

Chancellor and Bank of England Governor hold Coronavirus banking industry summit

Chancellor Rishi Sunak, Governor of the Bank of England Mark Carney, Governor-designate Andrew Bailey and Economic Secretary to the Treasury John Glen MP met representatives from the banking industry today to discuss coordinated action to support SMEs whose finances are affected by Coronavirus.

The Chancellor emphasised the importance of supporting UK SMEs at this time, and outlined the decisive action taken in yesterday's Budget. This includes the new Coronavirus Business Interruption Loan Scheme, which provides lenders with a guarantee of 80% on each loan, extending statutory sick pay, business rates relief, and small business grant funding.

This is in addition to support being provided by the banking sector, with industry heads confirming they are collectively making over £20 billion available for SMEs who need additional finance and support over the coming months.

The Governor, Mark Carney, and Governor-designate Andrew Bailey outlined the measures that the Bank of England announced on Wednesday morning to help UK businesses and households bridge across the likely economic disruption: a reduction in interest rates, to support business and consumer confidence; the introduction of an SME Term Funding Scheme, to support additional lending to the real economy; and the release of the counter-cyclical capital buffer, to further support the ability of banks to supply credit.

The Economic Secretary to the Treasury and Small Business Minister at the Department for Business, Energy and Industrial Strategy will also reconvene the Business Finance Council in the coming days, bringing the financial services industry and business representative organisations together to ensure continued action to support businesses during this period.

Taken together, these measures demonstrate a comprehensive and coherent approach across Government, the Bank of England and industry to ensure that SMEs get the support they need at this difficult time.

The Chancellor of the Exchequer, Rishi Sunak, said:

Yesterday's Budget outlined our plan to keep our public services, individuals and businesses financially and economically secure while we deal with the impacts of Coronavirus. We are now implementing this plan.

Today's summit demonstrates that the Government's response is clearly and closely coordinated with the Bank of England, and that

we are working with the banking sector to do everything it takes to support businesses through this difficult time.

The Governor of the Bank of England, Mark Carney, said:

It's essential that we work together to help UK businesses manage through the potentially large but ultimately temporary disruption caused by Covid-19. Yesterday the Bank of England announced a comprehensive and timely package of measures to help do just that.

By cutting Bank Rate by $\frac{1}{2}$ percent, we are lowering the cost of borrowing for everyone. By introducing a four-year funding scheme with incentives for SME lending and by reducing the bank capital requirements, we are providing banks with hundreds of billions of pounds of resources to support UK households and businesses during this challenging period. We will be monitoring closely how all banks use these enormous resources to help keep firms in business and people in jobs during the months ahead.

Chief Executive of UK Finance, Stephen Jones, said:

SMEs are the foundations of any successful economy and the banking and finance industry has the commitment and capacity to support viable businesses as they manage the impact of Covid-19. Alongside over £20 billion of funding, banks and finance providers are delivering targeted assistance to firms including repayment holidays, invoice finance extensions and fee-free emergency loans. This is in addition to the government's welcome announcement of the Coronavirus Business Interruption Loan Scheme, which the industry will work with the government to deliver as quickly as possible.

We urge all businesses to think about how their customers and suppliers could be affected by this global outbreak and to contact their finance providers as early as possible if they think they might have any additional financing requirements.

Banks represented at the meeting today were:

- Barclays
- HSBC
- Lloyds
- Natwest
- Santander
- Virgin Money
- Danske Bank

They were joined by UK Finance, representing more than 250 firms from the banking and finance industry, and peer-to-peer lender Funding Circle.

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[Inquiry finds mismanagement at charity that funded failed film project](#)

The Charity Commission has found evidence of misconduct and/or mismanagement

at a charity that was set up to promote and advance the Islamic religion and encourage dialogue between different faiths.

An inquiry was opened into Fadak Media Broadcasts ([registered charity 1165143](#)) in August 2017 after allegations were made in a serious incident report about unauthorised financial transactions and claims that the ownership of the charity's trading subsidiary, SWT Films, had unlawfully been transferred to the former CEO.

The inquiry used its powers under the Charities Act to obtain records and question the trustees, finding that the former CEO had enjoyed significant control over a number of areas.

The CEO had used charitable funds to set up SWT Films Ltd to produce a film called 'The Day of Torture'*. Filming was never completed, and a share transfer agreement showed an attempt to transfer 98% of the company shares to the former CEO – the trustees claimed that this was invalid as it had been signed by a trustee who had left the charity prior to the agreement.

