### **Coronavirus Business Interruption Loan Scheme (CBILS)**

The UK government has introduced an unprecedented combination of measures to support businesses. One of these is the Coronavirus Business Interruption Loan Scheme (CBILS), a temporary replacement of the existing Enterprise Finance Guarantee Scheme, which will give companies easier access to both mainstream funding as well as smaller specialist lenders. Lenders will **not** be able to request personal guarantees for loans under £250,000. Security for the banks will be provided by the government who will guarantee 80% of any losses suffered by the lender.

**Key Points**

* Borrow up to £5m
* No interest payable for the first 12 months
* Government will provide 80% security
* Responsibility for repaying the loan or finance facility remains with the borrower
* Range of funding options including loans as well as asset and invoice finance
* Funding from high street banks as well as specialist lenders
* Over 40 accredited lenders taking part in the scheme
* Borrowing through CBILS was made available as of Monday 23 March 2020

**What type of borrowing is available?**

Access to a range of revolving and term finance options including:

* Business loans and asset finance (terms of up to ten years)
* Overdrafts
* Invoice finance and revolving facilities (terms of up to three years)

**Is CBILS right for my business, and do I qualify?**

Eligibility is limited to companies with an annual turnover not exceeding £45 million

* Must have a ‘sound borrowing proposal’, which would be considered viable by the lender outside of current conditions
* Lender must be convinced the borrowing will help the company trade out of the current situation and remain in business in the long term
* Funding will not be granted to prop up an already failing business
* Only available to companies with turnover under £45 million, however, a new scheme to help those with an annual turnover between £45 million and £500 million obtain loans of up to £25 million is in the works.

If you would like further information on CBILS, please speak to us on all our usual contact numbers.