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COVID-19 AND BUSINESS SUPPORT

CIPA is a member of the Confederation of British Industry and received the following information from the CBI this week:

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.

You will need to:

- 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; and
- 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).

HMRC will reimburse 80% of furloughed workers wage costs, up to a maximum of £2,500 per month.

If your business needs short term cash flow support, you may be eligible for a **Coronavirus Business Interruption Loan**.

<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-COVID-19/COVID-19-support-for-businesses#support-for-businesses-through-the-coronavirus-business-interruption-loan-scheme>

The Coronavirus Business Interruption Loan Scheme supports SMEs with access to working capital (including loans, overdrafts, invoice finance and asset finance) of up to £5 million in value and for up to 6 years. The government will pay to cover the first 12 months of interest payments and any lender-levied fees, so smaller businesses will not face any upfront costs and will benefit from lower initial repayments.

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. This scheme is being delivered through commercial lenders, backed by the British Business Bank.

You are eligible for the scheme if:

- your business is UK based, with turnover of no more than £45 million per year; and
- your business meets the other British Business Bank eligibility criteria.

The full rules of the scheme and the list of accredited lenders are available on the British Business Bank website.

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

For larger firms, the Bank of England will buy short term debt under the new COVID-19 Corporate Financing Facility. This will support your company if it has been affected by a short-term funding squeeze, and allow you to finance your short-term liabilities. It will also support corporate finance markets overall and ease the supply of credit to all firms.

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

VAT

An automatic VAT deferral scheme will apply from 20 March 2020 until 30 June 2020. Businesses will not need to make a VAT payment during this period. Taxpayers will be given until the end of the 2020 to 2021 tax year to pay any liabilities that have accumulated during the deferral period. VAT refunds and reclaims will be paid by the government as normal.

Income Tax

For Income Tax Self-Assessment, payments due on the 31 July 2020 will be deferred until the 31 January 2021. If you are self-employed you are eligible. This is an automatic offer with no applications required. No penalties or interest for late payment will be charged in the deferral period.

HMRC have also scaled up their Time to Pay offer to all firms and individuals who are in temporary financial distress as a result of COVID-19 and have outstanding tax liabilities.

<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-COVID-19/COVID-19-support-for-businesses#support-for-businesses-paying-tax-time-to-pay-service>

General Taxation

All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time To Pay service. These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities. If you have missed a tax payment or you might miss your next payment due to COVID-19, please call HMRC's dedicated helpline: 0800 0159 559.

Sick Pay

Businesses and employers are able to reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19. The eligibility criteria for the scheme will be as follows:

- this refund will cover up to 2 weeks' SSP per eligible employee who has been off work because of COVID-19;
- employers with fewer than 250 employees will be eligible - the size of an employer will be determined by the number of people they employed as of 28 February 2020;
- employers will be able to reclaim expenditure for any employee who has claimed SSP (according to the new eligibility criteria) as a result of COVID-19;
- 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 coronavirus 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;

- eligible period for the scheme will commence the day after the regulations on the extension of SSP to those staying at home comes into force;
- the government will work with employers over the coming months to set up the repayment mechanism for employers as soon as possible.