

COVID-19: GOVERNANCE: DIRECTORS' DUTIES IN A COVID-19 WORLD (UK)

18 May 2020 | London
Legal Briefings

With a global pandemic causing unprecedented uncertainty for businesses, it has never been more difficult for the directors of UK companies fully to discharge their duties – and the risks when they do not do so have never been higher. Government schemes which seek to protect UK businesses may add to the pressure on directors to continue trading through financial difficulty, but it is essential that they appreciate what potential liability they face when doing so. Even if there were legal clarity as to the scope and content of a director's duty in respect of creditors' interests, discharging that duty is incredibly challenging when so much factual uncertainty exists.

Members of the UK Restructuring, Turnaround and Insolvency team have considered the implications and risks faced by directors. Our article (in which the law is stated as at 7 May 2020) focuses on the issues for directors of companies that are at risk of insolvency as a result of the pandemic and covers:-

- Duty to promote the success of the company
- Section 172(1) factors
- Creditors interests
- Dealing with factual uncertainty (cashflow and balance sheet insolvency)

- Creditors' interest duty
- Group companies
- Wrongful trading
- Other duties of interest

To read the article, please click [here](#). You may also wish to read our [previously published commentary](#) on 31 March 2020 written following the Governments recent announcement of their proposed changes to UK insolvency law.

This article first appeared in Volume 17, Issue 3 of International Corporate Rescue and is reprinted with the permission of Chase Cambria Publishing - www.chasecambria.com.

[More on COVID-19](#)

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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