

COVID-19: ASSISTANCE FOR BUSINESSES (UK)

Last updated: March 28, 2020

RELIEF/LOAN ASSISTANCE

CORONAVIRUS JOB RETENTION SCHEME

- A. Under this scheme, all UK employers will be able to access support to continue paying **part of their employees' salary** for those employees that would otherwise have been laid off during this crisis
- B. **All UK businesses are eligible**
- C. To access this scheme:
- a. Designate affected employees as **'furloughed workers,'** and notify your employees of this change - changing the status of employees remains subject to existing employment law and, depending on the employment contract, may be subject to negotiation
 - b. Submit information to **HMRC** about the employees that have been furloughed and their earnings through a new online portal (HMRC will set out further details on the information required)
- D. HMRC will reimburse **80% of furloughed workers wage costs**, up to a cap of **£2,500 per month**. HMRC are working urgently to set up a system for reimbursement. Existing systems are not set up to facilitate payments to employers.

STATUTORY SICK PAY (SSP) REIMBURSEMENT

- A. A refund will be available covering up to **two weeks' SSP** per eligible employee who has been off work because of COVID-19 (due to self-isolation, quarantine, or sickness)
- B. Employers should maintain records of staff absences and payments of SSP, but employees will not need to provide a GP fit note. If evidence is required by an employer, those with symptoms of COVID-19 can get an

isolation note from [NHS 111 online](#) and those who live with someone that has symptoms can get a note from the [NHS website](#)

C. Eligibility requirements:

- a. The business must be **UK based**
- b. The business must be **fewer than 250 employees** as of 28 February 2020

D. The government will work with employers over the coming months to set up the repayment mechanism and application **“as soon as possible”**

CORONAVIRUS BUSINESS INTERRUPTION LOAN SCHEME (CIBLS)

A. The Coronavirus Business Interruption Loan Scheme supports SMEs with access to **loans, overdrafts, invoice finance and asset finance** of up to **£5m** and for up to **6 years** from a group of accredited lenders

B. There will also be a Business Interruption Payment to cover the first **12 months** of interest payments and any lender-levied fees, so smaller businesses will benefit from no upfront costs and lower initial repayments.

C. The government will provide lenders with a guarantee of **80% on each loan** (subject to pre-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs. The scheme will be delivered through commercial lenders, backed by the government-owned British Business Bank.

- a. There are 40 accredited lenders able to offer the scheme, including all the major banks.

D. Eligibility requirements:

- a. The business must be **UK based** with an annual turnover of **less than £45m**
- b. The application must be for **business purposes**
- c. The business must generate more than **50%** of its turnover from **trading activity**
- d. The loan will be used to support, primarily, **trading in the UK**

E. If you have an existing loan with monthly repayments, you may want to ask for a repayment holiday to help with cash flow

F. Key considerations for the borrower:

- a. Assessing your funding need:
 - i. How much money do I need and for how long?
 - ii. Is borrowing through the scheme the best route for me to take?
 - iii. What collateral do I have available as security?
- b. Engaging with the process:
 - i. Which and how many lenders do I approach?
 - ii. What information will I need and what will I need to have considered?
 - iii. How long does the process take from application to receiving funds?

G. Applications are open and can be accessed through one of the [40 accredited finance providers](#)' websites. Contact any of the accredited lenders as soon as possible to discuss your business plan.

COVID CORPORATE FINANCING FACILITY (CCFF)

- A. The CCFF is aimed at supporting the **liquidity** of **larger corporations** by allowing them to raise short term financing through issuing commercial paper which will be purchased by the Bank of England ("BoE"). This scheme will operate for at least **12 months** and the BoE will provide **6 months' notice** before it withdraws the facility
- B. The **minimum loan amount is £1m**, maximum is TBC by BoE
- C. The primary focus of the scheme is to provide funding to pay wages, suppliers, or a boost to cashflows
- D. Eligibility Requirements:
 - a. Companies that make a 'material contribution to the UK economy:
 - i. UK incorporated companies, including those with foreign-incorporated parents and with a genuine business in the UK
 - ii. Companies with significant employment, or a large number of a operating sites, in the UK
 - iii. Firms with their headquarters in the UK
 - iv. Generates significant revenues in the UK
 - v. Serves a large number of customers in the UK
 - b. Companies that demonstrate sound financial health **prior to** the shock:

- i. Have a short-term credit rating which was **investment grade** as of 1 March 2020 (minimum level of A-3/B-3/F-3, equivalent to BBB L.T. rating).
 - ii. If there is not S.T. rating, BoE may make an assessment based on L.T. rating, or if the Bank can assess an equivalent L.T assessment of credit strength.
- E. To apply, edibility must first be checked with a finance provider. After which, the application forms can be downloaded online, filled and emailed to the BoE. More information and the documentation is available here: <https://www.bankofengland.co.uk/news/2020/march/the-covid-corporate-financing-facility>

CORONAVIRUS SELF-EMPLOYMENT INCOME SUPPORT SCHEME

- A. The Self-Employment Income Support Scheme will allow self-employed individuals or members of a partnership to claim a taxable grant worth **80% of your trading profits** up to a maximum of **£2,500 per month for the next 3 months** (extension is possible if needed)
- B. Eligibility requirements:
 - a. Have submitted your Income Tax Self-Assessment tax return for the tax year 2018-2019
 - b. Have traded in the tax year 2019-20
 - c. Are trading when you apply, or would be except for COVID-19
 - d. Intend to continue to trade in the tax year 2020-21
 - e. Have lost trading/partnership trading profits due to COVID-19
 - f. Self-employed trading profits must be **less than £50,000** and more than half of your income comes from self-employment
- C. Applications are not available yet, instead, HMRC will contact you if you are eligible for the scheme and invite you to apply online

TAX DEFERRALS AND RATES REDUCTIONS

DEFERRING VALUE ADDED TAX (VAT) AND INCOME TAX PAYMENTS

- A. VAT payments are being deferred for **3 months** and income tax payments are due in July 2020
- B. All UK businesses and individuals are eligible for this and businesses will **not need** to make a VAT payment during this period

SMALL BUSINESS GRANT SCHEME

- A. The government will provide additional Small Business Grant Scheme funding for local authorities to support small businesses that already pay little or no business rates because of **Small Business Rate Relief (SBBR), Rural Rate Relief (RRR), and tapered relief.**
- B. A one-off grant of **£10,000** will be given to enable businesses to help meet their ongoing business costs.
- C. Eligibility requirements:
 - a. The business is based in England
 - b. The business is a Small Business already receiving SBBR and/or RRR
 - c. The business occupies property
- D. Local authorities will write to you if you eligible for this grant, alternatively you could [find your local authority](#) for more information.

Source: gov.uk (<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses>)