

A microscopic view of several COVID-19 virus particles. The particles are spherical with a textured surface and numerous small, protruding spikes. The background is a light blue gradient. A diagonal yellow bar runs from the top right towards the bottom left, and a purple bar is visible in the bottom left corner.

~~Burness Paull~~

# COVID-19

Government Funding Options

25 March 2020

# Covid-19 government funding summary

*Please note that this note constitutes a summary only of the options available as at 5pm on 23 March 2020. It does not constitute legal advice. To the extent that specific advice or further detail would be helpful in relation to any aspect, we would be happy to provide this and co-ordinate with local counsel in the relevant jurisdiction.*

## UNITED KINGDOM

INITIATIVE	SUMMARY	ELIGIBILITY	CURRENT STATUS	PROCESS	FURTHER INFORMATION
<b>Loan funding</b>					
Business interruption loan	<ul style="list-style-type: none"> <li>12 month interest free loans to be made available by the British Business Bank to businesses</li> <li>Loans of between £1,000 and £5million</li> <li>Interest costs for the first 12 months will be met by the government</li> <li>Government will provide lenders with a</li> </ul>	Business must: <ul style="list-style-type: none"> <li>have turnover of less than £45million;</li> <li>be UK based;</li> <li>operate within an eligible industrial sector (certain sectors are excluded, including insurance and political organisations);</li> </ul>	Further details to be announced in the course of the week beginning 23 March 2020 in relation to medium and larger size companies  Further measures also to be announced to ensure that medium and larger sized companies can access the loans	Applications are made online through one of the British Business Bank's accredited lenders:  <a href="https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/">https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/</a>  <a href="https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/for-businesses-and-advisors/">https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/for-businesses-and-advisors/</a>	<a href="https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/">https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/</a>

# Covid-19 government funding summary

INITIATIVE	SUMMARY	ELIGIBILITY	CURRENT STATUS	PROCESS	FURTHER INFORMATION
	guarantee of 80% on each loan	<ul style="list-style-type: none"> <li>not have received de minimis state aid beyond EUR200,000 over the previous two financial years; and</li> <li>have a sound borrowing proposal (ie. one which would be considered viable by a lender were it not for the current pandemic)</li> </ul>			
<b>Employer/employee related funding</b>					
Job retention scheme	<ul style="list-style-type: none"> <li>Payment (by way of grant funding) to business of up to 80% of salary (up to a maximum of £2,500 per worker per month)</li> </ul>	<ul style="list-style-type: none"> <li>Any business, charity or non-profit organisation of any size</li> </ul>	Online portal through which applications will be made is currently in development	<ul style="list-style-type: none"> <li>Grants will be provided through HMRC via an online portal</li> </ul>	<a href="https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses#support-for-">https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses#support-for-</a>

# Covid-19 government funding summary

INITIATIVE	SUMMARY	ELIGIBILITY	CURRENT STATUS	PROCESS	FURTHER INFORMATION
	<p>of anyone who is retaining position but not working as a result of Covid-19</p> <ul style="list-style-type: none"> <li>• It does not appear that employers are required to pay the remaining 20% of wages</li> <li>• Wages to be backdated to 1 March 2020</li> <li>• Payments made for an initial period of three months</li> </ul>	<ul style="list-style-type: none"> <li>• Eligible employees are to be clarified – it seems that the scheme applies to workers who have taken an agreed leave of absence as a result of Covid-19 as an alternative to redundancy</li> <li>• The scheme does not apply to self employed workers, or workers who can work from home / reduced their pay or hours but are still working</li> </ul>		<ul style="list-style-type: none"> <li>• Employers will be required to designate relevant employees as “furloughed” (those who have been asked to stop working, but not been made redundant)</li> <li>• It is not yet clear whether payments will be paid directly as grants or take the form of credits against other remittance obligations</li> </ul>	<p><a href="#">businesses-through-the-coronavirus-job-retention-scheme</a></p>

# Covid-19 government funding summary

INITIATIVE	SUMMARY	ELIGIBILITY	CURRENT STATUS	PROCESS	FURTHER INFORMATION
Statutory sick pay relief (“SSP”)	SSP payable to all employees who self isolate or are unwell due to Covid-19 to cover up to two weeks’ of absence per affected employee	Small and medium sized UK-based businesses with fewer than 250 employees as at 28 February 2020	Government to confirm method of recovery	A rebate scheme is being developed – in the meantime businesses should keep records of sickness and sick pay made due to Covid-19	<a href="https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses#support-for-businesses-who-are-paying-sick-pay-to-employees">https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses#support-for-businesses-who-are-paying-sick-pay-to-employees</a>
<b>Grants</b>					
Cash grants for retail, leisure and hospitality businesses	Up to £25,000 grant to be provided to eligible business	<ul style="list-style-type: none"> <li>• Based in England</li> <li>• Retail, hospitality and leisure businesses only</li> <li>• Property must have a rateable value of between £15,000 and £51,000</li> </ul>	Further details are expected to be published in due course	Funding will be provided via local authorities, which will be in touch directly with eligible businesses	Businesses should contact Economic Development Officers at local town or city council who will be able to provide further information  <a href="https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses#support-for-businesses-who-are-paying-sick-pay-to-employees">https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses#support-for-businesses-who-are-paying-sick-pay-to-employees</a>

