



COVID-19 (Coronavirus) Update – Supports For Business

In addition to the Scheme being announced this week, the government has already announced a range of measures including:

Financial Supports

- €200 million Strategic Banking Corporation of Ireland Working Capital scheme
- €200 million Rescue and Restructuring Scheme available through Enterprise Ireland for vulnerable but viable firms
- The maximum loan available from Microfinance Ireland has been increased from €25,000 to €50,000 (these loans are now interest free with no repayments for 6 months)
- Local Enterprise Offices in every county will be providing vouchers from €2,500 up to €10,000
- Finance in Focus grant of €7,200 will be available to Enterprise Ireland and Údarás na Gaeltachta clients.

Other Supports

- First Responder support service through the Intreo Offices and development agencies, Enterprise Ireland and IDA Ireland in each region to provide tailored supports for affected businesses
- Department of Employment Affairs and Social Protection Short Term Work Support Scheme.

Deferral of Business Rates

- The Government has agreed with local authorities that they should defer rates payments due from the most immediately affected businesses, primarily in the retail, hospitality, leisure and childcare sectors, until the end of May.

Taxation Measures

Revenue has posted specific advice for businesses experiencing trading difficulties as a result of COVID-19 including information on tax returns, the application of late payment interest, debt enforcement, tax clearance and customs.

These are the highlights:

- interest on late payments is suspended for January/February VAT and both February and March PAYE (Employers) liabilities
- all debt enforcement activity is suspended until further notice
- current tax clearance status will remain in place for all businesses over the coming months

- the Relevant Contract Tax (RCT) rate review scheduled to take place this month (March) is suspended
- critical pharmaceutical products and medicines will be given a Customs 'green routing' to facilitate uninterrupted importation and supply

Banking and Credit Measures

All the banks have announced that they will offer flexibility to their customers, and they may be able to provide payment holidays or emergency working capital facilities.

The main non-bank lenders also confirmed their intention to also support the range of measures announced by the country's main retail banks which is to be welcomed.

A deferral of up to 3-months on loan repayments will be available to many businesses. In addition, the banks are adopting a customer-focussed approach to these businesses with a wide variety of tailored supports including extensions of credit lines, risk guarantees, and trade finance. These supports complement the range of government supports available through the Strategic Banking Corporation of Ireland.

The Central bank has confirmed that it will allow banks to dip into their rainy-day capital reserves to keep lending flowing. It is anticipated that this move could free up considerable additional credit for households and businesses.

A small but important change for many businesses is the limit for contactless credit card payments has been raised from €30 to €50.