



The Coronavirus Business Support Scheme

Guidance

ISSUED BY THE DEPARTMENT FOR ENTERPRISE

July 2020

T: +44 1624 687333

E: enterprisesupport@gov.im

W: www.gov.im/enterprise

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Introduction and background

The Department for Enterprise's Coronavirus Business Support Scheme ("the Scheme") was established in March 2020 to provide grant assistance to support local businesses in designated sectors that have been financially affected by the global COVID-19 pandemic. The Scheme was further amended in July 2020 to allow a further round of funding to certain eligible businesses in the Tourism and Travel related sectors who have suffered a 50% reduction in turnover caused by the border restrictions imposed due to the COVID-19 pandemic.

The Scheme is made by the Treasury under the Financial Provisions and Currency Act 2011, a copy of which can be found at https://legislation.gov.im/cms/images/LEGISLATION/PRINCIPAL/2011/2011-0021/FinancialProvisionsandCurrencyAct2011_2.pdf

The Tynwald Scheme can be found at <http://www.tynwald.org.im/business/opqp/sittings/20182021/2020-SD-0156.pdf>

The latest Treasury Notice regarding the Scheme can be found at <https://www.gov.im/media/1368921/tynwald-notice-gc-2020-0005-20200710.pdf>

This guidance is issued by the Department for Enterprise under paragraph 12 of the Scheme and sets out how the support is to be administered.

It is intended that the grant payment is used to support the business in numerous ways which can include, but not limited to, the following: -

- Alleviate cash flow issues;
- Paying business liabilities;
- Fund marketing initiatives;
- Invest into the business and its assets;
- Undertake business improvement projects; or
- Personal expenses.

It is hoped that the support provided will help those businesses to continue trading both during and after the ongoing global crisis.

Note that the Department provides other forms of grants and assistance, details of which can be found at www.iomdfenterprise.im/financial-support

For further advice and guidance regarding the Department's grants and assistance schemes and the criteria for eligibility, including for this Scheme, potential applicants are encouraged to complete the online enquiry form hosted at www.gov.im/businessenquiries

Disclaimer

The information contained in this document is intended to be general in scope and should not be relied upon as advice.

Any offer of a grant is also subject to availability of Department funds.

The Department may amend this guidance from time to time. While every effort has been made to ensure that the content is correct and up-to-date at the time of publication, the Department does not accept any responsibility, legal or otherwise, resulting from any errors or omissions and shall not be liable for any losses or damage that anyone may suffer as a result of relying on the information contained herein.

1. THE CORONAVIRUS BUSINESS SUPPORT SCHEME

1.1 Purpose and scope

The purpose of the Scheme is to provide financial assistance in the form of a grant payment to those applicants that meet the Scheme's eligibility criteria (please refer to 1.3) and which declare on the application form that the ongoing border restrictions imposed due to COVID-19 pandemic have caused a 50% reduction in turnover and that more than 50% of their annual income is gained from tourism and travel activities.

"Applicants" are defined as being one of the following: -

1. Self-employed individuals;
2. Sole traders owning a business with no staff other than the owner;
3. Partnerships where both parties are the owners and have no other employees; and
4. Businesses including limited companies with no staff other than the owner(s).

The aim of the assistance is to help sustain qualifying businesses during the ongoing difficult trading conditions with the intention that the supported businesses will hopefully continue to operate during and following the end of the pandemic.

Applicants may wish to note that free of charge support is also available through the [Business Improvement Scheme's](#) (BIS), Business Advisory Service. The Department provides a consultant to discuss the business, any issues, ideas for business change etc. The consultant will provide a short summary report. This is then followed by a shorter meeting a few months later to review progress and answer any further questions.

1.2 Overview of available support

The Scheme is designed to be flexible and has the ability to support additional sectors, multiple funding rounds with varying amounts of support is potentially available.

The Scheme offers financial support to eligible applicants in the form of a grant payment of up to £3,000.

Eligible applicants, who have not received payments from the Manx Earnings Replacement Allowance (MERA) since the 1st July 2020, will be eligible to receive the full amount of £3,000.

Eligible applicants, who have received MERA, must self-declare the total value of MERA payments received since 1st July on their application form and this amount will be deducted from the £3,000 CBSS payment. Upon receipt of payment, the applicant must then immediately inform the Treasury and cease their MERA claim with immediate effect. Failure to do this, or providing false, incomplete or misleading information in connection with an application under this Scheme is an offence. The maximum penalty is a fine of level 5 on the standard scale and/or six months in custody.

Tourist accommodation providers, with the exception of registered permanent camp sites, are ineligible under this Scheme but are encouraged to contact the Department's [Visit Isle of Man Agency](#) and enquire regarding the Strategic Capacity Scheme.

