not be made unless a draft of the statutory instrument containing them has been laid before, and approved by a resolution of, each House of Parliament.”

***Member's explanatory statement***

*This new clause would give greater powers to the Small Business Commissioner to chase late payment from larger companies, by making the Prompt Payment Code Statutory and by making the Small Business Commissioner responsible for implementing the code, as well as having the power to level significant fines.*

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Keir Starmer  
Edward Miliband  
Lucy Powell  
Mr Nicholas Brown

NC3

- ★ To move the following Clause—

**“Corporate governance: reforms**

- (1) Before 31 December 2020, the Secretary of State must—
- carry out a review of corporate governance;
  - set out the conclusions of the review in a report;
  - publish the report; and
  - arrange for copies of the report to be laid before both Houses of Parliament.
- (2) The report under subsection (1) must in particular set out the Government's proposals for—
- ensuring greater accountability of directors in group companies which sell failing subsidiaries;
  - legislating to enhance powers for insolvency practitioners in relation to value extraction schemes (removal of value from a firm at the expense of its creditors when in financial distress);
  - further raising standards by ensuring that directors of a company publish regular explanations to their shareholders as to what extent the company can afford to pay dividends alongside its financial commitments such as capital investments, workers' rewards and pension schemes.”

***Member's explanatory statement***

*This new clause paves the way for the introduction of measures proposed in the 2018 consultation on Insolvency and Corporate Governance.*

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Keir Starmer  
Ed Miliband  
Lucy Powell  
Mr Nicholas Brown

NC4

- ★ To move the following Clause—

**Corporate Insolvency and Governance Bill, continued****“Preference for pension scheme deficits in case of insolvency**

- (1) The Secretary of State, after consulting the Pensions Regulator, may make regulations amending this Act to ensure that contributions owed to pension schemes by a company are treated in the categories of preferential debts under the Insolvency Act 1986 as a priority secured creditor.
- (2) Regulations under this section may not be made unless a draft of the statutory instrument containing them has been laid before, and approved by a resolution of, each House of Parliament.”

**Member’s explanatory statement**

*The intention of this new clause is to make pension scheme deficits a ‘priority creditor’ in the event of insolvency and therefore due to be paid before unsecured creditors.*

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Keir Starmer  
Ed Miliband  
Lucy Powell  
Mr Nicholas Brown

NC5

- ★ To move the following Clause—

**“Trade union representation in restructuring process**

- (1) Before 31 December 2020, the Secretary of State must—
  - (a) carry out a review of the role of trade unions in company restructuring arrangements;
  - (b) set out the conclusions of the review in a report;
  - (c) publish the report; and
  - (d) arrange for copies of the report to be laid before both Houses of Parliament.
- (2) The report under subsection (1) must in particular set out the Government’s proposals for ensuring that trade unions representing employees affected by any proposed restructuring are—
  - (a) provided with all the information made available to the court,
  - (b) fully consulted by the directors of a company before any application for restructuring is made, and
  - (c) given the opportunity to contribute to decisions made by the court affecting their members.”

**Member’s explanatory statement**

*The intention of this new clause is to require mandatory discussion with trade union representatives once a company has entered the restructuring process.*

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**Corporate Insolvency and Governance Bill, *continued***

Sarah Olney  
Ed Davey  
Alistair Carmichael  
Tim Farron  
Jamie Stone  
Christine Jardine

Layla Moran  
Daisy Cooper

Wera Hobhouse  
Munira Wilson

Wendy Chamberlain

NC6

★ To move the following Clause—

**“Moratoriums in Great Britain: time-limited effect and renewal**

- (1) Part A1 of the Insolvency Act 1986 (inserted by section 1 of this Act) ceases to have effect on 30 September 2020, subject to the condition in subsection (2).
- (2) The condition in this subsection is that the Secretary of State has made regulations by statutory instrument providing that Part A1 of the Insolvency Act 1986 should continue to have effect for a specified further period of no more than one year.
- (3) Regulations under this section may not be made unless a draft of the statutory instrument containing them has been laid before, and approved by a resolution of, each House of Parliament.
- (4) The Secretary of State must keep under review the operation of Part 1A of the Insolvency Act 1986 during the period for which it has effect.
- (5) The Secretary of State must arrange for a report of a review under subsection (4) to be laid before both Houses of Parliament no later than 15 September 2020.”

