

Statutory Document No. 2019/0499

*Financial Provisions and Currency Act 2011*

DOUGLAS PROMENADE SUPPORT (NO. 2) SCHEME 2019

Approved by Tynwald: 11 December 2020
Coming into Operation: 1 January 2020

The Treasury makes the following Scheme under section 3 of the Financial Provisions and Currency Act 2011.

1 Title

This Scheme is the Douglas Promenade Support (No. 2) Scheme 2019.

2 Commencement

If approved by Tynwald¹, this Scheme comes into operation on 1 January 2020.

3 Interpretation

In the Scheme –

“**the Act**” means the Financial Provisions and Currency Act 2011;

“**the Department**” means the Department for Enterprise;

“**hospitality business**” excludes a hotel business, except where a hotel operates a restaurant which is open to the public;

“**Refurbishment Scheme**” means the scheme to reconstruct Douglas Promenade and approved by Tynwald on 17 January 2017;

“**support area**” means the area delineated in red in the map in the Schedule to this Scheme.

4 Establishment of the Scheme

Pursuant to section 3 of the Act, there is established by the Treasury, and administered on its behalf by the Department, a Scheme known as the Douglas Promenade Support (No. 2) Scheme 2019.

¹ As required by section 3(7) of the Financial Provisions and Currency Act 2011

5 Purpose of the Scheme

- (1) Pursuant to section 3(4)(a) of the Act, the Scheme shall provide for —
 - (a) the payment of a loan to retail and hospitality businesses on Douglas Promenade which have been financially affected by the Refurbishment Scheme; and
 - (b) the payment of a grant to providers of accountancy services to assist and enable retail and hospitality businesses to make an application under the Scheme.
- (2) The loan referred to in sub-paragraph (1)(a) is made for use by a business referred to in paragraph 7 for business purposes or to discharge liabilities incurred in the conduct of that business and not for personal purposes or to discharge liabilities unconnected with that business.
- (3) A grant payable under sub-paragraph (1)(b) shall only be payable in respect of one application for a loan under paragraph 8.

6 Maximum amount of loan

The amount of loan, or loans in aggregate, paid to an applicant under the Scheme cannot exceed £50,000.

7 Business eligibility for a loan

A loan under the Scheme may be paid by the Department to a retail or hospitality business with premises which operated in the support area on 26 November 2018 and continuously thereafter.

8 Application process

- (1) An application for a loan under the Scheme must be —
 - (a) made in writing to the Department;
 - (b) accompanied by —
 - (i) a statement from the applicant that the business will continue trading as a going concern in accordance with generally accepted accounting principles or practice;
 - (ii) a business case for the loan, which particularises the financial effect on the business as a result of the Refurbishment Scheme and which is certified by an accountant as a fair and accurate assessment of that effect;
 - (c) accompanied by such other documents, plans and specifications as the Department may require; and
 - (d) made in accordance with guidance published by the Department under paragraph 13.
- (2) On receipt of —

- (a) an application for a loan, and
 - (b) an assessment from an accountant of the viability of the applicant's business, including comment on the statement referred to in sub-paragraph (1)(b)(i),
- the Department must determine whether a loan should be paid to the business in respect of which the application is made.
- (3) Where the Department accepts an application it must notify the applicant in writing –
 - (a) of its decision and the reasons for it; and
 - (b) where a loan is to be paid subject to terms and conditions, of that fact, and of those terms and conditions.
 - (4) Where the Department rejects an application it must notify the applicant in writing as to –
 - (a) the reasons for the rejection; and
 - (b) where appropriate, how a rejected application may be revised and resubmitted.
 - (5) "Generally accepted accounting principles or practice" means accounting standards and practices recommended by –
 - (a) the International Accounting Standards Board (International Financial Reporting Standards);
 - (b) the Accounting Standards Board (United Kingdom Accounting Standards) (UK GAAP); or
 - (c) the Financial Accounting Standards Board, the Government Accounting Standards Board or the Federal Accounting Standards Advisory Board (US GAAP).

9 Review of decision

- (1) Where the Department has rejected an application for a loan, the applicant may request that the Department reviews its decision.
- (2) A request for a review must be made in writing within one month of the date of notification of the decision.
- (3) The Department must appoint an officer of the Department (other than an officer involved in the original decision under paragraph 8) to reconsider the application and must notify the applicant of the outcome of that reconsideration.
- (4) An application may only be reviewed once.

10 Terms and conditions

- (1) The payment of a loan is subject to any terms and conditions and the completion of such documentation as the Department may, in any particular case, specify.
- (2) Without prejudice to the generality of sub-paragraph (1) those terms and conditions —
 - (a) must—
 - (i) provide that the signing of the loan agreement constitutes a binding agreement with the Department;
 - (ii) specify the terms and conditions subject to which the loan is provided; and
 - (iii) state that the loan is repayable over 10 years at a rate of 0% interest; and
 - (b) may include provision —
 - (i) allowing for the deferral of the loan and the terms of that deferral;
 - (ii) as to the repayment (early or otherwise) of the loan; and
 - (iii) specifying such other things that the Department considers necessary for the purposes of the loan.
- (3) A business which receives a payment of a loan under the Scheme must —
 - (a) comply with the terms and conditions subject to which the loan is provided;
 - (b) co-operate with the Department;
 - (c) provide such financial and statistical information as is reasonably required by the Department, so that it may evaluate the effect of the provision of the loan on the business and on the economy, or for other purposes.
- (4) Where the Department has accepted an application, it may withhold, or require the repayment of, or recover, any loan where in its opinion —
 - (a) the applicant has, in connection with the application for the loan, made a statement or furnished information which the applicant knows to be false or misleading in a material particular; or
 - (b) the recipient has failed to comply with any of the terms or conditions of the offer of the loan.

11 Grant for accountancy services

- (1) Where a grant for accountancy services in respect of an application under paragraph 8 is to be sought by the applicant, the applicant must seek the

approval of the Department to the accountant's time and charging rate in advance of the accountant's work commencing.

- (2) The Department must have due regard to any guidance under paragraph 13 in respect of the level of grant agreed.
- (3) A grant agreed by the Department under sub-paragraph (2) must be paid irrespective of whether the Department approves the application.

12 Offences

A person who provides false, incomplete, or misleading information in connection with an application under the Scheme commits an offence.

Maximum penalty (summary) - a fine of level 5 on the standard scale.

13 Guidance

- (1) The Department may publish information to serve as guidance with respect to the manner in which powers are to be exercised under the Scheme.
- (2) That guidance may cover –
 - (a) the criteria for the payment of loans and grants;
 - (b) the application process; and
 - (c) the loan payment process.

14 Revocation

The Douglas Promenade Support Scheme 2019² is revoked.

MADE 5 DECEMBER 2019

A L CANNAN
Minister for the Treasury

² SD No. 2019/0479

SCHEDULE

[paragraph 3]

MAP



EXPLANATORY NOTE***(This note is not part of the Scheme)***

This Scheme provides for loans to be made to businesses in a specified area of Douglas Promenade where a business has been financially affected by the Douglas Promenade Refurbishment Scheme. It also provides for a grant to be provided to accountants to assist and enable those businesses in making an application under the Scheme.

The Scheme revokes and replaces the Douglas Promenade Support Scheme 2019³.

³ SD No. 2019/0479