

Government introduces legislation to relieve burden on businesses and support economic recovery

The government today (Wednesday 20 May) introduced the Corporate Governance and Insolvency Bill in Parliament, which will put in place a series of measures to amend insolvency and company law to support business to address the challenges resulting from the impact of coronavirus (COVID-19).

The Bill consists of 6 insolvency measures and 2 corporate governance measures.

The insolvency measures will provide vital support to businesses to help them through this period of instability.

Business Secretary Alok Sharma said:

This is a particularly challenging time for businesses right across the UK, and we are doing all we can to support them through this period.

Our proposals have been widely welcomed by business groups. The Bill will help companies that were trading successfully before the COVID-19 emergency to protect jobs and put them in the best possible position to bounce back.

The corporate governance measures will introduce temporary easements and flexibility to businesses where they are coping with reduced resources and restrictions.

This Bill will do this through:

- introducing a new moratorium to give companies breathing space from their creditors while they seek a rescue
- prohibit termination clauses that engage on insolvency, preventing suppliers from ceasing their supply or asking for additional payments while a company is going through a rescue process
- introducing a new restructuring plan that will bind creditors to it
- enabling the insolvency regime to flex to meet the demands of the emergency
- temporarily removing the threat of personal liability for wrongful trading from directors who try to keep their companies afloat through the emergency
- temporarily prohibiting creditors from filing statutory demands and winding up petitions for coronavirus related debts
- temporarily easing burdens on businesses by enabling them to hold closed Annual General Meetings (AGMs), conduct business and communicate with

- members electronically, and by extending filing deadlines
- allowing for the temporary measures to be retrospective so as to be as effective as possible

Jonathan Geldart, Director General of the IoD said:

Directors have significant legal obligations, and this Bill provides some reassurance that those who act responsibly won't be caught out by the insolvency system. It's crucial that directors are able to sustain their organisations and the people who rely on them during these difficult times.

FSB National Chair Mike Cherry said:

The incoming Corporate Insolvency and Governance Bill will be an important step to helping many small firms during this crisis.

The measures will immediately go some way to mitigate some of the problems small businesses are facing, such as the relaxation of wrongful trading rules which will allow directors of struggling companies to continue trading without fear of legal repercussions. The company moratorium, filing extensions and voiding of statutory demands are particularly important for smaller businesses, it is important that these provisions continue for as long as is necessary.

Note to editors

This Bill's 3 main purposes are:

- to introduce new corporate restructuring tools to the insolvency and restructuring regime to give companies the breathing space and tools required to maximise their chance of survival
- to temporarily suspend parts of insolvency law to support directors to continue trading through the emergency without the threat of personal liability and to protect companies from aggressive creditor action
- to amend Company Law and other legislation to provide companies and other bodies with temporary easements on company filing and annual general meetings (which will extend to charitable incorporated organisations and mutual societies) thus allowing them to focus their resources on continuing operations in this uncertain time

The measures in the Bill will support businesses, and where applicable charities and mutual societies, through the coronavirus emergency by:

- introducing a new moratorium to give companies breathing space from their creditors whilst they seek a rescue
- ensuring companies going through a rescue process continue to receive supplies by prohibiting the use of termination clauses by suppliers,

subject to safeguards for suppliers facing hardship and a temporary exemption for small firms during the coronavirus emergency

- introducing a new restructuring plan that will bind creditors to it
- temporarily removing the threat of personal liability for wrongful trading from directors who try to keep their companies afloat through the emergency
- temporarily prohibiting creditors from filing statutory demands and winding-up petitions for coronavirus related debts
- temporarily easing burdens on businesses by enabling them to hold closed AGMs, conduct business and communicate with members electronically, and by extending filing deadlines
- allowing for the temporary measures to be retrospective from their respective dates of announcement so as to provide as much relief to business as possible

Other measures in place to support business and workers during the coronavirus emergency:

