

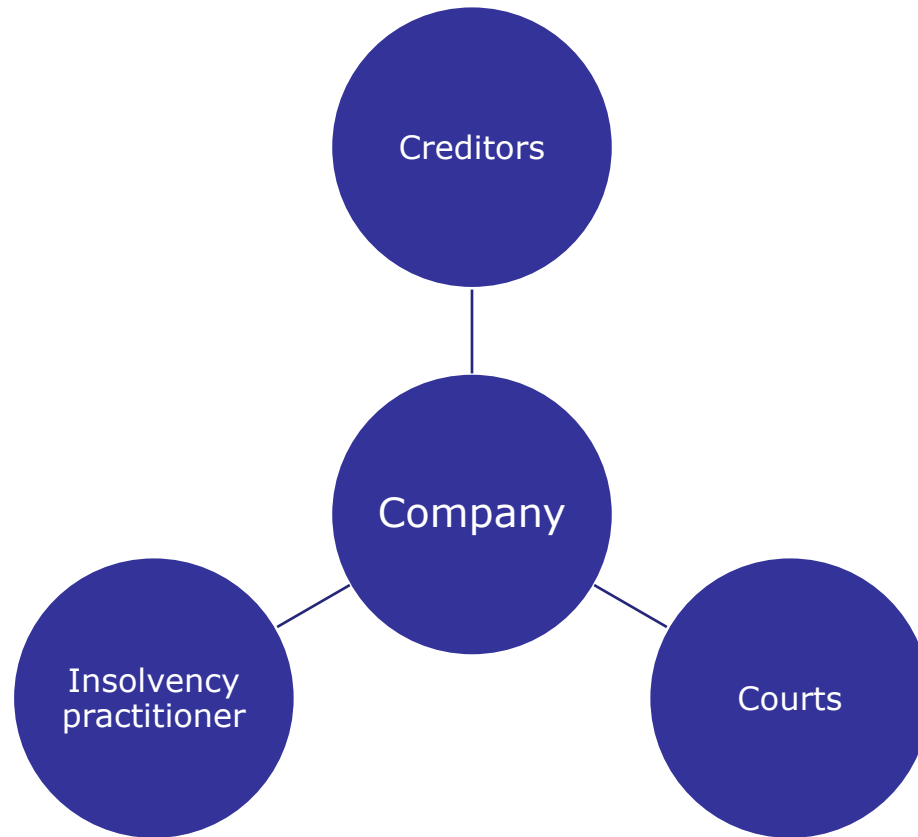
The Shifting Balance of Power in UK Insolvencies

Rebecca Parry

The Shifting Balance of Power

- Insolvency and Corporate Governance, Government Response
 - BHS and Carillion
 - Various measures to strengthen corporate governance
 - Improvements to the insolvency framework

Balance of power



Balance of power

- US Code, Title 11, Chapter 11
- Insolvency Act 1986
 - Cork Committee
 - Administration
 - CVAs

Shifting balances

- Enterprise Act 2002
 - Administrative receivership
 - Abolition of Crown preferential status
 - Prescribed part
- Prepacks

Insolvency and Corporate Governance, Government Response, “Proposed Next Steps”

- Moratorium
- Restructuring plan
 - Cross-class cramdown
- Ipso Facto Clauses
 - Ineffective in insolvency aside from exceptional cases

Other developments

- Budget 2018, para 3.87
 - Revival of Crown preferential status in respect of collected taxes
- Government's Response to the Law Commission's July 2016 Report on Consumer Prepayments on Retailer Insolvency
 - Power for SoS to make regulations regarding sectors of particular risk to prepaying consumers
 - No preferential status for consumer prepayments