

## **(UK) Restrictions on Winding Up Petitions to Lift – But Not for All**

Article By:

Rachael Markham

---

The UK Government has today indicated what will happen at the end of the month, when the temporary restrictions on winding up petitions are due to lift.

Firstly, restrictions on winding up petitions will continue in respect of commercial rent arrears. This is not unexpected, given that the restrictions on commercial landlords forfeiting leases was extended earlier this year until March 2022. It is assumed that the intention is that the restrictions on winding up petitions will remain in place until the legislation that will implement the proposed rent arbitration scheme comes into force.

Secondly, for creditors who are owed less than £10,000, they will not be able to petition. For a temporary period of time (to be confirmed) the debt threshold for presenting a winding up petition will be increased from what is currently £750 to £10,000. The intention behind this is to give smaller businesses opportunity to get back on their feet and rebuild their balance sheets. However for those smaller businesses that might have hoped to proceed with a winding up petition to collect overdue debts, this could have the opposite impact, by limiting its debt collection options and ability to recover monies owed to it.

Thirdly, for creditors who are owed £10,000 or more, they will be able to petition (noting that this does not apply to commercial rent arrears). However they will be required to seek proposals for payment, giving a debtor 21 days to respond, before they can proceed with a winding up petition. At least for a temporary period, creditors will not be able to rely on a 2 day letter as evidence of inability to pay as the basis of a winding up petition, and will have to wait 3 weeks before being able to proceed. The legislation, when published, may give further detail about what is expected of creditors and debtors during this period.

The draft legislation is expected imminently, and once published we will add further commentary to our blog about how this will impact landlords and other creditors.

© Copyright 2025 Squire Patton Boggs (US) LLP

---

Source URL: <https://natlawreview.com/article/uk-restrictions-winding-petitions-to-lift-not-all>