

# COVID-19: the company administration aspects of the Corporate Insolvency and Governance Act 2020

June 30, 2020 (Updated on September 30 and November 26, 2020)

The Corporate Insolvency and Governance Act 2020 (CIGA) came into force on 26 June 2020, having been fast-tracked through Parliament. Although most of CIGA relates to insolvency law, the Act also makes some temporary changes to company law in the UK. The purpose of these is to give companies greater flexibility to deal with the difficulties caused by COVID-19.

## Key changes

**Meetings:** CIGA introduces greater flexibilities for companies (and other bodies within scope) as to how they conduct general meetings between 26 March 2020 and 30 March 2021<sup>1</sup>. In particular, during this period:

- a meeting does not need be held at any particular place;
- a meeting, while it must still be quorate, can be held without any number of those participating in the meeting being together at the same place;
- a meeting can be held, and votes can be permitted to be cast, by electronic or other means;
- a member does not have a right to attend a meeting in person, to participate other than by voting or to vote by particular means.

This final point is a significant alteration of shareholders' rights which typically also include the right to attend and speak. However, the removal of a shareholder's legal right to participate fully does not remove the obligations of the board to act fairly as between members. As recent best practice guidance, including that published by the Department of Business, Energy & Industrial Strategy<sup>2</sup>, makes clear, companies should explore all options available to ensure that they provide shareholders with the best level and quality of engagement possible in the circumstances.

For the period during which these provisions apply, they override not just existing enactments but also any provisions in constitutional documents.

CIGA also enables secondary legislation to be made to make further or connected provisions, or to make provision about any notice or other document relating to a meeting held during the relevant period.

**Annual General Meetings (AGMs):** Companies that are required (whether by statute or their own constitution) to hold an AGM on a date falling between 26 March 2020 and 30 September 2020 have the flexibility to postpone holding that meeting up to 30 September 2020. In the case of a public company, this extension also applies to an accounts meeting i.e. a general meeting other than an AGM at which the company's annual accounts and reports are presented. Again, CIGA enables secondary legislation to be made to provide for further temporary extensions of these deadlines.

**Filing accounts (public companies only):** Where the time allowed for a public company to file its accounts at Companies House would (but for this change) end after 25 March 2020 and before 30 September 2020, the standard filing period is extended to 30 September 2020 or, if earlier, 12 months following the end of the accounting period to which the accounts relate.

**Companies House filings:** CIGA allows secondary legislation temporarily to extend the periods allowed for Companies House filings by companies and other entities registered there. Immediately following the coming into force of CIGA, the Companies etc. (Filing Requirements) (Temporary Modifications) Regulations 2020 were made. They came into force on 27 June 2020 and currently expire on 5 April 2021. During this period, they extend various Companies House filing deadlines, including, for example:

- the 14-day deadline for submitting notice of certain event-driven filings (for example, a change of director, registered office or person with significant control) which is extended to 42 days;
- the accounts filing deadline which is extended by three months to 12 months after the end of the relevant accounting period for private companies, and nine months after the end of the relevant accounting period for public companies;
- the deadline for the annual confirmation statement which is extended from 14 days to 42 days after the end of the company's confirmation period; and
- the 21-day deadline for registering a charge against a company's assets which is extended by 10 days to 31 days.

For commentary on the insolvency aspects of CIGA, please [click here](#).

Information contained in our COVID-19 articles and publications is correct at the time of print. This is, however, a constantly evolving situation across the globe and specific advice and guidance should be sought as required.

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1. Originally these flexibilities were in place until 30 September 2020. They were initially extended to 30 December 2020 by the Corporate Insolvency and Governance Act 2020 (Coronavirus) (Extension of the Relevant Period) Regulations 2020. They were then further extended by the The Corporate Insolvency and Governance Act 2020 (Coronavirus) (Suspension of Liability for Wrongful Trading and Extension of the Relevant Period) Regulations 2020.↔
  2. Measures in respect of Company filings, AGMs and other general meetings during COVID-19↔

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