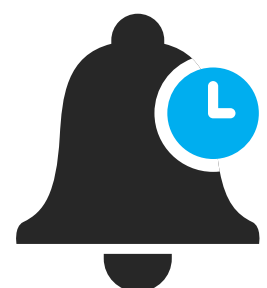
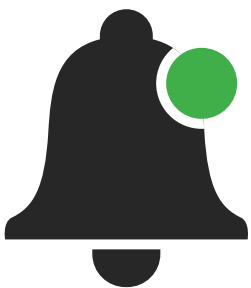
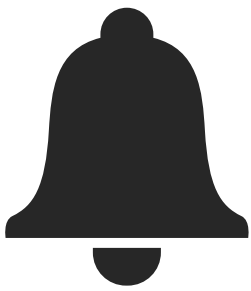


Key areas businesses should not forget about during Coronavirus

COVID-19 Guide
April 2020





CONTENTS

- 3 Key areas businesses should not forget about during Coronavirus
- 4 Important employment law updates
- 5 IP and technology challenges and opportunities
- 6 Corporate law considerations
- 7 Landlord and tenant advice
- 8 Cash is king

For advice and support on any of the issues raised in this guide please email enquiries@stephens-scown.co.uk

The Coronavirus pandemic has dramatically changed the working landscape, but despite these challenging times, there are still key legal areas that all UK businesses should be aware of.

Experts from Stephens Scown's legal teams highlight things that employers and business owners shouldn't overlook, regardless of their operational status in the current lockdown.

The advice given in this article is correct as of 8 April 2020. The situation with COVID-19 is developing rapidly, so please do check our [COVID-19 Insights Hub page](#) for the latest updates.



COVID-19 Insights
Hub page



IMPORTANT EMPLOYMENT LAW UPDATES

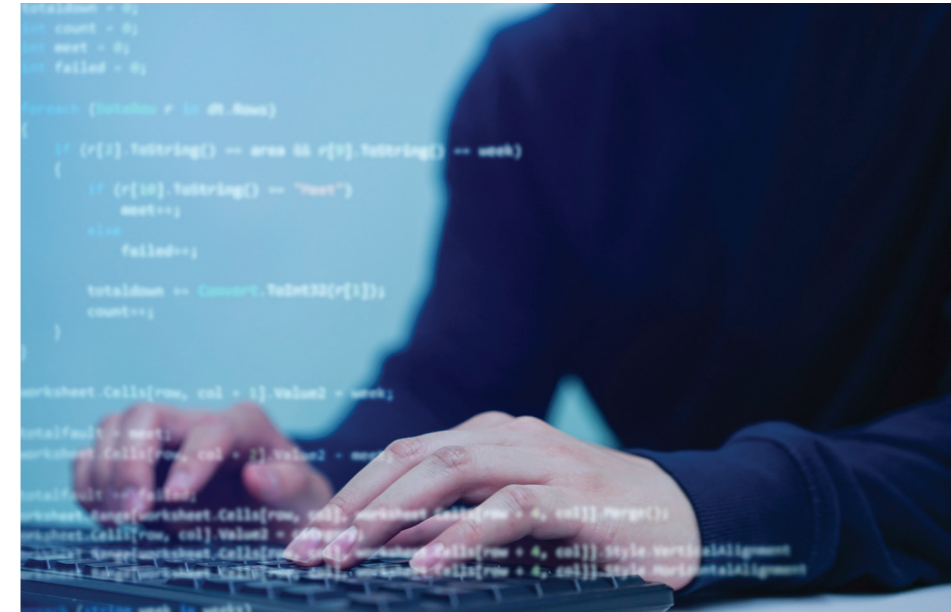
One of the biggest areas of discussion at the moment surrounds employees and their status at a time when most businesses have been ordered to close by the government. Even though the UK has been shuttered by Coronavirus precautions, employment law remains the same so it is vital that you continue to act fairly, consistently and without discrimination towards your employees, in spite of the difficult circumstances.

There are two key employment law updates that you need to be aware of:

- *The National Living and Minimum Wage increased on 1st April – the new over-25 rate is £8.72 per hour, and other groups of workers are also receiving wage increases. It is still a criminal offence to not pay the correct rate, and employers that fail to do so can be named and shamed.*
- *The Good Work Plan has brought in mandatory changes to contracts, so your standard template employment contracts should have been updated by 6th April.*



IP AND TECHNOLOGY CHALLENGES AND OPPORTUNITIES



Due to enforced home working, more companies than ever have an online presence, and this presents issues alongside opportunities. Our Intellectual Property and IP team reminds us that with many people working remotely, it is worth noting that privacy laws still apply – this can impact which platforms you use to communicate and deliver services remotely. In practice, you should always make sure that employees are using secure systems when they work from home. Sadly, the current pandemic has seen an increase in cyber crime, so secure systems and proper cyber security training for you and your team is essential.

