

## **Encouraging Company Rescue – a consultation**

The Insolvency Service is today launching a consultation on measures aimed at enhancing further our business rescue culture, to give struggling, but viable, companies a greater chance to succeed, thus saving jobs and providing better returns to creditors.

In particular, the proposals consider:

- extending to medium and large-sized companies the option of a moratorium against creditor action – currently only available to small companies – so they too can have a ‘breathing space’ in which they can seek to agree with their creditors a means of securing a company rescue by means of a Company Voluntary Arrangement;
- the introduction of a new Court-sanctioned moratorium available to all companies, again to allow them time to reach agreement on a Company Voluntary Arrangement; and
- providing greater security to repayment of monies loaned post Company Voluntary Arrangement or administration, to allow firms in difficulties more chance of accessing the funding they need to get back on track.

The proposals are part of the Government’s business rescue measures that the Chancellor of the Exchequer announced in the 2009 Budget Report earlier this year.

We intend actively to engage with stakeholders throughout the consultation, testing our assessment of the possible impacts of the policy proposals, and welcome views on whether this package is the best way of achieving our aim of making company and business rescue easier and more successful. The consultation closes on 7 September 2009.

In addition to the main consultation document, there is a two page summary of the consultation document, which is aimed at explaining the proposals to small businesses and indicating how those businesses in particular might be affected.

Further details can be found on this website at:

[http://www.insolvency.gov.uk/insolvencyprofessionandlegislation/con\\_doc\\_register/registerindex.htm](http://www.insolvency.gov.uk/insolvencyprofessionandlegislation/con_doc_register/registerindex.htm)