- the Coronavirus Job Retention Scheme where small and large employers can apply for a government grant of 80% of workers' salaries up to £2,500 a month; the scheme is backdated to 1 March and has now been extended until October
- deferral of the next quarter of VAT payments for firms, until the end of June – representing a £30 billion injection into the economy
- a Bounce Back Loans scheme, which will provide loans of up to £50,000 to benefit small businesses with a 100% government-backed guarantee for lenders; these loans will be interest free for the first 12 months and businesses can apply online through a short and simple form
- a Self-Employed Income Support Scheme will help eligible freelance workers receive up to £2,500 per month in grants for at least 3 months

Further information about the measures

Insolvency

Company moratorium

The first measure designed to support companies in this crisis is the introduction of a company moratorium. This will provide struggling businesses a formal breathing space to pursue a rescue plan during which time no legal action can be taken against a company without leave of the court.

This measure will give businesses a 20-business day opportunity to consider a rescue plan, extendable to 40 business days, with further extensions at the agreement of creditors or the court. The company will remain under the control of its directors during the moratorium, but the process will be overseen by a monitor who must be a licensed insolvency practitioner.

Termination clauses

The Bill also introduces a permanent change to the use of termination clauses in supply contracts. As a result of the measure, where a company has entered

an insolvency or restructuring procedure or obtains a moratorium during this period of crisis, the company's suppliers will not be able to rely on contractual terms to stop supplying, or vary the contract terms with the company, for example increasing the price of supplies. The customer is required to pay for any supplies made once it is in the insolvency process but is not required to pay outstanding amounts due for past supplies while it is arranging its rescue plan.

Suppliers and other creditors will benefit if more companies are able to survive and repay more of their debts by implementing a rescue plan. The measure also contains safeguards to ensure that suppliers can be relieved of the requirement to supply if it causes hardship to their business. There will also be a temporary exemption for small company suppliers during the emergency.

Restructuring

The Bill also introduces a new restructuring plan as an option for companies in financial difficulty. The measure will allow struggling companies, or their creditors or members, to propose a new restructuring plan which will provide an alternative rescue option for companies that are suffering financially. The plan will enable complex debt arrangements to be restructured and will support the injection of new rescue finance.

It will introduce a cross-class cramdown that will allow dissenting classes of creditors to be bound by the plan, if sanctioned by the court as fair and equitable, and if the court is satisfied that those creditors would be no worse off than if the company entered an alternative insolvency procedure.

This new plan will support more companies to be rescued, rather than going through a value destructive liquidation process, giving a better return for creditors, preserving jobs and maintaining productivity.

Statutory demands

This Bill introduces temporary provisions to void statutory demands made between 1 March 2020 and 30 June. The Bill will also restrict winding up petitions from 27 April 2020 to 30 June 2020. These temporary measures are intended to prevent aggressive creditor action against otherwise viable companies struggling because of coronavirus.

Suspension of wrongful trading

The Bill will temporarily remove the threat of personal liability for wrongful trading from company directors while they make their best efforts to continue to trade.

This will be for any period of trading between 1 March to 30 June. As we have already announced, directors can be assured that they can use their best endeavours to trade through during the coronavirus period without the threat of personal liability for wrongful trading should the company ultimately become insolvent.

All the other checks and duties on directors remain in place.

Financial services firms

Certain financial services firms and contracts have been excluded from some of the reforms. The financial services regulators have existing powers to intervene in the business of financial services firms in distress, and the UK has a number of existing special insolvency regimes for certain of these firms. Those regimes reflect the complexity of dealing with these firms where they are at risk of failing. In addition, the way that goods and services are traded in the financial sector is often different to the rest of the economy.

The Bill's exclusions for financial services will ensure that these existing special insolvency regimes are unaffected, and that financial market participants have the legal certainty needed to facilitate the efficient functioning of financial markets.

The company moratorium will not be available to certain financial services firms, and will not affect certain financial contracts. The new termination clauses measures will also not apply to financial contracts or to financial services firms. This is to ensure legal certainty and support the efficient functioning of financial markets. The suspension of wrongful trading will also not apply to certain financial services firms.

Financial services firms will however have access to the new restructuring plan, though with appropriate safeguards including a role for the financial services regulators.

There are no exclusions for financial services firms for the other measures provided in the Bill.

