



Welcome to Mackrell Turner Garrett's Focus On Insolvency Practitioners, our quarterly bulletin focusing on insolvency-related news and developments and how Mackrell Turner Garrett's services can be of assistance.

If you have any feedback on this bulletin, or would like to know more about our services or how we can help you, please contact James Atton at our London office on **00 44 (0) 207 240 0521** or at james.atton@mackrell.com or John Dudley at our Woking office on **00 44 (0) 1483 755609** or at john.dudley@mtg.uk.net

BUSINESS RATES THREAT LOOMS FOR RETAILERS

Retail chiefs have warned that high street businesses could be hard hit by a multi-million pound hike in business rates, driving even more retailers to the brink.

The British Retail Consortium (BRC) said that basing next year's business rates on the September Retail Price Index (RPI) figure announced on 16 October would cost retailers an extra £175 million. It said that business rates had already risen by 4.6 per cent in 2011 and 5.6 per cent this year, a cumulative increase of more than half a billion pounds, and that a 2.6 per cent rise in April 2013 could lead to more troubled high streets.

Through its Fair Rates for Retail campaign, the BRC is calling on the government to freeze business rates in 2013, to support jobs and growth in tough trading conditions. It also

wants the government to review the way business rate rises are set and to introduce a fairer, more sustainable formula for the future.

The BRC favours basing business rates increases on an annual average of the Consumer Price Index (CPI), rather than on September's RPI.

British Retail Consortium director Stephen Robertson said: "This RPI announcement reveals the scale of the potential damage to our high streets that will follow if the government follows previous practice and translates it directly into next April's rates increase. Expecting retailers to bear a huge rates hike for the third year running can only lead to fewer chances of work, less investment and more troubled high streets."

Mackrell Turner Garrett partner

James Atton, a specialist in insolvency, said: "Retail businesses rose by 10 per cent in the second quarter of 2012 and recent research by R3 showed that 18 per cent of businesses in the retail sector are struggling to pay their debts as they fall due.

"As the BRC points out, businesses that are already struggling could be hard hit by a hike in business rates bills, so 2013 could see another surge in retail insolvencies.

"At Mackrell Turner Garrett, we offer comprehensive, cost-effective legal advice and support for insolvency practitioners and our experience, commercially minded approach and focus on building constructive working relationship add real value to our services. If you would like to discuss our services in more detail, please contact us."



BANKRUPTCY REFORM CUTS OUT COURTS

Individuals wishing to apply for their own bankruptcy will be able to do so without going to court under new government proposals.

The Department for Business, Innovation and Skills (BIS) announced the measure on 10 October, as part of a series of amendments to the Enterprise and Regulatory Reform Bill.

Under the new arrangements, individuals wishing to apply for bankruptcy will be able to do so directly to a new adjudicator, based in the office of the Insolvency Service, rather than through the courts.

The government said the new system would be more cost-effective, adding: "The reforms are intended to free up court resources to deal with matters which do require judicial input, and to improve the accessibility of bankruptcy by facilitating the introduction of a flexible, electronic

application process for debtors."

The measure follows a government consultation last year which looked at proposals to remove both debtor and creditor petitions for bankruptcy, and most company winding-up petitions, from the courts. The consultation found little support for reform to the creditor bankruptcy or company petition process.

James Atton said: "Respondents to the consultation considered that the voluntary nature of a debtor application, and the level of judicial input involved, gave weight to the argument for removing the process from the courts.

"However, BIS stresses that bankruptcy is not a decision to be taken lightly and it would always be prudent for individuals to seek independent advice before taking this significant step. Indeed, a key

concern for respondents to the consultation was that safeguards should be in place to encourage debtors to receive advice.

"At Mackrell Turner Garrett, we are experienced in personal and corporate insolvency and are ideally placed to provide additional support and advice to insolvency practitioners working on these assignments.

"We provide support to IPs across a whole range of insolvency issues, including non-contentious and contentious litigation, pre-pack administrations, antecedent transactions, asset investigation and recovery, directors' duties and director disqualifications and the re-use of names in insolvent company situations.

"As a full service law firm, we also offer integrated advice across a wide range of relevant legal specialisms. For more information, please contact us."

www.mackrell.com

London Office:

James Atton
Partner

Commercial Litigation

E: james.atton@mackrell.com
T: 00 44 (0) 20 7240 0521

Maung Aye
Solicitor

Corporate and Commercial Law

E: maung.aye@mackrell.com
T: 00 44 (0) 20 7240 0521

Woking Office:

John Dudley
Partner

Litigation and Dispute Resolution

E: john.dudley@mtg.uk.net
T: 00 44 (0) 1483 755609

Gillian Vargerson
Senior Associate

Corporate and Commercial Law

E: gill.vargerson@mtg.uk.net
T: 00 44 (0) 1483 755609