***Member’s explanatory statement***

*This new clause would terminate the free-standing moratorium provision for Great Britain on 30 September 2020, subject to temporary renewal for up to one year.*

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Sarah Olney  
Ed Davey  
Alistair Carmichael  
Tim Farron  
Jamie Stone  
Christine Jardine

Layla Moran  
Daisy Cooper

Wera Hobhouse  
Munira Wilson

Wendy Chamberlain

NC7

★ To move the following Clause—

**“Moratoriums in Northern Ireland: time-limited effect and renewal**

- (1) Part 1A of the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)) (inserted by section 4 of this Act) ceases to have effect on 30 September 2020, subject to the condition in subsection (2).
- (2) The condition in this subsection is that the Secretary of State has made regulations by statutory instrument providing that Part 1A of the Insolvency (Northern Ireland) Order 1989 should continue to have effect for a specified further period of no more than one year.

**Corporate Insolvency and Governance Bill, *continued***

- (3) Regulations under this section may not be made unless a draft of the statutory instrument containing them has been laid before, and approved by a resolution of, each House of Parliament.
- (4) The Secretary of State must keep under review the operation of Part 1A of the Insolvency (Northern Ireland) Order 1989 during the period for which it has effect.
- (5) The Secretary of State must arrange for a report of a review under subsection (4) to be laid before both Houses of Parliament and the Northern Ireland Assembly no later than 15 September 2020.”

***Member’s explanatory statement***

*This new clause would terminate the free-standing moratorium provision in Northern Ireland on 30 September 2020, subject to temporary renewal for up to one year.*

Sarah Olney  
Ed Davey  
Alistair Carmichael  
Tim Farron  
Jamie Stone  
Christine Jardine

Layla Moran  
Daisy Cooper

Wera Hobhouse  
Munira Wilson

Wendy Chamberlain

NC8

★ To move the following Clause—

**“Arrangements and reconstructions for companies in financial difficulty: time-limited effect and renewal**

- (1) Part 26A of the Companies Act 2006 (inserted by section 7 of this Act and Schedule 9 to this Act) ceases to have effect on 30 September 2020, subject to the condition in subsection (2).
- (2) The condition in this subsection is that the Secretary of State has made regulations by statutory instrument providing that Part 26A of the Companies Act 2006 should continue to have effect for a specified further period of no more than one year.
- (3) Regulations under this section may not be made unless a draft of the statutory instrument containing them has been laid before, and approved by a resolution of, each House of Parliament.
- (4) The Secretary of State must keep under review the operation of Part 26A of the Companies Act 2006 during the period for which it has effect.
- (5) The Secretary of State must arrange for a report of a review under subsection (4) to be laid before both Houses of Parliament no later than 15 September 2020.”

***Member’s explanatory statement***

*This new clause would terminate the new restructuring plan provisions on 30 September 2020, subject to temporary renewal for up to one year.*



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**Corporate Insolvency and Governance Bill, continued**

Sarah Olney  
Ed Davey  
Alistair Carmichael  
Tim Farron  
Jamie Stone  
Christine Jardine

Layla Moran  
Daisy Cooper

Wera Hobhouse  
Munira Wilson

Wendy Chamberlain

NC9

★ To move the following Clause—

**“Protection of supplies of goods and services: time-limited effect and renewal**

- (1) Sections 233B and 233C of the Insolvency Act 1986 (inserted by section 12 of this Act) cease to have effect on 30 September 2020, subject to the condition in subsection (2).
- (2) The condition in this subsection is that the Secretary of State has made regulations by statutory instrument providing that sections 233B and 233C of the Insolvency Act 1986 should continue to have effect for a specified further period of no more than one year.
- (3) Regulations under this section may not be made unless a draft of the statutory instrument containing them has been laid before, and approved by a resolution of, each House of Parliament.
- (4) The Secretary of State must keep under review the operation of sections 233B and 233C of the Insolvency Act 1986 during the period for which they have effect.
- (5) The Secretary of State must arrange for a report of a review under subsection (4) to be laid before both Houses of Parliament no later than 15 September 2020.”