Annual General Meetings (AGMs) and general meetings (GMs)

The Bill temporarily allows those companies that are under a legal duty to hold an AGM or GM to hold a meeting by other means even if their constitution would not normally allow it. As a result, directors will not be exposed to liability for measures that need shareholder endorsement, and shareholders rights are preserved.

Retrospectivity

The measures relating to company meetings are intended to be retrospective from 26 March so that any company that has already had to hold an AGM in a way that adhered to social distancing measures, but that, as a result, did not meet relevant obligations in their constitution, will have done so in accordance with the law. Companies who were forced to postpone AGMs which were due to be held after 26 March will be given a limited period after the Bill is passed to hold those AGMs using the new flexibilities

Shareholder rights

The measures will not prevent shareholders from exercising their right to

vote on resolutions or other matters brought before the meeting, though they may be prevented from voting in person (rather than by post or by electronic means)

Extension of filings

The Bill enables the Secretary of State to make regulations to extend deadlines for 3 types of filing:

- accounts
- confirmation statements (including event-driven filings that are required to be submitted in advance of the confirmation statement)
- registrations of charges

Currently failure to file certain information with Companies House by the relevant deadline can result in the company paying a late filing penalty or the directors being prosecuted. Even though Companies House is taking a proportionate approach to compliance, a failure to meet statutory deadlines can have broader impacts on a company's record or credit rating.

This measure will reduce pressure on companies that are currently unable to meet their filing deadlines allowing them to focus their resources on keeping their businesses going in this uncertain time but ensuring that the data is filed with Companies House within a reasonable time.

Additional quotes

Jennifer Marshall, Chair of the CLLS Sub-Committee and former President of the Insolvency Lawyers Association said:

The CLLS and the ILA support the addition of new tools to the restructuring toolbox; the moratorium, in particular, should help businesses struggling due to COVID and the ability to cram down a class is a useful addition to the scheme of arrangement. These are the most significant reforms of UK insolvency law for a decade and we will be digesting the detail with interest.

Culture Secretary announces Cultural Renewal Taskforce

In total, five new ministerial-led taskforces have been set up to develop blueprints for how and when closed businesses and venues can reopen safely, following publication of the UK government's National Covid-19 Recovery Strategy to help rebuild Britain.

Oliver Dowden, the Secretary of State for Digital, Culture, Media and Sport (DCMS), will be chairing the taskforce responsible for the recreation and leisure sectors, and joining him in this important work is:

- Tamara Rojo (English National Ballet)
- Alex Scott (former England international and Arsenal footballer and now a Sports Broadcaster)
- Sir Nicholas Serota (Arts Council England Chair)
- Edward Mellors (Mellors Group Events)
- Neil Mendoza (Commissioner for Cultural Recovery and Renewal, Entrepreneur, publisher and philanthropist)
- Lord (Michael) Grade of Yarmouth (TV executive and former Chair of BBC and ITV)
- Baroness (Martha) Lane-Fox of Soho (Founder of LastMinute.com)
- Mark Cornell (Ambassador Theatre Group)

Culture Secretary Oliver Dowden said:

We are determined to do all we can to help our sectors that are such an incredible part of British life in their recovery. The Taskforce is made up of some of the brightest and best from the cultural, sporting and tech worlds. Experts in their fields, they'll be instrumental in identifying creative ways to get these sectors up and running again.

The taskforces will be crucial to the reopening of sectors of Britain's economy. They will support the renewal of DCMS sectors and help develop new COVID-19 secure guidelines for the reopening of public places and businesses, where and when it is safe to do so. The focus of the groups' work will be on:

- ensuring that COVID-19 secure guidelines are developed in line with the phasing ambitions and public health directions, building on the existing (work settings) guidance and providing intelligence and sector-specific expert input
- develop creative solutions, including digital solutions, to drive the return of sectors whilst maintaining consistency with the medical advice
- agreeing and ensuring alignment of all relevant sectoral guidance
- providing key sector stakeholders direct access to ministers

As the nation's economy begins to move towards recovery and regeneration, the Taskforce will look to see how creative new approaches could help sectors thrive in future, building on existing channels of government support (like the Coronavirus Jobs Retention Scheme, Retail, Hospitality and Leisure Grants, a 12 month business rates holiday, and £200 million of emergency public funding through the Arts Council, Historic England and National Lottery Heritage Fund).

