



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 sent a letter highlighting a few concerns. In addition, given the speed at which the legislation is proceeding through Parliament, the FMLC has recommended the insertion of a “sunset” clause or a provision for a prescribed review by Parliament of the operation of the legislation after a period of time.

[Read/download the response.](#)

European Commission Consultation: A New Digital Finance Strategy

In Q3 2020 the European Commission is scheduled to propose a new Digital Finance Strategy/FinTech Action Plan that sets out a number of areas that public policy should focus on in the coming five years. A Consultation designed to gather stakeholders’ views on policies to support digital finance, which will inform that strategy, was published in April 2020. The Consultation seeks views on, inter alia, ways to remove fragmentation of the Single Market for digital financial services and how best to promote a well-regulated data-driven financial sector.

The FMLC has submitted a short response in which it has highlighted the importance of the use of identifiers such as Legal Entity Identifier (“LEI”) in helping the financial sector adopt a common language in a wide range of areas. It has also drawn attention to the work of organisations more involved in the creation and promulgation of LEIs which will be responding to the Consultation.

[Read/download the response.](#)

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