

# Government announces £20 million SME Brexit Support Fund

- Chancellor of the Duchy of Lancaster announces £20 million SME Brexit Support Fund to help small businesses with changes to trade rules with the EU;
- Traders will be able to apply for a grant of up to £2,000 to pay for practical support for importing and exporting;
- Fund will help businesses to prepare for the implementation of import controls which come into force from April and July.

Today (Thursday 11 February), the Chancellor of the Duchy of Lancaster Michael Gove has announced a £20 million SME Brexit Support Fund to support small and medium sized businesses (SMEs) adjust to new customs, rules of origin, and VAT rules when trading with the EU.

SMEs who trade only with the EU and are therefore new to importing and exporting processes will be encouraged to apply for grants of up to £2,000 for each trader to pay for practical support including training and professional advice to ensure they can continue trading effectively with the EU.

This announcement follows extensive engagement with individual businesses, leading business organisations and trade associations from across all parts of the UK, including through the Brexit Business Taskforce. Chaired by Michael Gove the weekly meetings provided an opportunity to identify challenges and find solutions to outstanding issues. To provide SMEs with additional support, the fund will be administered through the pre-existing Customs Grant Scheme and will open for applications next month.

It has been set up to support businesses prepare for the new import controls coming into force from April and July, as set out in the [Border Operating Model](#). Having taken back control of our borders, we made the pragmatic decision to introduce new import controls in three stages up to 1 July 2021 to allow traders and hauliers time to adjust to new processes. This means businesses do not have to complete new import declarations for up to six months, unless they are moving controlled goods.

The Chancellor of the Duchy of Lancaster said:

The Government has listened carefully to the issues raised by the business community through the Brexit Business Taskforce and that's why we are bringing forward this financial support to help small businesses adapt to the changes to our trading relationship with the EU.

This new targeted funding will see small businesses get more of the practical support they need to adjust to the new processes and

prepare for further changes as we implement our own import controls in April and July.

Together we will seize new opportunities available to a fully independent global trading United Kingdom.

Members of the Brexit Business Taskforce have welcomed the additional support.

Mike Cherry, National Chair at the Federation of Small Businesses, said:

Today's announcement is very significant. Small businesses, often with few cash reserves, are for the first time facing complex new customs processes, VAT requirements and rules of origin. While many have come to FSB for help, we have been asking for proper financial assistance of this scale, so that a cash-strapped small business can afford to buy-in expertise, training and practical support. The new fund will make a significant difference, and we are pleased that Ministers have really engaged with us on this, and come up with an excellent response.

Allie Rennison, Head of Trade Policy at the Institute of Directors said:

This support package delivers on the IoD's longstanding campaign to help SMEs access the professional advice needed in managing a suite of changes arising from Brexit.

Smaller firms simply cannot manage many of the processes themselves and require experts across a range of areas to assist with trade continuity, and we commend this government for responding to our call.

The government is also announcing that Logistics UK will be joining the Brexit Business Taskforce as standing members from today. Logistics UK's constructive engagement and advocacy in tackling issues relating to the end of the transition period has been vital in supporting hauliers, traders and their supply chains adjust to our new relationship with the EU.

David Wells, Chief Executive of Logistics UK said:

Logistics UK welcomes the additional support that is being put in place to help SMEs make sure they can adapt and succeed in the new trading environment. These issues directly impact the operations and livelihoods of our members who carry their produce into the EU and have to be confident that the correct paperwork is in place.

I'm delighted that the government has recognised the importance of Logistics to our economy, and the critical role it plays in our

future trading relationships with the EU, by inviting Logistics UK to represent the sector on the Brexit Business Taskforce, alongside the other major business groups in the UK. Logistics UK has been at the forefront of helping government to keep Britain trading and I look forward to continuing our challenging and constructive dialogue focused on securing the best possible outcome for the whole sector and the economy.

In the last week we have seen overall freight flows between GB and the EU reach 98% when compared to the same time last year. There is still no disruption at ports and compliance with new rules remains high thanks to the continued efforts of hauliers and UK traders.

In addition to this new support, the government is:

- Meeting businesses from specific sectors across all parts of the UK weekly through the Brexit Business Taskforce chaired by Michael Gove. The latest meeting focussed specifically on businesses in Wales;
- Establishing the Seafood Exports Working Group, meeting twice a week to troubleshoot issues raised by the industry; and a newly established Scottish Seafood Exports Task Force;
- Offering support to businesses moving goods between Great Britain and Northern Ireland through its Trader Support Service;
- Providing numerous [helplines](#) which businesses can contact if they need further information;
- This includes managing dedicated HMRC exporting telephone and online helplines; The number is 0300 322 9434 and businesses can also speak to an adviser online at [tax.service.gov.uk](http://tax.service.gov.uk);
- Running regular [webinars](#) with policy specialists;
- Providing the [Brexit Checker Tool](#) on GOV.UK which gives businesses a personalised list of actions that they need to take;
- Offering face-to-face support for exporters in delivered via a network of around 300 International Trade Advisers (ITAs);
- Leading a specific taskforce working with businesses across Northern Ireland and Great Britain on issues related to the Northern Ireland Protocol; and
- Operating a range of other support schemes including a guarantee scheme aimed at SMEs which means the government can provide an 80% guarantee on financial support from lenders to help with general exporting costs, up to the value of £25 million.