The first meeting of the Cultural Renewal Taskforce will take place this Friday 22 May, and will meet on a weekly basis. The work of the taskforce will be supported by eight working groups chaired by DCMS Ministers, which

will include representatives from key sector bodies and organisations and focused on areas like sport, entertainment and events, museums and galleries, heritage, tourism and libraries.

Notes to Editors:

The government published its COVID-19 Recovery Strategy on 11 May 2020. It set out that non-essential retail businesses may be reopened in phases from 1 June, where and when it is safe to do so, and if those businesses can meet new [working safely during coronavirus guidelines](#).

Reopening other (currently closed) businesses and public places will take place when the science allows, and when they can meet new COVID-19 secure guidelines, which relate to their specific activities. To support the development of such guidelines, [the government has established five ministerially-led 'taskforces'](#):

- Recreation and leisure (including tourism, culture and heritage, libraries, entertainment and sport) (Department for Culture, Media and Sport)
- Pubs and restaurants (Department for Business, Energy and industrial Strategy)
- Non-essential retail (including salons) (Department for Business, Energy and industrial Strategy)
- Places of worship (Ministry for Housing, Communities and Local government)
- International aviation (Department for Transport)

DCMS is also planning to appoint a representative from our world class tourism sector to the taskforce.

The individuals experts appointed to the panel represent themselves, and not the organisations they work for. The role is unpaid.

Biographies

Alex Scott is a well-respected ex-football player having won the Women's Top Division 6 times, been capped 140 times by the England Women's national team, and represented Great Britain at the 2012 Olympics. She now has a successful media career that has seen her become the first female to report at the Men's World Cup for the BBC. Scott is also heavily involved in charitable projects, working with Premier League Communities and launching the Sky Ocean Rescue and Premier League Plastic Pollution Challenge. In 2012, she opened The Alex Scott Academy, the first of its kind for women in the UK which not only focuses on training but also on working towards qualifications. Scott was appointed a Member of the Order of the British Empire in the 2017 New Year Honours for services to football.

Michael Grade has had a long career in broadcasting, encompassing London Weekend Television, the BBC, ITV, as well as over nine years as Chief Executive of Channel Four Television. In May 2004 he was appointed Chairman of the BBC. Michael Grade was non-executive Chairman of Pinewood and

Shepperton Film Studios for 16 years. He is non-executive Chairman of Infinity Creative Media, and of the Production Company Twelve Town. He is also non-executive Chairman of Reach for Entertainment, a Media and Entertainment Marketing Company. In January 2011 he became the Conservative Peer, Lord Grade of Yarmouth.

Nicholas Serota has been Chair of Arts Council England since February 2017 and is a member of the Board of the BBC. He is currently Chair of the Durham Commission on Creativity and Education and was a Board member on the recent Cultural Cities Enquiry. He was Director of Tate between 1988 and 2017. During this period Tate opened Tate St Ives (1993) and Tate Modern (2000 & 2016), redefining the Millbank building as Tate Britain (2000). Tate also developed its national role by creating partnerships with 35 regional galleries across the UK in the Plus Tate network.

Tamara Rojo was appointed Artistic Director of English National Ballet in 2012. She combines this role with her dancing career, performing as Lead Principal with the Company. Tamara has been repeatedly recognised for her artistic excellence, with numerous awards and is a member of the Board of Creative England and Creative Industries Federation, the Anglo-Spanish Society, a Patron of the Ipswich-based DanceEast Academy, Patron of the Flamingo Chicks and Adviser to Spain's Superior Council of Artistic Studies. In January 2016 Tamara Rojo became D.A. Magna Cum Laude and was awarded a CBE for her services to ballet in the Queen's 2016 New Year's Honours.

