

# Regulations temporarily suspended to fast-track supplies of PPE to NHS staff and protect companies hit by COVID-19

On 14 May, the government announced:

- the temporary suspension of wrongful trading liability will now continue until 30 June
- temporary measures to give companies and other bodies flexibility around Annual General Meetings (AGMs) and other meetings will be made retrospective to 26 March

This page was updated on 14 May to reflect these changes.

- Business Secretary eases requirements to ensure hand sanitiser and personal protective equipment reaches NHS staff more quickly
- by cutting red tape, new companies will be able to produce and distribute safe hand sanitiser within a matter of days
- government also announces it will amend insolvency law to give companies breathing space and keep trading while they explore options for rescue

New measures announced today will give vital support to frontline NHS staff battling COVID-19 and support businesses under pressure as a result of the coronavirus outbreak.

To help get personal protective equipment (PPE) and hand sanitiser to NHS staff as quickly as possible, Business Secretary Alok Sharma is easing administrative requirements and barriers to imports of these essential tools, without compromising on their safety.

By reducing the amount of red tape, new suppliers and businesses that produce ingredients for safe hand sanitiser and PPE will be able to bring their products to market in a matter of days.

Companies including Brewdog and Ineos have already stepped forward to offer their services in creating hand sanitiser. This week HMRC confirmed manufacturers of hand sanitisers and gels will have their applications for denatured alcohol fast-tracked.

Efforts to boost availability of essential supplies involve temporary measures including:

- asking the Health and Safety Executive (HSE) and Local Authorities to fast-track PPE through the product safety assessment process and prioritise this activity over other market surveillance activity
- allowing PPE equipment providing protection against COVID-19 which lack

the CE mark onto the market provided products meet essential safety requirements

- providing new guidance for local authorities and ports and borders enforcement officers on the import and safety testing of hand sanitiser

The Business Secretary has also announced he will make changes to enable UK companies undergoing a rescue or restructure process to continue trading, giving them breathing space that could help them avoid insolvency.

This will also include enabling companies to continue buying much-needed supplies, such as energy, raw materials or broadband, while attempting a rescue, and temporarily suspending wrongful trading provisions retrospectively from 1 March 2020 for three months for company directors so they can keep their businesses going without the threat of personal liability.

Business Secretary Alok Sharma said:

The government is doing everything in its power to save lives and protect livelihoods during these unprecedented times.

Applying a common-sense approach to regulation will ensure products are safe and reach the market without any unnecessary delay, getting vital protective equipment such as face masks to frontline staff as quickly as possible.

Today's measures will also reduce the burden on business, giving bosses much-needed breathing space to keep their workers employed and their companies going.

Commenting on the new PPE rules, James Watt, Co-Founder of BrewDog said:

We started making hand sanitiser at our distillery in Ellon, Aberdeenshire in response to the national shortage and are providing it free to charities and frontline workers.

We really welcome the government's announcements today, which will mean that making this crucial product will become a much faster and easier process.

The government's flexibility in these unprecedented times allows us to do even more to help those most in need.

Commenting on the new PPE rules Sir Jim Ratcliffe INEOS Chairman said:

We welcome today's announcement. These measures will help INEOS as we build two factories in the UK and Germany in under 10 days, to produce and supply substantial quantities of hand sanitiser gel to the NHS for free.

INEOS is a company with enormous resources and manufacturing skills. If we can find other ways to help in the Coronavirus battle, we are absolutely committed to playing our part.

Speaking about the reforms to insolvency law, Matthew Fell, Chief UK Policy Director, Confederation of British Industry, said:

The CBI welcomes these interventions at a critical time for business. The temporary suspension of wrongful trading provisions, along with other measures, will give much needed headroom for company directors to enable otherwise viable businesses to use the government's support package and weather this crisis.

The Business Secretary also announced that the government will introduce legislation to ensure those companies required by law to hold Annual General Meetings (AGMs) will be able to do so safely, consistent with the restrictions on movement and gatherings introduced to address the spread of coronavirus.

Companies will temporarily be extended greater flexibilities, including holding AGMs online or postponing the meetings. These temporary measures will apply retrospectively from 26 March, subject to successful passage of the upcoming Corporate Insolvency and Governance Bill.

This measure follows an announcement earlier this week that companies would automatically and immediately be granted a three-month extension to the filing of their accounts following a fast-track online process.

Over 10,000 businesses have already successfully applied for the extension.

## **Notes to editors**

The Office for Product Safety and Standards, part of the Department for Business, Energy and Industrial Strategy, is the government regulator responsible for the safety of consumer products in the UK. It has written to Local Authorities and HSE to ask them to prioritise equipment which is essential to the NHS.

The government previously consulted on changes to the corporate insolvency regime and [announced plans to introduce new insolvency restructuring procedures in August 2018](#). The new legislation will implement these plans, including a short moratorium or 'breathing space' that will give companies in difficulty time to explore options for rescue.

Current insolvency rules stipulate that directors of limited liability companies can become personally liable for business debts if they continue to trade when uncertain about whether their businesses can continue to meet their debts. Relaxation of these wrongful trading rules will reassure directors that the difficult decisions they have to make about the future viability of their business will not have to be unduly influenced by the

exceptional circumstances which are entirely beyond their control.

Legislation to introduce these changes will be introduced in Parliament at the earliest opportunity. Provisions will be included to enable the changes to be extended if necessary.

## **HMRC relaxed rules on alcohol duty**

[HMRC announced on 18 March](#) that manufacturers of hand sanitisers and gels will have their applications for denatured alcohol fast-tracked during the coronavirus (COVID-19) outbreak.

Under new measures, HMRC is fast-tracking applications so that manufacturers wanting to produce hand sanitising products can be quickly authorised.

## **Additional information on changes to insolvency laws:**

Under the plans, the UK's Insolvency Framework will add new restructuring tools including:

- a moratorium for companies giving them breathing space for 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 include key safeguards for creditors and suppliers to ensure they are paid while a solution is sought.

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. This suspension will be retrospective to 1 March and will now continue until 30 June, subject to passage of the upcoming Corporate Insolvency and Governance Bill.

Existing laws for fraudulent trading and the threat of director disqualification will continue to act as an effective deterrent against director misconduct.

## **Additional quotes:**

Jennifer Marshall, president of the Insolvency Lawyers Association and chair of the City of London Law Society Insolvency Sub-Committee said:

We welcome and support these proposals. Suspending wrongful trading, in particular, will assist directors in accessing Government or bank funding without concerns regarding personal liability.

The insolvency profession in the UK is hugely talented and these reforms, together with existing rescue tools such as administration, could really assist in saving livelihoods.

Norman Tenray, CEO of Obas UK and Non-Executive Director of North and Western Lancashire Chamber of Commerce said:

I am delighted that the Business Secretary and UK Government has today taken hugely positive action in suspending the regulations for the importing of much needed PPE equipment.

This will help me to do more to protect our hard-working Doctors and Nurses at this extremely challenging time.

I am aware of a number of overseas manufacturers who have NHS standard protective products and equipment ready and waiting for dispatch which could reach our shores even more quickly now as a result of the government's excellent announcements today.