# Covid-19 government funding summary

INITIATIVE	SUMMARY	ELIGIBILITY	CURRENT STATUS	PROCESS	FURTHER INFORMATION
		<ul style="list-style-type: none"> <li>Local authorities should be contacted for local eligibility requirements</li> </ul>			<a href="https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses">19/covid-19-support-for-businesses</a>
Support for businesses that pay little or no business rates	<ul style="list-style-type: none"> <li>Government will provide small business grant funding to local authorities to support small businesses paying little or no business rates</li> <li>Grant will be a one-off payment of £10,000 to enable such businesses to meet ongoing costs</li> </ul>	<ul style="list-style-type: none"> <li>Based in England</li> <li>Small business already receiving small business rate relief and/or rural rate relief</li> <li>Business occupies property</li> </ul>	Further details are expected to be published in due course	Funding will be provided via local authorities, which will be in touch directly with eligible businesses	Businesses should contact Economic Development Officers at local town or city council who will be able to provide further information  <a href="https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses">https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses</a>
<b>Tax</b>					
VAT payment deferral	All VAT registered businesses can defer VAT	All UK businesses	HMRC guidance awaited	<ul style="list-style-type: none"> <li>Automatic – no application required.</li> </ul>	<a href="https://www.gov.uk/government/news/chancellor-">https://www.gov.uk/government/news/chancellor-</a>

# Covid-19 government funding summary

INITIATIVE	SUMMARY	ELIGIBILITY	CURRENT STATUS	PROCESS	FURTHER INFORMATION
	payments due between 30 March 2020 and 30 June 2020 to the end of the tax year			<p>Businesses will not need to make a VAT payment during this period</p> <ul style="list-style-type: none"> <li>Companies who normally pay by direct debit should cancel their direct debit with their bank if they are unable to pay (this should be done in sufficient time so that HMRC do not automatically collect VAT upon receipt of return)</li> </ul>	announces-workers-support-package
"Time to pay" relief	Businesses can defer current tax debts (eg. corporation tax, payroll taxes and VAT) to payment	<ul style="list-style-type: none"> <li>Any business provided that directors provide written confirmation</li> </ul>	Further guidance expected from HMRC as to the level of information	Companies are encouraged to contact HMRC's helpline on	<a href="https://www.gov.uk/difficulties-paying-hmrc">https://www.gov.uk/difficulties-paying-hmrc</a>

# Covid-19 government funding summary

INITIATIVE	SUMMARY	ELIGIBILITY	CURRENT STATUS	PROCESS	FURTHER INFORMATION
	by way of instalments over a 3 – 12 month period	<p>that instalments will be paid on time</p> <ul style="list-style-type: none"> <li>• HMRC see this as a “last resort” – evidence will be required that other sources of funding have been exhausted</li> </ul>	that will be required to evidence eligibility	helpline on 0800 0159 559	
Rates relief	100% discount to business rates for retail, leisure and hospitality venues	<ul style="list-style-type: none"> <li>• Property occupiers in the retail, leisure and hospitality sectors</li> <li>• Properties which were already unoccupied (other than due to Covid-19) will not qualify for the relief</li> </ul>	Government currently applying to the European Commission for an exemption from the state aid rules for the scheme	No action required by businesses – discounts will be applied to the next rates invoices by local councils	<a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/873622/Expanded_Retail_Discount_Guidance.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/873622/Expanded Retail Discount Guidance.pdf</a>



# Covid-19 government funding summary

INITIATIVE	SUMMARY	ELIGIBILITY	CURRENT STATUS	PROCESS	FURTHER INFORMATION
<b>Other</b>					
Corporate financing facility	<ul style="list-style-type: none"> <li>Bank of England to buy short term debt from larger companies by purchasing commercial paper of up to one year</li> <li>Scheme will operate for at least 12 months</li> </ul>	<ul style="list-style-type: none"> <li>Companies making a material contribution to the UK economy – generally: (i) UK-incorporated companies; (ii) companies with significant employment in the UK; (iii) firms with their headquarters in the UK</li> <li>Commercial paper with a maturity of one week to 12 months and a high credit rating</li> <li>Firms that can demonstrate that</li> </ul>	Companies can claim through their bank	The Bank of England's website contains contact details for different banks which companies should use to contact	<a href="https://www.ukfinance.org.uk/covid-19-corporate-financing-facilities">https://www.ukfinance.org.uk/covid-19-corporate-financing-facilities</a>

# Covid-19 government funding summary

INITIATIVE	SUMMARY	ELIGIBILITY	CURRENT STATUS	PROCESS	FURTHER INFORMATION
		they were in sound financial health prior to Covid-19			
Protection from eviction for commercial tenants	Commercial tenants who are unable to pay rent due to Covid-19 will be protected from eviction if they miss a payment in the next three months through to June 2020	All commercial tenants in England, Wales and Northern Ireland	Full terms to be included in the Coronavirus Bill, which is currently going through Parliament	Changes will come into force when the Coronavirus Bill receives Royal Assent – no action required by businesses	N/A