Neil Mendoza is Provost of Oriel College, Oxford, following a career building businesses in the creative and finance sectors. He is Chair of The Landmark Trust and the Illuminated River Foundation, and recently retired as a Commissioner at Historic England. He has been a Non-Executive Director at the Department for Digital, Culture, Media and Sport since 2016 and led the Mendoza Review of Museums in England (2017). He was appointed as Commissioner for Cultural Recovery and Renewal on 20 May 2020.

Mark Cornell was appointed group CEO of the Ambassador Theatre Group in May 2016. Prior to this he was Managing Director of Sotheby's Europe and preceding that, spent 10 years at LVMH, including as President and Chief Executive Officer of Moët Hennessy USA and Chief Executive Officer of Krug Champagne. Mark has vast experience in managing large organisations, as well as successfully leading consumer-orientated brands in the UK, Europe and the United States.

Edward Mellors is Director of Mellors Group Events, one of the UK's leading events companies. The company delivers high profile city transformations and ride attractions at events across the country, including Winter Wonderlands, Christmas markets and urban beaches, as well as running a theme park and family resort in Lincolnshire. Edward has led the company's growth in international markets such as Dubai whilst continuing to oversee operations in the UK.

Martha Lane Fox is a crossbench peer. She sits on the boards of Twitter, Chanel and the Queen's Commonwealth Trust. She has served on boards of Channel 4 and Donmar Warehouse. She is the current chair of the Women's Prize

for Fiction. She is the founder of Doteveryone – building a movement for responsible technology. Martha Lane Fox was Digital Champion for the UK from 2009 to 2013. In 1998 she co-founded lastminute.com and in 2005 she founded Lucky Voice.

[New Culture Commissioner named and Taskforce set up to aid sector recovery from coronavirus](#)

Culture Secretary Oliver Dowden, has appointed Neil Mendoza as the new Commissioner for Cultural Recovery and Renewal. Mr Mendoza will provide an expert and independent voice to the government, and will advise on how UK culture and heritage can begin the road to recovery from the pandemic.

Mr Mendoza has built a successful career within the creative, heritage and financial sectors and has been a consistent champion of the cultural scene.

In this new role, he will draw on his experience within the cultural sector to garner the strongest, most innovative ideas for its renewal and present them to DCMS Ministers and officials. He will initiate an ambitious philanthropic focus on arts and culture, and help ensure Arts Council England, National Lottery Heritage Fund and Historic England and other important bodies work together with DCMS to develop and deliver support to the sector.

Culture Secretary Oliver Dowden said:

Our local, regional and national institutions have been trailblazers in coming up with innovative ways to reach audiences during the lockdown. Our focus now turns to paving the way for the reopening of the country's cultural hubs including theatres, galleries, museums and entertainment venues, when it is safe to do so.

Neil's appointment as Commissioner for Cultural Recovery and Renewal and the creation of a new taskforce is all part of the government's commitment to help get the cultural and creative sectors back up and running.

Neil Mendoza said:

Our culture holds us together. Arts, music, theatre, museums and heritage and culture in all its other forms are a vital part of people's lives up and down the country. Our outstanding creativity and arts excellence sets an example for the world. The people that work in cultural sectors want to work, to help continue to support and inspire their communities.

DCMS intends to help them do just that through this pandemic and be ready for renewal once social distancing is over.

Welcoming the appointment, Sir Nicholas Serota, Chair, Arts Council England said:

Neil Mendoza has been a champion of art and culture throughout his career and I am delighted that he will bring his extensive experience in the creative, heritage and business sectors to his appointment as Commissioner for Cultural Recovery and Renewal. Culture and creativity will be vital to rebuilding communities across the country and in sustaining our international standing as a creative nation. Helping the sector to reopen is a priority for the Arts Council and I very much look forward to working with Neil in support of the aims of the Taskforce.

Venues have been closed due to the pandemic, which creates very serious challenges for these sectors. As part of the Cultural Renewal taskforce (focusing on recreation and leisure) announced last week, an Entertainment and Events Working Group will now be created, bringing together representatives from around the country to develop advice and guidance on the reopening of cultural venues across the nation, helping to get employees back to work and audiences once again enjoying our thriving cultural sector.