If you operate a business with more than one employee (excluding yourself), please visit the Department's [Financial Assistance Scheme](#) guidelines and review appendix 10.

Support will only be provided to eligible "applicants" as defined above and therefore public sector bodies, charities, sports organisations and not for profit organisations etc. are deemed ineligible.

1.3 Eligibility

a) Eligible sectors

Eligible applicants must operate in the following sectors: -

Travel and tour operators

“Travel and tour operators” means:

- a travel agent;
- a tour operator;
- a coach operator;
- a private car hire operator;
- a car rental business;
- an airport/seaport based taxi operator; or
- an airport parking/valeting business.

With income derived wholly or mainly from such an operation and which has and continues to suffer at least a 50% reduction in turnover as a direct result of the border restrictions.

Taxi and private car hire operators must generate more than 50% of their revenue from servicing the Sea Terminal and Airport in order to be eligible.

Animal Care

“Animal Care” means a business carried on in the Island with income wholly or mainly from the keeping of animals in a boarding establishment which is licensed under the Animal Boarding Establishments (Isle of Man) Act 1973 and which has and continues to suffer at least a 50% reduction in turnover as a direct result of the border restrictions.

This excludes operators who provide animal day care facilities.

General

Any business directly linked to the tourism and travel sector that can prove to the satisfaction of the Chief Executive of the Department for Enterprise that it has and continues to suffer at least 50% reduction of turnover as a direct result of the border restrictions imposed due to COVID-19.

Exclusions

Unlike the previous version of the Coronavirus Business Support Scheme, the following sectors are specifically excluded from applying:

- Catering and Entertainment;
- Commercial fishing;
- Construction;
- Education;
- Retail; and
- Tourist Accommodation (other than permanent registered camp sites that do not have glamping accommodation. Camp sites with glamping facilities should apply for the Strategic Capacity Scheme).

Any applicant eligible for the Strategic Capacity Scheme is ineligible for the CBSS.

In addition, unless stated as an eligible sector with Section 1.3a) all other sectors are also ineligible.

b) Source of annual income

The applicant must derive more than 50% of their annual income from tourism and travel activities from inbound and/or outbound travel.

Important Note: The Department may request evidence to verify that the application satisfies this condition.

c) Reduction in turnover

The applicant must have suffered a 50% reduction in turnover due to ongoing border restrictions as a result of the COVID-19 pandemic compared to the same month a year ago.

Important Note: The Department may request evidence to verify that the application satisfies this condition.

d) Eligibility criteria

This Scheme is only available to “applicants” as defined in Section 1.1

Only one application and payment per self-employed individual, sole trader, partnership or limited company will be permitted in each round of funding.

Businesses within a group of companies, or those sharing common beneficial owners / shareholders, are eligible to apply provided each business meets the general eligibility criteria within this guidance.

In order to qualify for the Scheme and financial assistance all “applicants” must:

- a) Declare that the ongoing border restrictions as a result of the COVID-19 pandemic has caused a 50% reduction in turnover;
- b) Declare that more than 50% of their annual income is gained from tourism and travel activities;
- c) Declare that to the best of its knowledge, it is the intention of the business to continue trading through the current difficult conditions into at least the short to mid-term future and that if the business closes the grant may be repayable;
- d) Have been in operation continuously for a period that commenced no later than 28th February 2020;
- e) Have annual profits or gains wholly or mainly from a relevant sector as set out in this guidance;
- f) Declare that the individual or business does not have any overdue payments of more than 3 months which are more than £3,000 relating to Income Tax, National Insurance and VAT; and
- g) Meet other Income Tax, NI and VAT compliance criteria.

Additional criteria specifically for self-employed applicants:

- h) Be a self-employed earner as defined by the Social Security Contributions and Benefits Act 1992¹;
- i) Have already notified the Treasury under regulation 87 of the Social Security (Contributions) Regulations 2001 of their liability to pay Class 2 National Insurance Contributions or notified the Assessor of Income Tax of any income from self-employment;
- j) Earnings from self-employment must be greater than £6,500 per annum. Therefore the applicant must not have been granted a certificate of Small Earnings Exception or would have been granted such a certificate had an application to Treasury been made;
- k) In the event of the person’s making an application to the Treasury for the purpose, not have his or her liability to pay Class 2 or Class 4 National Insurance contributions deferred or treated as deferred;
- l) For clarity notwithstanding that a person over state pension age is not liable to pay Class 1, Class 2 or Class 4 National Insurance contributions for the purposes of this scheme, therefore (j) and (k) apply to that person as though such a liability exists;
- m) When considering whether a self-employed person meets condition (i) above, Treasury will take into account the relevant facts and circumstances. In particular, an individual who has consistently declared their income from self-employment on their tax returns and paid the relevant income tax and class 4 national insurance contributions, will be treated for these purposes only as having notified the Treasury under regulation 87, even if their class 2 national insurance contribution record is currently incomplete.
- n) When considering whether a self-employed person meets condition (j) above Treasury will take into account for these purposes only the fact that one of the purposes of this provision was to prevent those with other sources of income that are their main sources of income claiming the grant e.g. a person in full time employment who receives a small amount of self-employment income from a few hours worked as a sports coach. It was not intended to prevent those whose profits have dropped recently and their main source of income is their self-employment from qualifying.

e) Eligible expenditure

The grant can be used for either personal expenses and/or businesses purposes by the applicant.

