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## THE CORONAVIRUS LARGE BUSINESS INTERRUPTION LOAN SCHEME (CLBILS) UPDATE

### CLBILS (new scheme)

CLBILS is a new scheme brought in by the Government on Monday 20<sup>th</sup> April that sits above the existing CBILS scheme for medium and larger sized businesses. Similar to CBILS, the scheme is designed to support business across the UK which have been impacted by Covid-19.

The key differences from CBILS are shown below:

<u>Turnover</u>	<u>Size of CBILS finance available</u>
<£45m	£5m
£45m-£250m	£25m
>£250m	£50m

Note: Since the original announcement of the CLBILS scheme the government increased the amount of finance available – the final two bullet points in the list reflect these updated limits.

The eligibility criteria remain the same as with CBILS, with an additional point around Covid Corporate Finance Facility:

- UK based business
- Over 50% of revenue comes from trading activity
- The borrowing proposal would have been viable had it not been for Covid-19. In practice this looks to mean that the business was profitable for the 12 months to Dec 19 and could have taken on the proposed debt had it not been for Covid-19
- The business has been adversely impacted by Covid-19
- Not in one of the ineligible industries (Banks, insurers and reinsurers (but not insurance brokers); public-sector bodies; further-education establishments, if they are grant-funded; and state-funded primary and secondary schools)
- ***The business has not received funds from the Covid Corporate Finance Facility (CCFF) (<https://www.bankofengland.co.uk/news/2020/march/the-covid-corporate-financing-facility>)***

**KEY FEATURES OF THE SCHEME**

<p><b>Finance of up to £50 million</b></p> <p>The maximum value of a facility provided under the scheme is £50 million (£25 million for eligible businesses with a turnover under £250 million), available on repayment terms of up to three years.</p>	<p><b>Guarantee to the lender to encourage them to lend</b></p> <p>The scheme provides the lender with a government-backed, partial guarantee (80%) against the outstanding balance of the finance.</p> <p>The borrower remains 100% liable for the debt.</p>
<p><b>Finance terms</b></p> <p>From three months to three years.</p>	<p><b>Security</b></p> <p>No personal guarantees are permitted for facilities under £250,000.</p> <p>For facilities of £250,000 and over, claims on personal guarantees cannot exceed 20% of losses after all other recoveries have been applied.</p>

For more details on the CLBILS scheme: <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-schemes/clbils/>