Working with organisations such as Society of London Theatres (SOLT), UK Theatre and Arts Council England (ACE), the working group will include representatives from regional and London-based theatres, performing arts and other creative organisations as well as medical advisors. It will focus on considering how to begin rehearsing and producing theatre, music, film and dance. The group will also consider the potential implications of a return to work for both disabled artists and audiences and the work of suppliers in the sector.

The panel will help identify and resolve specific issues, and play an important role in the development of guidance for the sector to restart. It will inform the work of the Cultural Renewal taskforce as we start to rebuild, renew and regenerate the nation.

ENDS

Notes to editors:

- Mendoza is Provost of Oriel College, Oxford, following a career building businesses in the creative and finance sectors. He is Chair of The Landmark Trust and the Illuminated River Foundation, and recently retired as a Commissioner at Historic England. He has been a Non-Executive Director at the Department for Digital, Culture, Media and Sport since 2016 and led the Mendoza Review of Museums in England (2017).
- Five new ministerial-led task forces have been set up to develop plans for how and when closed sectors can reopen safely, following publication of the UK's roadmap to rebuild Britain.□□
- These task forces are: Recreation and leisure, Pubs and restaurants, Non-essential retail, Places of worship, and International aviation □.
- DCMS is establishing the recreation and leisure taskforce which will be supported by working groups including the entertainment and events group and others like sport, museums and galleries, heritage, tourism and libraries.
- The Entertainment and Events Working Group will include representatives from: Royal Albert Hall, Birmingham Royal Ballet, Really Useful Group, One Dance UK, Cadogan Hall, Association of British Orchestras, Nimax, Leeds Playhouse and The Royal Opera House.□

Government unlocks £150 million from dormant accounts for coronavirus response

- Building on the unprecedented £750 million charity support package from government
- £200 million of funding distributed by the National Lottery Community Fund, open for bids from small charities on Friday

The Culture Secretary has announced today (Wednesday 20 May) that £150 million from dormant bank and building society accounts is to be unlocked to help charities, social enterprises and vulnerable individuals during the coronavirus outbreak.

This includes accelerating the release of £71 million of new funds from dormant accounts alongside £79 million already unlocked that will be repurposed to help charities' coronavirus response and recovery.

The funding will support urgent work to tackle youth unemployment, expand access to emergency loans for civil society organisations and help improve

the availability of fair, affordable credit to people in vulnerable circumstances.

Culture Secretary, Oliver Dowden said:

Charities and social enterprises are playing a vital role in our national effort against coronavirus.

This funding will support organisations that are at the heart of their communities, building on our unprecedented package of financial support for the voluntary sector.

Through our proposals to further expand the dormant assets scheme, we want to unlock hundreds of millions more pounds for good causes, while keeping customer protection at the heart of the programme.

Of the £150 million:

- £10 million will be brought forward for the [Youth Futures Foundation](#) to help organisations who support unemployed, disadvantaged young people across the country into jobs. They will be launching an Emergency Levelling Up Youth Fund to support young people from hardest hit communities; and will expand their Development and Impact grants programme to rapidly increase youth employment provisions.
- £45 million will be deployed by [Big Society Capital](#) to allow better access to investment including emergency loans for charities, social enterprises and some small businesses facing cash-flow problems and disruption to their trading following the coronavirus outbreak.
- The demand for affordable credit is expected to rise substantially in light of the coronavirus outbreak. [Fair4All Finance](#) will use £65 million to support affordable credit providers to increase access to fair, appropriate products and services for those struggling financially, providing them with an alternative to high cost loans. This includes an expanded Affordable Credit Scale-up Programme and other initiatives for those in financially vulnerable circumstances.
- £30 million will go to [Access – The Foundation for Social Investment](#) who will support social enterprises helping people in vulnerable circumstances. They will make up to £10 million available for emergency support through social lenders while also developing a wider programme of recovery finance for the social sector. Both initiatives will work alongside Big Society Capital and other social lenders, and will enable a wider range of organisations to access affordable and flexible finance.

