

Coronavirus Support Schemes and Eligibility

Last updated 29 April 2020

Scheme (and Wales or UK)	Key points of scheme	Eligibility status and any issues	Additional information
<p>Coronavirus Business Interruption Loan Scheme (CBILS) – UK level</p>	<p>The Coronavirus Business Interruption Loan Scheme launched on 23 March and covers a variety of different products such as loans, overdraft, invoice finance and asset finance.</p> <p>It will be delivered by the UK level British Business Bank, to support primarily small and medium sized businesses to access bank lending and overdrafts.</p> <p>Any business must be able to provide budget records for the last two years and demonstrate that they would be fluid in the absence of the Covid-19 crisis.</p> <p>It is aimed at those who have been trading for longer than two years.</p> <p>The government will provide lenders with a guarantee of 80% on each loan (subject to a per-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs.</p>	<p>If 50% of the turnover of the business comes from trading activity, the business has a borrowing proposal that a lender would consider viable and has been directly negatively impacted by Coronavirus, we would assume that it is eligible to apply.</p> <p>However, 'Fishery, aquaculture and agriculture businesses may not qualify for the full interest and fee payment.</p>	<p>Can I get a CBILS loan and other forms of support on offer?</p> <ul style="list-style-type: none"> • Yes, the eligibility criteria for CBILS does not require lenders to take into account the other forms of government support that SMEs may be benefiting from e.g. business rate reliefs or grants unrelated to the CBIL scheme.

	<p>The government will not charge businesses or banks for this guarantee, and the Scheme will support loans of up to £5 million in value. Businesses can access the first 12 months of that finance interest free, as government will cover the first 12 months of interest payments.</p> <p>An update on 3 April announced the addition of the Coronavirus Large Business Interruption Loan Scheme, which will now aim to cover businesses with an annual turnover of between £45m and £500m, offering loans of up to £25m.</p> <p>In addition, applications will not be limited to businesses that have been refused a loan on commercial terms, increasing the number who benefit. However, the Treasury has not capped the interest rates banks can charge.</p> <p>In order to be eligible for CBILS businesses must:</p> <ul style="list-style-type: none">• Be UK based in its activity• Have an annual turnover of no more than £45 million• Have a borrowing proposal which the lender would consider viable, were it not for the current pandemic		
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	<ul style="list-style-type: none"> • Self-certify that it has been adversely impacted by the coronavirus (COVID-19). • generate more than 50% of turnover from trading activity. <p>You can find more details here https://www.gov.uk/guidance/apply-for-the-coronavirus-business-interruption-loan-scheme (which includes a link to the British Business Bank)</p>		
<p>Covid-19 Wales Business Loan Scheme (Development Bank for Wales)</p>	<p>This £100m fund will work alongside the UK wide Coronavirus Business Interruption Loan Scheme.</p> <p>It is intended to provide support to businesses who are experiencing cash flow difficulties as a result of the pandemic.</p> <p>Loans of between £5,000 and £250,000 are available to businesses who have been trading longer than 2 years and can demonstrate that they were able to service that level of debt before the outbreak.</p> <p>The scheme will also offer a 12 month capital and interest repayment holiday, and no arrangement or monitoring fees.</p>	<p>The Development Bank of Wales loans are currently <u>closed</u> due to being oversubscribed.</p>	

	<p>There will be a 2% interest fixed for 6 years (includes the 12 month holiday).</p> <p>Security taken will be a 20% personal guarantee to a maximum of £25,000 for all investments, and for amounts over £100,000, a debenture will also apply.</p>		
<p>Economic Resilience Fund</p>	<p>This £400m emergency fund will provide grants of £10,000 for micro-businesses employing up to nine people. This includes sole traders employing staff.</p> <p>Grants of up to £100,000 will be available for small and medium sized firms with between 10 and 249 employees.</p> <p>The fund will also offer support for larger Welsh companies, which are of critical social or economic importance to Wales.</p> <p>Qualifying businesses will be able to apply by mid-April.</p> <p>If a farmer has a rateable property under £12,000 they will be eligible for the £10k business rates related grant.</p>	<p>As of 27 April, applications for the ERF are currently <u>paused</u>, but will resume</p> <p>Primary production is <u>not currently eligible for support</u>.</p> <p>Businesses that pay rates will be eligible to apply.</p> <p>Farms with a rateable property under £12,000 and have diversified interests will be eligible for the business rates related grant (but only for those diversified elements of the business).</p> <p>Farmer will have to be VAT registered, have employees, and have a loss of 40% of their turnover as a result of</p>	

