BM&T Insights

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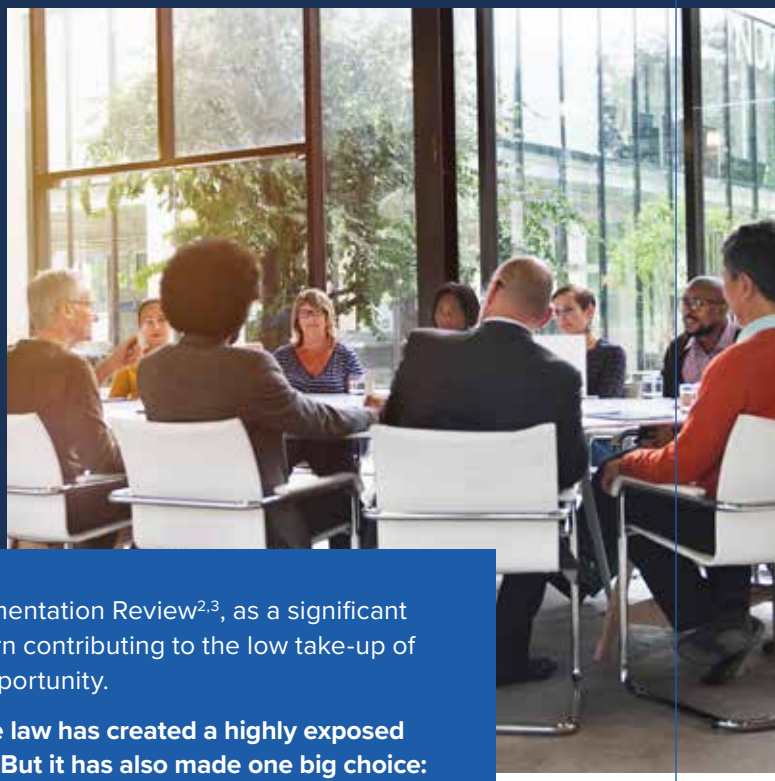
Why turnaround professionals belong in the UK moratorium – and in our preventative restructuring toolkit

The UK's standalone moratorium gives distressed but viable companies something they badly need: a pause button. What it doesn't always give them is a clear pilot.



The moratorium, introduced by the Corporate Insolvency and Governance Act 2020 (c.12)[1] (CIGA), is designed to give companies breathing space from creditor action while a rescue is pursued. Directors stay in control; the company gets a payment holiday on many pre-moratorium debts; enforcement is largely paused.

At the heart of this sits one person: the monitor. Whether a moratorium can be obtained, whether it should continue, and whether it must terminate all turn on the monitor's professional opinion about one central question:

"Is it likely that the moratorium will result in the rescue of the company as a going concern?"

The monitor must certify this test at the outset, keep it under review throughout, and bring the moratorium to an end if they conclude it is no longer met. Get that judgment wrong, and the monitor faces personal, professional and regulatory exposure.

Reputational risk was highlighted by the Insolvency Service (2023), Corporate Insolvency and Governance Act: Post Implementation Review[2,3], as a significant concern contributing to the low take-up of the opportunity.

So, the law has created a highly exposed office. But it has also made one big choice:

Only a licensed insolvency practitioner (IP) can be a monitor.

Notwithstanding that, the review recorded that a number of respondents thought it should be open to other professions. The review went on to say that turnaround professionals see CIGA as a commercial-based company rescue and are more comfortable with the risk. In contrast, IPs see it as insolvency with all its risks and legal obligations. The report also highlighted the cost of the legal Court process as a deterrent to its use. This raises a fundamental question

"Is the legislation restricting the legislation's intent to preserve enterprise value and save jobs for the greater economic benefit?"

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One tool, one profession – is that enough?

The logic is understandable. Insolvency is a highly regulated profession with a ready-made ethical and supervisory framework. When Parliament needed a new office holder for a new process, it turned to a familiar creature of statute.

None of this diminishes the central role that insolvency practitioners already play in the UK restructuring ecosystem; preventive rescue will always need that statutory expertise at its core.

But look at what the moratorium is for: not orderly wind-down but rescuing the company as a going concern – a preventive, operationally demanding objective.

Here, the skill sets begin to diverge:

- JIEB-qualified IPs are trained first and foremost in insolvency law, statutory procedures, creditor rights and regulatory compliance.
- Certified Turnaround Professionals (CTPs) are trained across legal, financial and managerial disciplines, but pointed directly at operational turnaround – stabilising cash, reshaping cost and revenue, re-negotiating with stakeholders, and leading complex change in real time.

That contrast is not a criticism. It's the point.

In a modern rescue, you need both: the legal architecture that protects value, and the operational leadership that delivers the rescue the law contemplates.