***Member’s explanatory statement***

*This new clause would terminate the widening of Ipsa facto (termination) clauses in supply contracts on 30 September 2020, subject to temporary renewal for up to one year.*

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Keir Starmer  
Edward Miliband  
Lucy Powell  
Mr Nicholas Brown

7

★ Schedule 4, page 122, line 38, leave out “June” and insert “September”

***Member’s explanatory statement***

*This amendment would extend to 30 September 2020 the period after this Act comes into force during which the Secretary of State may by regulations made by statutory instrument provide for any temporary modifications to primary legislation in relation to moratoriums in Great Britain made by Part 2 of Schedule 4 to cease to have effect.*

Secretary Alok Sharma

15

★ Schedule 4, page 144, line 14, at end insert—

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**Corporate Insolvency and Governance Bill, continued**

## “PART 5

## ENTITIES OTHER THAN COMPANIES

- 91 Regulations under section 14(1) of the Limited Liability Partnership Act 2000 may make provision applying or incorporating provision made by or under this Schedule, with such modifications as appear appropriate, in relation to a limited liability partnership registered in Great Britain.
- 92 An order or regulations under section 118(1)(a), (3B) or (3C) of the Co-operative and Community Benefit Societies Act 2014 may provide for provision made by or under this Schedule to apply (with or without modifications) in relation to registered societies (or to registered societies of the kind mentioned there).”

**Member’s explanatory statement**

*This amendment ensures that powers to apply Part A1 of the Insolvency Act 1986 to certain entities can also be used to apply Schedule 4 to the Bill.*

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Secretary Alok Sharma

- ★ Schedule 7, page 165, line 4, leave out “2 to 8” and insert “2 to 5, 7 and 8

**Member’s explanatory statement**

*This amendment removes the repeal of paragraph 6 of Schedule 1 to the Insolvency (NI) Order 2002, as the amendment made by that paragraph remains relevant for certain limited purposes.*

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Keir Starmer  
Edward Miliband  
Lucy Powell  
Mr Nicholas Brown

- ★ Schedule 8, page 165, line 28, leave out “June” and insert “September”

**Member’s explanatory statement**

*This amendment would extend to 30 September 2020 the period after this Act comes into force during which the Department for the Economy in Northern Ireland may by regulations provide for any temporary modifications to primary legislation, or temporary Rules under Article 359 of the Insolvency (Northern Ireland) Order 1989, in relation to moratoriums in Northern Ireland in made by provision made by Part 2 of Schedule 8 to cease to have effect before the end of the relevant period.*

Secretary Alok Sharma

- ★ Schedule 8, page 178, line 14, at end insert—

## “PART 5

## ENTITIES OTHER THAN COMPANIES

- 55 Regulations under section 14(1) of the Limited Liability Partnership Act 2000 may make provision applying or incorporating provision made by or under this

16

8

17

**Corporate Insolvency and Governance Bill, continued**

Schedule, with such modifications as appear appropriate, in relation to a limited liability partnership registered in Northern Ireland.

56 An order under Article 10(2) of the Insolvency (Northern Ireland) Order 2005 may provide for provision made by or under this Schedule to apply (with or without modification) in relation to—

- (a) a registered society within the meaning of the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, or
- (b) a credit union within the meaning of the Credit Unions (Northern Ireland) Order 1985.”

