

Presenting a winding up petition to recover pandemic rent arrears

The government has now published new regulations to replace the winding up restrictions mentioned above from 1 October 2021. The key point of interest from a landlord and tenant perspective is that these new regulations will prevent a landlord from presenting a winding up petition to recover rent until 31 March 2022 where the sums are unpaid by the tenant because of the financial effect of the pandemic.

14 September 2021

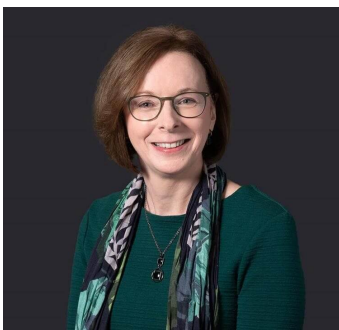
Please note: the information contained in this legal update is correct as of the original date of publication.

We mentioned in our article dated 17 June (click [here](#)) that the restrictions on a landlord forfeiting a business lease for non-payment of rent (and other sums due under a lease) and exercising the statutory procedure known as CRAR (Commercial Rent Arrears Recovery) had been extended until 25 March 2022. We also mentioned in the same article that the restrictions on presenting a winding up petition had been extended until 30 September 2021.

The government has now published new regulations to replace the winding up restrictions mentioned above from 1 October 2021. The key point of interest from a landlord and tenant perspective is that these new regulations will prevent a landlord from presenting a winding up petition to recover rent (and other sums due under a lease) until 31 March 2022 where the sums are unpaid by the tenant because of the financial effect of the pandemic (although why this restriction lasts six days longer than the restrictions already in place on forfeiture and CRAR is not immediately apparent).

Of course, all of this is really just playing for time. As we mentioned in our article dated 11 August (click [here](#)), the government will legislate to ring-fence pandemic rent arrears for affected tenants and will also introduce a system of binding arbitration where landlords and tenants cannot agree how to deal with those ring-fenced arrears. Details on how this arbitration system will work are still eagerly awaited. It really feels like the lull before the storm!

Contact



Sarah Parkinson

Partner

sarah.parkinson@brownejacobson.com

+44 (0)115 976 6575