If your business has shifted to online-only sales, remember that consumers have greater protection when buying products online. Ensuring that your website's terms and online presence comply with these protections can reduce the risk of complaints further down the line.

Always remember that your intellectual property has a value; if you are using third party platforms to provide your services, check the contract terms to ensure that you aren't at risk of losing your IP in the future.

Ensuring that your website's terms and online presence comply with these protections can reduce the risk of complaints further down the line.



CORPORATE LAW CONSIDERATIONS

The government has implemented some relief measures for businesses due to the unprecedented situation; our corporate team explains how these measures might affect your business:

- *Filing deadlines for Companies House still apply, but if your company has been affected by the Coronavirus pandemic and you need more time to file your accounts, you must notify them before your [filing deadline](#).*
- *This can be done by making an application to extend the filing period. You can apply to extend your account either [online](#) or [by post](#).*
- *All that is needed is your company number, information about why you need more time to file your accounts and any documents that support your applications. If applying by post, you will also need to supply an email address and post your application to the Companies House office where your company is registered.*
- *Failing to notify Companies House of this will lead to an automatic penalty being placed on your company, although it is possible to appeal this decision. Appeals are considered on the grounds of how the Coronavirus has impacted your business, regarding unforeseen ill-health.*

Other areas that need to be considered are share transfers and VAT returns. If you transfer shares in your company and need to pay stamp duty before registering the transfer, the stamp office has [issued guidance](#) on how to do this electronically. At present, applications for [payment](#) of stamp duty by post are not being accepted. For VAT, although the government has announced VAT deferrals of three months, VAT returns still need to be filed, despite the deferral.



Filing deadline



Extend online



Extend by post



Stamp duty guidance



Stamp duty payment

LANDLORD AND TENANT ADVICE

Landlords and tenants alike have been affected by social distancing measures, with constricted incomes creating difficulties for both parties. Our real estate team highlights key areas for both sides to remember:

- *Review your leases to ensure that no important trigger dates are missed over the coming months. Break clauses contain strict notice provisions which must be strictly complied with so as not to invalidate a break notice, and the form of the break notice should be checked carefully. If in doubt, seek advice as you only get one attempt to serve a correct notice.*
- *Are there any other upcoming trigger dates, such as rent reviews? Most current retail leases will include an open market rent review mechanism. In that case, a rent review would only likely be triggered by a landlord if the current passing rent is well below the current open market rent.*
- *Check the terms of any agreements for leases or conditional contracts that you might have entered into where the completion of those contractual arrangements is some point in the future, and take advice on whether you are legally obliged to complete on those contracts.*
- *The lease covenants will still apply, including the requirement to pay rents, unless tenants agree with landlord waivers of those terms. It pays to check the lease as a whole to see whether being away from the premises for an extended period would breach the tenant covenants.*

There are certain reliefs and deferrals available to landlords and tenants. If tenants have not already done so, they should check if they are eligible for business rates relief under one of the new government schemes. Landlords and tenants should look into whether they can take advantage of the government offer to defer VAT payments to the next quarter (note that this is a deferral, not a reduction or cancellation of owing VAT).



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CASH IS KING

Maintaining the cash flow during this crisis will be all important. While the banks are being tasked with supporting businesses at this time, the effectiveness is being questioned and in any event there does not appear to be much 'free' money available currently.

In nearly all areas of dispute resolution, our dispute resolution team is seeing increased activity. Businesses are trying to do stay afloat by reducing their costs, often by terminating supply contracts. This needs to be done correctly to be effective. Additionally, they are keeping a very close eye on their debtors' book and pursuing these if sensible payment terms are not agreed.

Business interruption claims are being pursued with mixed results, and it is important to avoid being fobbed off by insurers by taking a minute to examine the reasons as to why payment is not forthcoming.

Whilst there is a lot of empathy around this, it can only go so far if businesses are going to keep their heads above water and if there is not effective communication with debtors, then a business has to take whatever action to get paid.

The current situation is putting a lot of stress on internal relations between directors, partners and shareholders, and we are finding that people are taking this opportunity to review their positions and whether they wish to continue with their existing business structure.

Businesses are trying to do stay afloat by reducing their costs, often by terminating supply contracts.



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