**Member’s explanatory statement**

*This amendment ensures that powers to apply Part 1A of the Insolvency (Northern Ireland) Order 1989 to certain entities can also be used to apply Schedule 8 to the Bill.*

Secretary Alok Sharma

**18**

★ Schedule 9, page 180, line 17, leave out “and 901I (special cases)” and insert “(moratorium debts, etc)”

**Member’s explanatory statement**

*This amendment is consequential on amendment 21*

Secretary Alok Sharma

**19**

★ Schedule 9, page 181, line 44, leave out from “etc),” to end of line 1 on page 182

**Member’s explanatory statement**

*This amendment is consequential on amendment 21.*

Secretary Alok Sharma

**20**

★ Schedule 9, page 183, line 34, after “as” insert “including”

**Member’s explanatory statement**

*This amendment makes a minor drafting correction.*

Secretary Alok Sharma

**21**

★ Schedule 9, page 184, leave out lines 7 to 30

**Member’s explanatory statement**

*This amendment removes enhanced protection for creditors with interests in aircraft equipment, which will make it easier for airline companies to make use of the new restructuring process provided for by Part 26A of the Companies Act 2006.*

Secretary Alok Sharma

**22**

★ Schedule 9, page 194, line 40, leave out “and 899B (special cases)” and insert “(moratorium debts, etc)”

**Member’s explanatory statement**

*This amendment is consequential on amendment 25.*

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**Corporate Insolvency and Governance Bill, *continued***

Secretary Alok Sharma

23

- ★ Schedule 9, page 194, line 44, leave out from “etc),” to end of line 45  
*Member’s explanatory statement*  
*This amendment is consequential on amendment 25.*

Secretary Alok Sharma

24

- ★ Schedule 9, page 195, line 24, after “as” insert “including”  
*Member’s explanatory statement*  
*This amendment makes a minor drafting correction.*

Secretary Alok Sharma

25

- ★ Schedule 9, page 195, leave out from end of line 42 to beginning of line 21 on page 196  
*Member’s explanatory statement*  
*This amendment removes enhanced protection for creditors with interests in aircraft equipment, which will make it easier for airline companies to make use of the existing restructuring process provided for by Part 26 of the Companies Act 2006.*

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Keir Starmer  
Edward Miliband  
Lucy Powell  
Mr Nicholas Brown

9

- ★ Schedule 10, page 203, line 15, leave out “June” and insert “September”  
*Member’s explanatory statement*  
*This amendment would extend to 30 September 2020 the period in relation to which petitions for the winding up of a registered company may not be presented on or after 27 April 2020 on the statutory grounds specified in section 123(1)(a) or section 124 of the Insolvency Act 1986 (that a written demand has not been paid within 3 weeks) where the demand was served during that period.*

Keir Starmer  
Edward Miliband  
Lucy Powell  
Mr Nicholas Brown

10

- ★ Schedule 10, page 209, line 36, leave out “June” and insert “September”  
*Member’s explanatory statement*  
*This amendment would extend to 30 September 2020 the period in relation to which petitions for the winding up of a registered company may not be presented on the grounds specified in Part 2 of Schedule 10 to this Bill (except where coronavirus had not had an effect on the company).*
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**Corporate Insolvency and Governance Bill, continued**

Keir Starmer  
Edward Miliband  
Lucy Powell  
Mr Nicholas Brown

- ★ Schedule 11, page 211, line 2, leave out “June” and insert “September” 11  
*Member’s explanatory statement*  
*This amendment would extend to 30 September 2020 the period in relation to which petitions for the winding up of a registered company may not be presented on or after 27 April 2020 on the grounds specified in sub-paragraph (a) of Article 103(1)(a) or Article 104 of the Insolvency (Northern Ireland) Order 1989 Order (that a written demand has not been paid within 3 weeks) where the demand was served during that period.*

Keir Starmer  
Edward Miliband  
Lucy Powell  
Mr Nicholas Brown

- ★ Schedule 11, page 216, line 25, leave out “June” and insert “September” 12  
*Member’s explanatory statement*  
*This amendment would extend to 30 September 2020 the period in relation to which petitions for the winding up of a registered company in Northern Ireland may not be presented on the grounds specified in Part 2 of Schedule 11 to this Bill (except where coronavirus had not had an effect on the company).*

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Sarah Olney  
Ed Davey  
Alistair Carmichael  
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Jamie Stone  
Christine Jardine

Layla Moran  
Daisy Cooper

Wera Hobhouse  
Munira Wilson

Wendy Chamberlain

- ★ Title, line 3, after “make” insert “temporary” 14  
*Member’s explanatory statement*  
*This consequential amendment clarifies the temporary nature of the Bill’s provisions.*
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