



Stakeholders' Newsletter

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Corporate Insolvency and Governance Bill 2019-21

The [Corporate Insolvency and Governance Bill 2019-21](#) has had its first reading in the House of Commons. The Bill is intended to provide businesses with increased flexibility and breathing space to continue trading despite the challenges presented by the COVID-19 pandemic. While some measures have been introduced specifically to support businesses experiencing financial difficulties as a result of COVID-19, other measures contained in the Bill have been in the making for several years.

Key reforms under the Bill include the introduction of a new restructuring procedure which would allow the court to bind classes of dissenting creditors or shareholders to a restructuring plan, a new stand-alone moratorium process and the temporary and retrospective suspension of wrongful trading rules from March 1, 2020 to June 30, 2020.

The FMLC has resolved to write to authorities to highlight legal uncertainties arising out of the wide-ranging changes which will be introduced by the Bill.

Response to HM Treasury's Consultation: Overseas Funds Regime

In March 2020, HM Treasury published a Consultation (the "Consultation") on a proposal for an Overseas Fund Regime (the "proposed OFR"), which will establish a new process to allow investment funds domiciled overseas to access the U.K. market, with the objective of replacing the existing regime. Currently, E.U. funds access the U.K. market under the provisions of Section 264 of the Financial Services and Markets Act 2000 ("FSMA"), whilst the authorisation of non-E.U. funds is governed by section 272 of FSMA. The proposed OFR will establish equivalence regimes for overseas retail funds to come into effect after the U.K.'s withdrawal from the U.K., whereby HM Treasury may grant equivalence to a Third Country (including E.U. Member States) and allow funds domiciled in those countries to market in the U.K.

The FMLC has submitted a response, highlighting uncertainties in respect of the criteria and timing which will apply to assessments under the proposed OFR, the process for a possible withdrawal of equivalence, and other requirements as to reporting and financial promotion.

[Read/download the response.](#)

COVID-19: Legal uncertainties

The Committee has convened regular stakeholder teleconferences to identify and discuss such issues. Should you wish to join such a call or to draw the Committee's attention to another area of legal uncertainty affecting the wholesale financial markets, please email Debbie Hayes at secretarial@fmlc.org.

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