

5 IMPORTANT CHANGES FOR COMMERCIAL CLIENTS



1. NEW "BUSINESS HUB" IN THE HIGH COURT

It is not unusual for clients to become frustrated with the red tape and delays that can come with commercial litigation in the High Court. This new Business Hub is designed to reduce some of that frustration and restore the confidence of the business community in the process. At an early stage, the Hub will designate a Judge to case manage a client's dispute with greater hands on management and the opportunity for a case to be fast-tracked.

2. MEDIATION, MEDIATION, MEDIATION

Many of the proposed reforms involve a greater focus on Alternative Dispute Resolution, or more likely, Mediation. The reforms don't go as far as court imposed mediation, but clients will need to be aware of potential costs sanctions for refusing to mediate, and the possibility of compulsory mediation for cases with a lower value.

3. ONLINE DISPUTE RESOLUTION

There is a proposal for an online dispute resolution system for cases under £5000. Whilst the exact details of the process are not yet known, a similar system is already live in England and Wales and has been met with largely positive feedback. As such, it is likely that this will be available in Northern Ireland, in an attempt to improve access to justice and reduce costs.

4. DIRECTOR DISQUALIFICATION

The Small Business Enterprise and Employment Act 2015 made some significant changes to the Company Directors Disqualification legislation here. There is now provision for Compensation Orders to be made against a Director in an insolvency situation, reflecting the loss he/she is alleged to have caused the company by their personal behaviour or misconduct. Clients need to be fully aware of their duties and obligations as Directors.

5. PHEONIX FROM THE FLAMES

In April of this year HMRC published a discussion document seeking views on how to tackle taxpayers who abuse the insolvency regime to avoid or evade tax, by carrying on the same business through a series of companies. HMRC are proposing a power to transfer liabilities for certain company tax debts to the Directors of that company. This will require legislative change but is one to watch.

We are in a state of flux and there is no doubt that our court system requires an overhaul to modernise processes, increase access to justice and enhance public confidence in the system. However, there is also no doubt that the lack of an executive in Northern Ireland is hindering progress on many fronts.

Many of the changes detailed above will require adoption by way of parliamentary process, which cannot happen with the resolution of the current political impasse.



At Davidson McDonnell, we regularly advise on the full range of contentious commercial matters. If you have any queries, or would like to discuss anything with us, please contact:

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