

Deferred VAT Payment

- VAT payments due between 20th March and 30th June can be deferred
- No interest or penalties
- Must submit VAT return as usual
- Must pay any deferred VAT by 31st March 2021
- No need to inform HMRC
- VAT refunds and reclaims paid in the usual way
- Cancel direct debits
- Can apply to HMRC to submit monthly VAT returns if don't want to defer VAT
- Does not apply to Import VAT or customs duties
- No proposals, as yet, for the deferral of Corporation Tax. However, HMRC will consider "time to pay" arrangements for businesses on a case by case basis.

HMRC has set up dedicated helpline numbers:

- VAT - 0800 024 1222
- Time to Pay – 0800 015 9559

Updates to VAT deferral scheme are published on [Businesssupport.gov.uk](https://www.businesssupport.gov.uk) - VAT Deferral

Self Assessment Tax Payments

- 31st January each year submit tax return
- Pay tax owed for previous year (balancing payment) plus first payment on account for coming year
- Second payment on account due on 31st July 2020. This can be delayed until 31st January 2021
- Applies to all self-assessment taxpayers including professional partnerships
- No need to inform HMRC
- Alternative is to agree a budget plan with HMRC to pay monthly
- Businesses may still make claims to reduce payments on account if profits for current or next tax year are down

Business Rates Relief

- Only applies to occupied retail, hospitality and leisure sectors
- Includes shops, restaurants, cafes, cinemas, sports clubs, gyms, hotels and holiday lets
- Relief is 100% discount
- No limit on rateable value
- Applies for the 2020 – 2021 tax year
- No need to apply – council will discount automatically

Small Business Grant Fund (SBGF) / Retail, Hospitality And Leisure Grant Fund (RHLG)

- Both administered by Local Authority
- SBGF available to all businesses who are eligible for Small Business Rate Relief (SBRR) or Rural Rates Relief (RRR)
- RHLG available to businesses in that sector

- Grant is payable **per property**
- Properties for private use are excluded

Summary of grants

Grant Amount	Criteria
£10,000	Any business eligible for SBRR and RRR
£10,000	Retail, hospitality and leisure business with a rateable value of up to £15,000
£25,000	Retail, hospitality and leisure business with a rateable value over £15,000 and less than £51,000
£Nil	Businesses with rateable value of £51,000 or over

Self-Employment Income Support Scheme

- Scheme available from mid May – HMRC will make contact and invite applications via online portal only
- Available to self-employed and members of a partnership
- Must have submitted self-assessment for 2018/2019. If return for that year is not done, it must be submitted by 23rd April 2020 otherwise you will not be eligible
- Must be trading and intending to continue to trade
- Profits must be less than £50,000 and income from self-employment must be more than 50% of income for either:
 - the tax year 2018 – 2019; or
 - the tax years 2017/2018/2019
- Grant is 80% of average trading profits for tax years above divided by 12
- Maximum payment is £2,500 per month for 3 months
- Paid in one instalment into bank account. First payments not expected until June
- Payment is taxable

Loans

Small And Medium Sized Business Interruption Loan Scheme

- Available to businesses with turnover of up to £45,000,000
- Scheme available for six months with loan terms negotiated with the individual lender. Each participating lender has its own criteria and scheme.
- Originally only applied to businesses unable to obtain regular commercial financing but now open to all businesses
- Idea is to facilitate access to loans, overdrafts etc from commercial lenders of up to £5,000,000
- Government will make a Business interruption payment to cover first 12 months interest payment and fees – effectively, the first year of borrowing is interest and fee free
- Government guarantees up to 80% of the loan but business remains liable for 100% of the loan
- Lenders can't ask for personal guarantees for loans below £250,000
- For loans above £250,000 can ask for personal guarantees but must exclude primary residence and limit personal liability to 20% of outstanding loan after proceeds of business assets have been realised
- Must demonstrate a viable borrowing proposal which would, were it not for COVID-19, be considered viable by the lender to enable business to trade out of its difficulties.

- For the government guidance on the business support scheme please visit [www.gov.uk/guidance/apply-for-the -covid-19-corporate-financing-facility](https://www.gov.uk/guidance/apply-for-the-covid-19-corporate-financing-facility)

Large Businesses

- Details still being finalised – expected to be available by the end of April
- Aimed at businesses with turnover between £45,000,000 up to £500,000,000
- Will have to show cannot access regular commercial financing
- Will be able to access loans of up to £25,000,000
- Up to 80% of the loan will be guaranteed by the Government
- Will have to show viable business proposal and ability to continue trading in the short to medium term
- Large business may also be able to access the **COVID-19 Corporate Financing Facility (CCFF)**
 - Under this scheme, the Government will buy short term debt from large companies
 - Will operate for 12 months
 - Delivered through commercial lenders
 - Available to firms who make a material contribution to the UK economy

If you have any further questions regarding the above please contact:

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