

BUSINESS KNOW HOW ON COVID-19

| | HMRC VAT Payment Deferral and Time to Pay (“TTP”) Agreements | Business Rate Retail Discount | Coronavirus Business Interruption Loan Support (“CBILS”) | Coronavirus Job Retention Scheme | Deferral of Self – Assessment Tax | Statutory Sick Pay (“SSP”) | Covid Corporate Financing Facility (“CCFF”) | Grant Funding | Retail, Hospitality and Leisure Grant |
|-------------|--|--|--|---|--|---|---|---|---|
| What is It? | Deferral of payments from 20 March 2020 and 30 June 2020 deferred until the end of the year. TTPs are agreements with HMRC to allow for the overdue tax to be paid over a period of time. | 100% relief during the 2020/21 tax year. | Funding via 40+ accredited lenders with the government providing 80% guarantee to the lender. Funding of £1,000 to £5m and a personal guarantee may be required. | Will cover up to 80% of the cost of wages of employees who are “furloughed”, backdated to 1 March 2020 for an initial period of 3 months. | Payments due on 31 July 2020 deferred until 31 January 2021. | Can reclaim up to 2 weeks’ SSP per eligible employee who has been off work due to COVID-19. | Purchase of short term debt from larger companies. | One-off Grant of £10,000 to all businesses. | £10,000 to Retail Leisure or hospitality. |
| Criteria? | All UK Businesses. | Small businesses, Retail, Leisure and Hospitality. | Turnover of less than £45m and there is a viable underlying business. UK Based* | All UK businesses. | Eligible if you are due to pay your second self-assessment payment on 31 July 2020. | UK Businesses. You have less than 250 employees as at 28 February 2020. | All non-financial UK businesses***. | Must be eligible for small business rate relief or rural rate relief for the one-off grant. | Rateable value under £15,000. |
| Procedure? | Automatic. | No action required. This will be applied to your next council tax bill in April 2020. | Application process. Talk to your bank or one of the 40+ accredited finance providers** | HMRC are working urgently on an online system. | Automatic. | A rebate portal is being developed. Further details to follow. | Application via the bank of England email address. | Local authority will contact you if you are eligible. | Local authority will contact you if you are eligible. |
| Comments | VAT registered organisations should submit VAT returns by the usual deadline. Consider cancelling the direct debit mandate. | A measure for only 2020/21. After this it will be up to local authorities to determine a local scheme. | Interest free for the first 12 months. No fees. Capital repayment holiday (lender discretion). | Employees have to be deemed as ‘furloughed’ and limited to up to £2,500 per month, per employee. | No penalties or interest for late payment will be charged if you defer payment until January 2021. | Scheme to commence from 13 March 2020. Record staff absences. | Companies that currently do not issue short term debt may still be eligible. Check the Bank of England’s website. | Grant money will not be available until early April. | Larger grants of £25,000 for the same group operating from premises if rateable value over £15,000 but less than £51,000. |

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Other Considerations

Self - Employed – Government funding of 80% of trading profit (which cannot be more than £50,000 p.a.), up to £2,500 per month. It is anticipated that that successful applications for this grant will not be available until June but backdated to 1 March 2020. To be eligible, you will need to demonstrate that you take half your income from trading. Directors whose main source of income is dividend will not be eligible.

Key Performance Indicators - These will need to be monitored to ensure you are accurately informed of the impact on your business.

Cash Management - Preparing daily receipts and payments cash flow, combined with a medium term forecast is sensible and it will allow you to manage cash and ensure no short term funding issues.

Stakeholder Engagement – It is important for you to engage with all stakeholders to ensure that all the resources and reliefs that are potentially available to you are pursued.

Insurance – Check (with your broker) what your policy covers. Whilst insurers may suggest that the Covid-19 pandemic is not covered, it may be that the same does fall within any Force Majeure provisions within the policy (if any).



Alan Meiklejohn

M: 07841 322 994

E: ameiklejohn@hcrlaw.com

*Further information on eligibility is available on <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils-2/for-businesses-and-advisors/>

** <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils-2/current-accredited-lenders-and-partners/>

***<https://www.bankofengland.co.uk/news/2020/march/the-covid-corporate-financing-facility>

**** CCFE-applications@bankofengland.co.uk.