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Guidance on Supports for Businesses Impacted by COVID-19

We have prepared this information pack outlining the various supports that have been announced by the Government in conjunction with Enterprise Ireland and the Local Enterprise Office.

The most straight forward one is the Restart Grant and if you qualify you should complete the on-line application on that as soon as possible.

As more supports become available, we will issue you with further updates.

Stay Safe,

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Introduction of guidance on Supports for Businesses Impacted by COVID-19

The COVID-19 pandemic has presented unprecedented challenges for businesses in Ireland and across the globe. The new circumstances have presented great difficulties for employers and employees alike. To address this ever changing situation and to assist companies in various different sectors throughout Ireland get back to work as we begin our journey through the 5-stage programme, the Government of Ireland, in conjunction with Enterprise Ireland and the Local Enterprise Office, has introduced a number of measures to help in this process.

This note aims at setting out the key supports which have been or are being introduced, what companies these supports are available to and what needs to be done to be successful and getting this support. We have attempted to address below what we see as the key and most relevant supports that are available. There is clarification required from the government and the relevant state agencies on aspects of some of the various supports.

We cannot address every support or address every query that you may have in this summary document, so please phone or email your usual Kieran Ryan & Co. contact for more detailed information. As you know, we are fully open for business, with all staff now working on a remote basis.

Kieran Ryan & Co. are a firm of Chartered Accountants providing a range of services including:

-) Audit, Accounting and Bookkeeping
-) Tax Advisory
-) Corporate Advisory and Insolvency

We wish you, your families and your business all the best in these unprecedented times.

Restart Grant

What is the Restart Grant?

The new Restart Grant will give direct grant aid to micro and small businesses to help them with the costs associated with reopening and re-employing workers following COVID-19 closures.

The available grants will be the equivalent to the rates bill of the business in 2019 or a minimum grant of €2,000, whichever is the higher, with a maximum grant available of €10,000 [e.g. if your rates bill for 2019 was €1,200, you will receive a grant for €2,000; if your rates bill was €12,000, the maximum grant available is €10,000].

What businesses are eligible?

To be eligible for this grant, your business must meet the following criteria:

1. Have an annual turnover of less than €5,000,000
2. The turnover has been impacted due to closure or lack of business and has resulted in a 25% reduction in turnover out to 30th June 2020
3. Employs 50 people or less
4. Commit to remain open or to reopen the business if it was closed
5. Declare the intention to retain employees that are on the Temporary Wage Subsidy Scheme and re-employ staff who are on the Pandemic Unemployment Payment as the business recovers.

Businesses who are in arrears or who have not yet paid their 2019 rates bill will still be eligible to apply for the grant.

How can businesses apply?

Businesses can apply by downloading the application form from all local authority websites from Friday 22nd May 2020.

COVID-19 Business Loan

The COVID-19 Business Loan has been made available from Microfinance Ireland and is an initiative from the Government of Ireland to support micro-enterprises through the current period of uncertainty who are or may be impacted by COVID-19 in Ireland.

Key Features

-) business loans between €5,000 and €50,000 for eligible micro-enterprises
-) loans may be used for working capital and business changes required because of COVID-19
-) loan terms up to 3 years (shorter if appropriate)
-) the terms include a 6-month interest free and repayment free moratorium, with the loan to then be repaid over the remaining 30 months of the 36-month loan period
-) interest rate of 4.5% if an application is submitted through a Local Enterprise Office; 5.5% if submitted directly to Microfinance Ireland
-) no fees and/or hidden costs with fixed repayments and no penalty for early repayment
-) no security required

What businesses are eligible?

To be eligible for this loan your business must meet the following criteria:

1. Be a sole-trade, partnership or limited company employing less than 10 full time employees
2. Have a turnover of less than €2,000,000 per annum
3. Be finding it difficult to access finance through banks and other commercial lenders
4. Be experiencing a negative impact on their business because of COVID-19 resulting in an actual or projected minimum 15% decrease in turnover or profit for the business

How can businesses apply?

Businesses looking to apply for this loan can do so by registering on the microfinance website.

