

Coronavirus – Business support to launch from today

- The Coronavirus Business Interruption Loan Scheme will provide government-backed loans of up to £5 million to small and medium businesses.
- The Bank of England's Covid Corporate Financing Facility will provide a quick and cost-effective way to raise working capital for those large firms who need it.
- A business information campaign has launched to ensure that businesses are aware of support available.

Businesses will be able to access government support from today (Monday 23 March) to keep operating in the face of the global economic emergency brought on by coronavirus. Details of two new loan schemes are being confirmed and an information campaign launched so that businesses know how to get help.

More than £330 billion of loans and guarantees to help firms continue operating will be available for applications from the two schemes launching today – as the government delivers on its commitment to do everything it can to support business and manage cashflows during this difficult time.

For small and medium sized businesses, the new Coronavirus Business Interruption Loan Scheme is now available for applications. This scheme will help any viable business with a turnover of up to £45m to access government-backed finance of up to £5 million. Interest payments and any lender-levied fees for businesses will be covered by the Government for an initial period of up to twelve months.

The government will provide lenders with a guarantee of 80% on each facility to give lenders further confidence in continuing to provide finance to SMEs. The scheme is available through more than 40 accredited lenders, which are listed on the British Business Bank website.

The Bank of England's new lending facility for larger firms – the Covid Corporate Financing Facility – will also be open for applications to participate from this morning. By purchasing short-term corporate debt – known as commercial paper – the scheme provides a quick and cost-effective way to raise working capital for companies who are fundamentally strong but are experiencing severe disruption to cashflows, helping businesses across a range of sectors to pay wages and suppliers. The scheme is open to firms that can demonstrate that they were in sound financial health prior to the impact of Coronavirus. Companies who wish to use the scheme do not need to have issued commercial paper before.

A government information campaign has also launched today to ensure businesses are aware of the support available to them and how to access it. In addition to a new central website, the campaign will use media channels including radio, social media and television to reach businesses eligible for

help.

The Chancellor of the Exchequer, Rishi Sunak, said:

We are working round the clock to do whatever it takes to protect our people and businesses. That means that we are not only taking unprecedented action but doing so at unprecedented speed, because we know that businesses and their employees need help now.

Business Secretary, Alok Sharma, said:

We know that businesses are in urgent need of access to funding during these unprecedented times. The Business Interruption Scheme will make it easier for banks to lend and businesses to borrow. This will ensure that credit keeps flowing to where it is needed, when it is needed.

Bank of England Governor, Andrew Bailey, said:

The Bank of England has taken a number of steps in recent weeks to support the UK economy through the economic shock caused by covid-19. On Monday a new lending scheme, the Covid Corporate Financing Facility, will open to help businesses manage through this period of uncertainty. Combined with steps taken by the Government, this will help companies through this difficult time and support the needs of the people of this country.

This builds on the Chancellor's announcement on Friday of further support for firms and employees, meaning that businesses should have the access to the funds they need during this difficult period. Further measures will be announced to ensure larger and medium sized businesses will be able to access the credit they need.

Further information

- Information on the Covid Corporate Financing Facility, including which lenders to contact, is [available on Bank of England's website](#) and will be updated in the course of Monday 23 March. Businesses can talk to their lenders from the start of the day about accessing these loans.
- Information on the Coronavirus Business Interruption Loan is [available through the British Business Bank](#). Interest and fees on the loans will be paid by the government the first twelve months, making them interest free to customers. This period may be shorter for firms in the fishery, aquaculture and agriculture sectors.

- These support schemes sit alongside the announcement by the Chancellor on Friday of a Coronavirus Jobs Retention Scheme under which will provide a grant to employers to keep their workers on rather than make them redundant. Salaries will be paid at 80% of their current level up to a maximum of £2,500. These grants will be available by the end of April and in the meantime £30bn of cash flow relief has been provided through the deferment of VAT bills.
- The Chancellor's statement of 20 March 2020 is [available here](#)
- The new business information campaign has gone live with [updated information available here](#).