

Coronavirus Restrictions to End

At long last, the various restrictions imposed on the winding up petition régime are set to come to an end. Everybody will know that winders have been back on track since 1 October 2022, but that they have been subject to two restrictions: first, the minimum petition debt was raised from £750 to £10,000 and, secondly, the petitioner had to give the debtor 21 days' notice seeking payment proposals.

The first of these restrictions meant that any debt below £10,000 was effectively not collectible. The second restriction was just pointless nonsense. Perhaps surprisingly, the government has not increased the *de minimis* limit on winding up petitions – many people thought that the minimum might be increased to £5,000 in line with bankruptcy.

From **1 April 2022**, the practice and procedure relating to the presentation of winding up petitions will, with one exception, be governed by the Insolvency Act 1986 and the Insolvency Rules (England & Wales) 2016. The minimum petition debt will be £750 and there will be no additional hoops for a petitioner to jump through before a petition can be presented.

The one exception referred to is that under the Commercial Rent (Coronavirus) Act 2022 which came into force last week. That act introduced a new moratorium period which runs from 24 March 2022 until the earlier of (i) six months or (ii) the conclusion of an arbitration under the act. During this moratorium period a landlord of commercial premises will be prohibited from presenting a petition in respect of rent protected by the act. That is to say if a landlord is owed rent that (i) arose between 21 March 2020 and 18 July 2021 and (ii) the tenancy was adversely affected by Coronavirus, no petition can be presented until 25 September 2022 unless the parties have completed an arbitration under the Commercial Rent (Coronavirus) Act 2022.

Key Dates for Commercial Rent Collection

- 21 March 2020** : Start of Coronavirus protection period.
- 18 July 2021** : 11:55pm end of protection period in England.
- 7 August 2021** : 6:00am end of protection period in Wales.
- 10 November 2021** : Rent actions started before this date *should* be unaffected. Provisions relating to stay of proceedings and mandatory arbitration take effect.
- 24 March 2022** : CRCA22 comes into force. Moratorium period begins.
- 24 September 2022** : Moratorium ends.

[Click here](#) for our Bulletin dated 19 November 2021 on the Commercial Rent (Coronavirus) Act 2022.



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