

## **Government support for businesses exceeds £200mil**

In recent days the Government has announced a series of business support measures to help preserve as many islanders' jobs as possible during the Covid19 epidemic and maintain our key economic infrastructure.

The aim is to ensure the island can navigate through the medical emergency and be in a strong position to recover quickly once it is over.

Initially the priority is to maintain cashflow so that people can remain in employment and businesses do not have to close permanently.

The Government recognises that other measures will need to follow.

Some of the assistance is immediately available. Others will be announced early this week but our priority is to get cash in to the economy as quickly as possible.

## **Business Support in place**

### **Announced on 12 March:**

- **Deferring the payment of social security contributions (effective immediately)**
  - With immediate effect, businesses and self-employed individuals can choose to defer their Social Security contribution payments for A and B quarters (payments due in April and July). May be subject to extension.
- **The deferral of GST payments (effective immediately)**
  - With immediate effect, GST-registered businesses can choose to defer the payment of GST relating to quarterly and monthly returns ending 31 March, 30 April, 31 May and 30 June. May be subject to extension.
- **Rent deferrals or renegotiations, where the Government or a Government-owned company is a landlord to a local business**
  - The Government will be sympathetic to its business tenants who are suffering financial difficulty as a result of the COVID-19 pandemic. Each request for rent deferral will be treated on a case by case basis.
- **Additional resources have been provided Jersey Business enabling them to provide additional free-to-access professional business advice.**
  - Individual businesses and sole traders are encouraged to speak to Jersey Business about the significant professional support, advice and guidance which is available at no charge to business.

Further advice on these measures are available in the following:  [Guidance for businesses on coronavirus support measures.](#)

### **Announced on 18 March:**

- **Jersey Business Disruption Loan Guarantee Scheme**, to facilitate up to £50 million of Government guaranteed bank lending and overdrafts, of up to £500,000, to businesses through local banks. **Scheduled launch date Monday 30<sup>th</sup> March 2020.**

- This will be introduced to support new bank lending and overdrafts to viable business which banks, in the absence of the government guarantee, might be otherwise reluctant to lend to during this time of economic uncertainty
- Local banks are currently working together with government to structure this loan guarantee scheme
- Access to this scheme will be directly through your local bank
- The availability and structure of the loan will depend on your business' individual circumstances
- More information will be provided as soon as the scheme is finalised

**A Jersey Recovery Fund to support larger businesses who are delivering a wider public good or essential strategic purpose, with up to £50 million of funds available.**

- The scheme is being developed. More information will be provided in the coming days.

**A small business emergency fund, to provide additional grant support to the self-employed and the very smallest of businesses**

The scheme is being developed. More information will be provided in the coming days.

**Announced on 20 March:**

**Coronavirus Payroll Co-Funding Scheme – for 6 weeks the Government will retrospectively pay employers a subsidy of each employee's wage, up to £200 (given the fast moving changes with medical advice to business this figure is under review)**

The scheme is being developed will be targeted as broadly as possible to those most severely impacted by Coronavirus, to help businesses and the self-employed. It will not be available to industries such as financial services providers, property or supermarkets.

- This scheme will come into effect for those in employment as at Friday 20<sup>th</sup> March 2020, with the first payment due at the beginning of April.
- The scheme will operate until the end of April 2020, at which point a structured solution will be introduced aimed at providing longer-term support and security for Island businesses and their employees during the lifespan of the coronavirus pandemic.

**Recommended actions for business and the self-employed**

Businesses and the self-employed facing financial difficulty as a result of the COVID-19 pandemic should:

Take advantage of the schemes already available, social security contribution, GST deferral and \*Payroll co-funding \*(final details to follow).

Discuss their financial position with their bank and, if necessary, apply for additional funding under the Jersey Business Disruption Loan Guarantee Scheme.

Advice guidance and information on all of the above is available from Jersey Business who will provide free, confidential advice and support throughout the crisis including access to free initial consultations with qualified legal and accountancy professionals..

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