		the crisis in order to be eligible.	
Welsh Government Business Grants	<p>The Welsh Government has announced a £1.4bn support package for all businesses listed on the business rates register, covering Business Rate Relief and Business Grants.</p> <p>The Business Grant has 2 different components:</p> <ul style="list-style-type: none"> • Grant 1 : For retail, leisure and hospitality businesses in Wales, a grant of £25,000 will be offered for businesses in these sectors with a rateable value of between £12,001 and £51,000. • Grant 2 : For all other sectors the Welsh Government package also provides a £10,000 grant to all businesses eligible for Small Business Rates Relief with a rateable value of £12,000 or less. <p>Local authorities are administering these two grants in Wales via an online process.</p>	<p>Farm businesses are <u>not eligible</u> as do not pay rates.</p> <p>However, dairy processors, livestock markets and other agricultural businesses that do not operate on farm land/in farm buildings, and therefore do pay rates, would be eligible.</p> <p>It is also dependent on rateable value of the business.</p>	
Coronavirus Job Retention Scheme (UK)	UK employers will be able to access support to continue paying part of their employees' salary for those employees	All UK businesses are eligible to apply.	

	<p>that would otherwise have been laid off during this crisis.</p> <p>To access the scheme businesses will need to:</p> <ul style="list-style-type: none"> • designate affected employees as ‘furloughed workers’. Changing the status of employees remains subject to existing employment law and, depending on the employment contract, may be subject to negotiation; • submit information to HMRC about the employees that have been furloughed and their earnings through a new online portal, this portal is not yet in place and Business Wales will publish details as soon as they are available. <p>HMRC will reimburse 80% of furloughed workers wage costs, up to a cap of £2,500 per month.</p>		
<p>Coronavirus Self-Employment Income Support Scheme</p>	<p>This scheme will allow you to claim a taxable grant worth 80% of your trading profits up to a maximum of £2,500 a month. It will be available for 3 months, but may be extended.</p>	<p>The online service used to claim is not available yet. HMRC will aim to contact eligible businesses by mid May 2020, and will make payments by early June 2020.</p>	

	<p>The grant will be subject to Income Tax and National Insurance contributions but does not need to be repaid.</p> <p>You can claim if you're a self-employed individual or a member of a partnership and you:</p> <ul style="list-style-type: none">• have submitted your Self Assessment tax return for the tax year 2018 to 2019• traded in the tax year 2019 to 2020• are trading when you apply, or would be except for coronavirus• intend to continue to trade in the tax year 2020 to 2021• have lost trading profits due to coronavirus <p>You will need to confirm to HMRC that your business has been adversely affected by coronavirus. HMRC will as usual use a risk based approach to compliance.</p> <p>Your trading profits must also be no more than £50,000 and more than half of your total income for either:</p> <ul style="list-style-type: none">• the tax year 2018 to 2019		
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Coronavirus Bounce Back Loan	<p>This scheme will launch on 4 May 2020. It will help SMEs to borrow between £2,000 and £50,000. The Government will guarantee 100% of the loan and there won't be any fees or interest to pay for the first 12 months.</p> <p>Loan terms will be up to 6 years and no repayments will be due during the first 12 months.</p> <p>The Government will work with lenders to agree a low rate of interest for the remaining period of the loan.</p> <p>The scheme will be delivered through a network of accredited lenders.</p> <p>Eligibility:</p> <p>You can apply if your business:</p> <ul style="list-style-type: none"> Is based in the UK Has been negatively affected by Coronavirus 	<p>Provided a business was not an 'undertaking in difficulty' on 31 December 2019 and is not receiving funding from CBILS, it would be eligible to apply.</p>	

	<ul style="list-style-type: none">• Was not an 'undertaking in difficulty' on 31 December 2019. <p>Businesses cannot apply if they are already claiming under CBILS.</p> <p>If businesses have already received a loan of up to £50,000 under CBILS and would like to transfer it into the Bounce Back Loan scheme, they can arrange this with the lender until 4 November 2020.</p>		
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