

## **CLBILS SCHEME GOES LIVE AND NEW FUTURE FUND ANNOUNCEMENT**

This is an update on the Coronavirus Business Interruption Loan Schemes and Fund, designed to support UK businesses that are losing revenue and seeing their cashflow disrupted as a result of the COVID-19 outbreak.

### **1. THE CORONAVIRUS LARGE BUSINESS INTERRUPTION LOAN SCHEME (CLBILS)**

The Coronavirus Large Business Interruption Loan Scheme (CLBILS) was announced by the Chancellor of the Exchequer on Thursday, 16 April 2020.

The new scheme provides finance to mid-sized and larger UK businesses with turnover above £45m (which is the upper limit for the existing smaller-business focused CBILS).

CLBILS can help provide facilities of up to £25m for businesses with turnover from £45m up to £250m, and facilities of up to £50m for those businesses with a turnover of more than £250m who are suffering disruption to their cashflow due to lost or deferred revenues during the Covid-19 outbreak.

The scheme will be operational with lenders from Monday 20 April 2020.

The [CLBILS website](#) is the best source of up to date information but for your ease of reference please see attached the following documents which contain all the key details, including some social media assets (suggested posts also noted below) you may wish to share to support awareness:

1. Factsheet
2. Social media assets

### **Social media posts**

1. A new scheme to provide finance to mid-sized and larger businesses affected by the Coronavirus will open on Monday 20 April 2020. Find out more about #CLBILS here <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-schemes/clbils/>
2. Delivered by accredited lenders, the new scheme will provide finance to mid-sized and larger UK businesses with turnover above £45m. More information about #CLBILS <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-schemes/clbils/>

### **Scheme features**

The Coronavirus Large Business Interruption Loan Scheme supports term loans, revolving credit facilities (including overdrafts), invoice finance and asset finance facilities. It is designed to give lenders greater confidence to provide funding by providing a partial guarantee of 80% of the outstanding facility balance.

- **Up to £50m facilities:** up to £50m for those with a turnover of over £250m, and of up to £25m for businesses with turnover from £45m up to £250m.
- **80% guarantee:** The scheme provides the lender with a government-backed, partial guarantee (80%) against the outstanding facility balance.
- **Finance terms:** Finance terms are from three months to three years.
- **Economic benefits go to the borrower:** Borrowers will benefit from a proportionate reduction in pricing as a result of lenders receiving capital and risk benefits.
- **Personal guarantees:** No personal guarantees are permitted for facilities under £250,000. For facilities of £250,000 and over, claims on personal guarantees cannot exceed 20% of losses after all other recoveries have been applied.
- **The borrower always remains 100% liable for the debt.**

This information can be shared with your SME clients and networks, but please note that any queries by SMEs in relation to their specific circumstances [must be directed to their lender or one of the accredited CLBILS lenders](#) and not to the BBB.

## **2. NEW FUTURE FUND TO SUPPORT INNOVATIVE UK BUSINESSES**

On 20 April 2020 the Chancellor of the Exchequer announced he is to establish a new Future Fund to support the UK's innovative businesses currently affected by Covid-19. These businesses have been unable to access other government business support programmes, because they are either pre-revenue or pre-profit and typically rely on equity investment. The scheme will deliver an initial commitment of £250m of new government funding which will be unlocked by private investment on a match funded basis.

The government scheme, which will be developed in partnership with the British Business Bank with the intention of launching for applications in May,

will initially be open until the end of September. Over the coming weeks the Bank will work with government on the details on how the Future Fund will operate and how to apply for the [scheme](#).

### **3. MORE DELIVERY PARTNERS ANNOUNCED FOR COROVIRUS BUSINESS LOANS INTERVENTION SCHEME (CBILS) AND UPDATED FAQs**

The British Business Bank has recently announced that it has approved five new lenders for accreditation under the Coronavirus Business Interruption Loan Scheme (CBILS): The Co-operative Bank, Cynergy Bank, OakNorth Bank, Starling Bank and Funding Circle.

In addition Arkle Finance, Close Brothers and Secure Trust Bank, recently accredited under the Enterprise Finance Guarantee, are now accredited under CBILS. Coutts has been accredited for CBILS as part of RBS Group's existing accreditation.

[View and select a CBILS accredited lender](#)

We have recently revised and updated our [CBILS FAQs](#) for SMEs with a number of the more complex questions that SMEs have been asking Lenders.

These are the new questions we have added to the FAQs page on our BBB website:

- [Are businesses with private equity investment eligible under the CBIL Scheme, subject to them meeting the CBILS eligibility criteria?](#)
- [Can companies that have received support from the Enterprise Investment Scheme \(EIS\) apply for CBILS?](#)
- [Are financial services firms eligible for CBILS?](#)
- [Are membership organisations eligible for CBILS?](#)
- [Are housing associations eligible for CBILS?](#)
- [Are public-sector organisations eligible for CBILS?](#)
- [If a company with UK employees exports over 80% of its services, does this class as a UK business activity?](#)
- [Is an SME based overseas eligible?](#)

- Are exporters eligible?
- What kinds of businesses are eligible for the CBIL scheme?
- Does CBILS require that eligible companies generate a certain percentage of annual turnover from trading activities?
- Is a company that derives income from property eligible for CBILS?
- Is a CBIL Facility available to existing customers of participating lenders or can an SME who is not an existing customer still apply?
- What businesses meet the 'business in difficulty' criteria?
- What does the accumulated losses criteria for a 'business in difficulty' mean?
- What are 'collective insolvency proceedings'?
- What does 'fulfils the criteria under its domestic law' mean in collective insolvency proceedings?
- What defines rescue aid or restructuring aid?
- What criteria must a company that is not an SME (because it has 250 or more employees) meet to not be considered as "in difficulty"?
- Which companies can be classed as SMEs for the 'business in difficulty' definition?
- Should the tests for a 'business in difficulty' be on an individual or group basis?
- Are there any exceptions to the accumulated losses test?
- Are there any exceptions, to a business having to be a 'business in difficulty'?
- [How does the business in difficulty test apply to a charity or non-profit organisation?](#)

## **OTHER BUSINESS FINANCE SUPPORT OPTIONS**

You can also find details of other government measures to support public services, people and businesses through this disruption on the Government's **Business Support website**.

## **GUIDANCE AND SUPPORT FOR YOUR BUSINESS DURING THIS PERIOD OF UNCERTAINTY**

The British Business Bank and The Institute of Chartered Accountants in England and Wales (ICAEW) have created new content to help businesses that are facing financial and operational challenges as a result of the coronavirus outbreak.

You can view this regularly updated guidance at the **Business Finance Guide website**.

I do hope the above guidance and attached information is helpful and will continue to share information with you as and when it becomes available.