Since its launch in 2011, 30 firms – including all major high street banks – have voluntarily transferred funds from accounts that have been inactive for 15 years into the scheme and so far over £600 million has been distributed to good causes.

In addition to this funding, following the [Chancellor's announcement of an unprecedented £750 million package of support for frontline charities](#) during the coronavirus outbreak, the ["Coronavirus Community Support Fund"](#) distributed by The National Lottery Community Fund will open for applications this Friday, 22nd May.

£200 million worth of grants will be available for organisations who are supporting people and communities experiencing disproportionate challenges and difficulty during the pandemic, and those that provide services and support for vulnerable people and have seen an increase in demand or have lost income. Further funding will be committed and informed by emerging priorities, as the impact of the pandemic on vulnerable groups and charities is understood.

Funding from the Coronavirus Community Support Fund will start to reach frontline organisations within a few weeks. Applications to the Fund will be handled through The National Lottery Community Fund's well-established funding infrastructure, which they use to deliver around £500 million of grants to local organisations each year. A joint panel set up by DCMS and NLCF will advise on distribution of funding.

The Economic Secretary to the Treasury, John Glen, said:

This funding will provide vital support to some of the most vulnerable in our society, and comes on top of the unprecedented package we have put in place to help individuals, businesses and the economy through this difficult time.

"Thank you to the banks and building societies for taking part so we can continue to support so many good causes. I look forward to the potentially millions more we can unlock for good causes through expanding the Dormant Assets Scheme."

The Government is currently [consulting](#) on expanding the dormant assets scheme to include a range of financial assets from the insurance and pensions, investment and wealth management, and securities sectors. The expansion has the potential to bring billions more pounds into the scheme.

Consumer protection will remain at the heart of an expanded scheme, with the priority continuing to be reuniting customers with their money. Only where this is not possible, following repeated, unsuccessful efforts to locate the asset owner, will funds be released to support good causes.

If at a later date a consumer discovers that they had a dormant account and their funds have been transferred into the scheme, they will also always be able to reclaim the full amount owed to them.

ENDS

Notes to editors

Read further information on [how organisations can apply to the £750 million charity support package](#)

Part of the package includes £370 million for small and medium-sized charities, made up of £310 million in England and £60 million to devolved administrations. In England, £200 million will be distributed by the National Lottery Community Fund. DCMS will review learning from the early distribution of the £200 million fund and evolving picture on the impact of the pandemic to inform decisions on the distribution of the remaining £110 million, so that funding is best utilised to address emerging priorities and opportunities.

There are [30 participating firms](#) in the dormant assets scheme, including HSBC Bank plc, Lloyds Banking Group, Nationwide Building Society, Royal Bank of Scotland, The Co-operative Bank plc.

The definition of a dormant bank or building society account is in the Dormant Bank and Building Society Accounts Act 2008: an account is 'dormant' at a particular time if the account has been open throughout the period of 15 years ending at that time, but during that period no transactions have been carried out in relation to the account by or on the instructions of the holder of the account.

The government is consulting on expanding the scheme to the following sectors:

- Insurance and pensions
- Investment and wealth management
- Securities

You can read more information on the [consultation on expanding the dormant assets scheme](#) which closes on 16 July 2020.

Assets proposed to be within the scope of the expansion include:

- Dormant insurance policy proceeds
- Dormant share proceeds
- Dormant unit proceeds
- Dormant distributions and proceeds from investment assets
- Other dormant security distributions

The public consultation follows two industry-led reports. The 2019 report [The Dormant Assets Scheme: A Blueprint for Expansion](#) which builds on a [2017 report from the Commission on Dormant Assets](#)

Under the scheme, funds are held by Reclaim Fund Ltd (RFL). RFL is authorised and regulated by the Financial Conduct Authority, and holds sufficient money to cover any reclaims while distributing the surplus to The National Lottery Community Fund for social or environmental initiatives across the UK.

Coronavirus (COVID-19): letter to all postmasters

[unable to retrieve full-text content]Letter from the Minister for Small Business, Consumers and Corporate Responsibility, Paul Scully, to all postmasters, their staff and Post Office employees.