To apply for this loan the following documents are required:

-) A completed application form
-) COVID-19 business plan
-) Cashflow forecast
-) 6 months bank statements
-) Central Credit Register Report (CCR) (required for all shareholders/directors with a 25% or more shareholding)

If you are applying for a loan greater than €25,000 the following additional document is required:

-) Aged lists of Trade Debtors and Trade Creditors, as well as a list of Preferential Creditors.

SME Credit Guarantee Scheme

The purpose of the SME Credit Guarantee Scheme is to encourage additional lending to SMEs by offering a partial Government guarantee (currently 80%) to banks against losses on qualifying loans to eligible SMEs.

The Credit Guarantee Scheme can be used by businesses to obtain loans to support changes they need to make to their business in response to COVID-19.

Key Features

-) loans from €10,000 up to €1,000,000 are available for SMEs who would not otherwise be able to access bank loans
-) loan period of up to 7 years
-) competitive interest rates (the cost of the scheme is currently 0.5% premium per annum - costs may change periodically, to a maximum of 2%)
-) SME's may be able to avail of between a 3 to 6-month interest-only payment period (depending on the total loan duration)

What businesses are eligible?

To be eligible for this loan, your business must meet the following criteria:

1. Have fewer than 250 employees
2. Have a turnover of €50,000,000 or less and have been negatively impacted by COVID-19 by a minimum of 15%
3. Be independent and autonomous (i.e. not be part of a wider group of enterprises)
4. Have less than 25% of its share capital held by public bodies
5. Be established and operating in the Republic of Ireland

How can businesses apply?

Businesses seeking to avail of the guarantee scheme can approach a participating lender. Participating lenders will make all decisions on lending. Currently, Ulster Bank, Bank of Ireland and AIB are participating in the Scheme. The Department plays no role in the application or decision-making process, which is fully delegated to the participating lenders.

The refinancing of existing debts is excluded as the purpose of this scheme is to facilitate additional lending. However, in cases where new lending is sought along with refinancing, the availability of a guarantee in respect of the new lending element should be of assistance in providing an overall package of support to the business, including consolidation of the existing debts. Property related activities are also excluded.

This scheme requires additional legislation to be put in place before it can be implemented.

COVID-19 Future Growth Loan Scheme

The Strategic Banking Corporation of Ireland (“SBCI”) will administer this scheme. Eligibility applications for the COVID-19 Future Growth Loan Scheme are currently being accepted through the SBCI website.

This scheme will provide longer-term loans to COVID-19 impacted businesses. Information on the release of lending under this scheme can be monitored through the SBCI website.

Key Features

-) The available loan amounts are between €100,000 and €3,000,000
-) The initial maximum interest rate for loans of less than €250,000 is 4.5%, whilst for loans of €250,000 or more it is 3.5%
-) Terms range from 8 to 10 years
-) Loans are unsecured up to €500,000
-) Interest-only repayments at the beginning of the loan may be available

What businesses are eligible?

To be eligible for this loan, your business must meet the following criteria:

1. Have fewer than 250 employees
2. Have a turnover of €50,000,000 or less and been negatively impacted by COVID-19 by a minimum of 15%
3. Be independent and autonomous (i.e. not be part of a wider group of enterprises)
4. Have less than 25% of its share capital held by public bodies
5. Be established and operating in the Republic of Ireland

Applicant must choose one of the below for the purpose of the loan:

1. Investment in Machinery or Equipment
2. Investment in Research and Development
3. Investment in Business Expansion
4. Investment in Premises Improvement
5. Investment in Process Innovation
6. Investment in People and/or Systems

How can businesses apply?

The applicant must first submit an Eligibility Application Form to the SBCI for the SBCI to confirm if the business is eligible to apply. If the applicant is deemed eligible, they will receive confirmation of this in writing. This confirmation must then be presented to the relevant financial institution upon application for the loan.



Waiving of Commercial Rates

Rates due to local authorities from businesses in the retail, hospitality, leisure, and childcare sectors have been waived from the 3-month period beginning on 27th March.

Businesses must contact their rates collection contact to apply for this waiver.