The CEO was the sole signatory of SWT Films' bank account, and the trustees had entrusted him with the management of SWT Films. This was a concerning arrangement and it became clear that a dispute had later erupted between the CEO and the trustees.

The inquiry reviewed SWT Films' accounts and was satisfied that funds had been used to finance the making of the proposed film. The CEO is no longer involved with the charity, however his details will be held on file and any future application for him to act as a charity trustee would take the facts of this inquiry into consideration.

As these allegations had already been investigated but not substantiated by the Police, and the company dissolved in June 2017, the inquiry did not investigate this matter further. However significant weaknesses in the charity's governance and financial management came to light as a result of the Commission's probe:

- The CEO had opened the charity's bank account and remained as sole signatory for over 2 years.
- Only 2 trustees sat on the charity's board, whilst its governing document required a minimum of 3 trustees.
- Overseas representatives collected cash on behalf of the charity from anonymous donors, who then travelled to the UK to hand over the cash. The Commission has previously warned charities of the risks of cash couriers.
- Financial records were insufficient and did not explain all of the charity's transactions.

Today's [report](#) says that failings by the trustees exposed the charity's assets to unnecessary risk and amounted to mismanagement and/or misconduct in the administration of the charity.

Amy Spiller, Head of Investigations Team at the Charity Commission said:

This charity's governance and management was clearly not fit for purpose. Oversight and control by its trustees did not meet the standards that we would expect, and this appears to have allowed damaging disagreements to develop.

Charity brings people together, and so issues like this which stand in the way of a charity's ability to do its work are disappointing. I am pleased that our intervention has helped the charity to strengthen its governance and focus on delivering on its purpose.

During an inspection the inquiry provided regulatory advice and guidance around governance improvements to the charity's trustees, who have demonstrated a willingness to bring the charity on to a proper footing.

3 new trustees have been appointed and a new bank account has been opened with 2 trustees as signatories, in line with best practice.

The full report of the inquiry is available on [GOV.UK](https://www.gov.uk).

Ends.

Notes to editors:

1. *This activity was in line with the charity's objects to advance education and religion.
2. The Charity Commission is the independent regulator of charities in England and Wales. To find out more about our work read the [about us](#) page on GOV.UK.

[HMRC urges people to prepare for Capital Gains Tax payment change](#)

Property owners selling a residential property in the UK are today being reminded by HM Revenue and Customs (HMRC) about important deadline changes when paying Capital Gains Tax.

From 6 April 2020, if a UK resident sells a residential property in this country they'll now have 30 days to tell HMRC and pay any money owed. It means for some it can be done without having to register for Self Assessment.

There are also changes for non-UK residents selling both residential and non-residential property in this country. Non-UK residents will still be required

to tell HMRC within 30 days whether there is tax to pay or not and will no longer be able to defer payment via their Self Assessment return.

HMRC will launch a new online service to make it easier to report and pay any Capital Gains Tax. Owners may need to make a Capital Gains Tax report and make a payment when, for example, they sell or otherwise dispose of:

- a property that they've not used as your main home
- a holiday home
- a property which they let out for people to live in
- a property that they've inherited and have not used as their main home

Sarah Kelsey, Deputy Director, HMRC, said:

We want to help customers know exactly what they need to do, as it's really important that everyone involved with the sale of a residential property fully understands the changes.

People don't usually have to pay Capital Gains Tax if they sell the house they live in, but this is a significant change for customers who do have to pay the tax and who up to this point would include the gain in their Self Assessment return. There will be lots of help and guidance available to individuals and agents, or those representing trusts, and we are providing a new online service to make it easier for all our customers to both notify and pay online within 30 days

If customers don't tell HMRC about any Capital Gains Tax within 30 days of completion, they may be sent a penalty as well as having to pay interest on what they owe.

Further advice and guidance is available on [GOV.UK](https://www.gov.uk).

Further information

- The measure was announced at Autumn Statement 2015, and Budget 2017 announced deferral of its introduction until April 2020 – a technical consultation was conducted between 11 April 2018 and 6 June 2018
- A capital gain can arise when a property is disposed of. A disposal will typically be where the property is sold by the owner, but it also applies where a property is inherited and then disposed of, or where a

property is gifted. But a UK Resident individual won't have to make a report and make a payment when:

- a legally binding contract for the sale was made before 6 April 2020
- they meet the criteria for full Private Residence Relief
- the gift was made to a spouse or civil partner
- the gains (including any other chargeable residential property gains in the same tax year) is within their tax free allowance (called the Annual Exempt Amount)
- they sold the property for a loss
- the property is outside the UK