Right now, the UK moratorium formally appoints the first – and hopes the second will appear via side-engagements, extra-statutory roles, or advisers operating on contract. That can be a point where value sometimes leaks – not through bad faith, but because the operational leadership needed for rescue sits slightly outside the formal process.

The overlooked sentence in the monitor debate

Buried in the legal and policy discussion is an intriguing detail: Parliament drafted the definition of "qualified person" in a way that leaves open the possibility that other suitably qualified professionals – including turnaround professionals – might in future be brought within scope as monitors through a statutory instrument.

Why might that matter?

Because widening the pool to include properly regulated turnaround professionals could:

- bring different and complementary skill sets into play on smaller and mid-market cases;
- introduce competition on approach and cost, especially where margins for professional services fees are tight; and
- make it more natural to embed hands-on operational planning and stakeholder work inside a court-supervised process, not bolted on at the edges.

In other words, the legislation already hints that the monitor role doesn't have to remain a single-profession preserve forever.

We also recognise that widening access to the monitor role would be a significant policy step, and not one to be taken lightly. Questions of regulation, accountability and public confidence would have to be front and centre.

So the real question becomes:

"If the UK chooses to open that lane, what mix of capabilities and safeguards would we want to see stepping into it?"

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What a "turnaround monitor" would need to do

From where we sit at BM&T, the right answer is not simply "let CTPs be monitors on the same basis as IPs and carry on as before".

If turnaround professionals want to be part of the statutory architecture – whether as monitors, co-monitors or some form of "turnaround officer" – we have to accept a different duty set, not just a different job title.

At minimum, that would mean:

- *Fit-and-proper entry criteria – recognised turnaround qualifications, meaningful experience thresholds, and robust independence tests.*
- *Defined duties to the company and its creditors, not simply to the instructing shareholder.*
- *CPD and technical standards that align turnaround craft with insolvency law, finance and ethics, preferably exam-based.*
- *Transparent remuneration and conflict rules, so court-recognised leadership never looks like self-dealing.*
- *A complaints and disciplinary regime that gives courts, regulators and lenders recourse if we fall short.*

That is not "becoming IPs by stealth". It is something different: a preventive restructuring office holder rooted in operational turnaround, supervised by the court and integrated with existing insolvency professionals – not replacing them.

From pause button to rescue team

Zoom out, and the direction of travel is clear.

Across Europe and the US, preventive restructuring tools are accelerating – restructuring plans, early-stage court frameworks, debtor-in-possession concepts, cram-down mechanisms. In the UK mid-market, that increasingly means using the moratorium as a bridge into creditor compromises such as CVAs and restructuring plans, rather than treating it as a standalone curiosity. Moreover, many of these regimes already normalise the idea of a court-appointed neutral expert sitting between the company, creditors and the court.

The UK is part of that trend. But if we continue to run preventive rescue primarily through a single statutory profession, we may miss some of the benefits that multi-disciplinary rescue teams are already delivering elsewhere.

The moratorium gives us a pause button.

The real question is:

Who do you want flying the plane while that pause is in force – and what blend of legal authority and operational leadership gives the best chance of an actual rescue?

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A BM&T perspective

At BM&T, we come at this from the front line of distressed and special-situations work in the mid-market. We see that outcomes improve when:

- the legal tools (moratoriums, plans, CVAs, schemes) are used early, and
- the operational leaders, the people who can actually "run the rescue", are given clear authority, accountability and protection to do so.

That is why we believe a thoughtfully designed "turnaround monitor", or equivalent preventive office holder, should be part of the conversation about future roles and preventive restructuring in the UK.

We offer this not as a finished blueprint, but as an invitation to insolvency practitioners, lenders, policymakers, judges, lawyers and fellow CTPs to explore, together, what the next generation of preventive officeholders could look like.

If you are grappling with these questions in a live situation, whether as a lender, director, adviser or practitioner, we are always willing to engage confidentially and constructively in that dialogue.

1. Corporate Insolvency and Governance Act 2020 (c.12), UK Parliament, received Royal Assent 25 June 2020, in force 26 June 2020.

2. Insolvency Service (2023), Corporate Insolvency and Governance Act: Post Implementation Review (PIR No. DBT008(PIR)-23-INSS, 21 February 2023, signed 3 May 2023). Executive Agency of the Department for Business and Trade.

3. Walton, P. & Jacobs, L. (2022), Corporate Insolvency and Governance Act 2020 – Final Evaluation Report, University of Wolverhampton for the Insolvency Service, November 2022.

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At BM&T, we bring this philosophy to life through hands-on company-side experience. Our team acts as CROs and Crisis Managers — operators who value human capital as much as financial capital. We combine financial expertise and operational excellence with empathy. Experience. Integrity. Tenacity.

BM&T European Restructuring Solutions Ltd, founded in 2008, is one of the most respected names in middle market corporate turnaround and restructuring.

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