1.4 Application Process

Due to the high number of potential applicants, the Department will not be able to directly contact all potentially eligible businesses. Instead, the Scheme will be marketed widely and all information freely available on the Department’s Enterprise web site.

All applicants are encouraged to carefully review their eligibility status before submitting the application form.

¹ <http://www.tynwald.org.im/links/tls/socsec/ss/SocialSecurityContributionsandBenefitsAct1992.pdf>

Businesses who are unsure of their eligibility, may contact the Department by telephone on 687333 or by completing the brief online enquiry form which can be found at www.gov.im/businessenquiries

All applications must be submitted via the online electronic application form which can be found at <https://www.iomdfenterprise.im/financial-support/funding/coronavirus-business-support-scheme/>

Following receipt of a correctly completed and eligible application form, the Department will seek to process payments within approximately 5-10 working days of submission of the application. However, due to the high demand levels for the Scheme, this payment period may be extended.

a) Information to be supplied

All applicants must fully complete the online application form which includes;

- The applicant's details;
- Answers to all eligibility questions specifically;
 - The sector within which the applicant operates;
 - A declaration that the ongoing border restrictions as a result of the COVID-19 pandemic has caused a 50% reduction in turnover;
 - A declaration that more than 50% of their annual income is gained from tourism and travel activities; and
 - A declaration that the "applicant" meets all of the eligibility criteria.
- A declaration that the business is not in immediate danger of closing; and
- The Department's standard declarations.

b) Assessment criteria

The Department will assess each application based on the following criteria:

- Full completion of the electronic application form; and
- Eligibility.

c) Approval process

If the applicant previously applied for support under CBSS and was declined for tax/vat/NI reasons, the further application will be declined until that matter is resolved directly with the Treasury.

Once the Department has determined eligibility, the Department will confirm the applicant's standing with regards to Income Tax, National Insurance and VAT with Treasury. If these checks fail, the application will be rejected by the Department and the applicant will be informed via email.

All applications for a grant must be approved by a person designated by the Department.

d) Payment

The Department will authorise the payment to be made. All payments will usually be made into the applicant's business bank account approximately 1-2 working days following approval, with the payment runs usually being completed on Tuesdays and Thursdays. These may differ depending if there are any bank holidays.

Upon receipt of payment, a self-employed applicant who has received MERA since the 1st July 2020, must then immediately inform the Treasury and cease their MERA claim with immediate effect. Failure to do this, or providing false, incomplete or misleading information in connection with an application under the Scheme is an offence. The maximum penalty is a fine of level 5 on the standard scale and/or six months in custody.

e) Declined applications

Due to the high volume of expected applications, the Department will notify ineligible or rejected applicants via email stating the reasons for the refusal and where appropriate, provide information as to the manner in which a defective application may be rectified.

f) Review of decisions

If an applicant has been refused and wishes to request a review of the decision, the applicant must clearly and concisely state the reasons for the decline, the reasons for the review, any measures undertaken to resolve the issue and provide any additional supporting information.

The Department must appoint an officer of the Department (other than an officer involved in the original decision) to adjudicate on the review. The review officer's adjudication will be final.

The reviewing officer will then consider whether the correct decision has been made in relation to the Tynwald Scheme and the Scheme's guidelines etc and cannot take into account hardship and personal circumstances etc.

The reviewing officer does not have the authority to make exceptional one-off decisions which do not comply with the Scheme's legislative framework.

A request for a review of a decision must be made in writing within one month of the date of notification of that decision.

Review requests should be either emailed to enterprisesupport@gov.im or sent to:
The Coronavirus Business Support Scheme Manager,
Department for Enterprise,
St Georges Court,
Upper Church Street,
Douglas,
Isle of Man
IM1 1EX

An application may only be reviewed once.

1.5 Public disclosure

Applicants should also be aware that both parliamentary and freedom of information questions may be asked about particular applications or applicants.

1.6 Application form

Applicants should read the guidelines before submitting an application to the Department.

The Application Form is available at <https://www.iomdfenterprise.im/financial-support/funding/coronavirus-business-support-scheme/>