ACUITY LAW.

COVID-19 – FINANCIAL SUPPORT FOR BUSINESSES

19 May 2020

WORKING CAPITAL

Scheme Name	Details	Eligibility Criteria	How to Access Support	Comments and Resources
Coronavirus Business Interruption Loan Scheme (CBILS)	**Summary** Loans of up to £5 million for small and medium-sized enterprises (SMEs) through the British Business Bank. **Key features** The Government will guarantee 80% of each loan (and will not charge the business for the guarantee). During the first 12 months, the interest on the finance and any lender-levied fees will be covered by the Government. Available facilities include: term loans, overdrafts, asset finance, revolving facilities and invoice finance. Personal guarantees may be required on facilities over £250,000; these will be capped at 20% of the outstanding balance of the CBILS facility after the proceeds of business assets have been applied. A principal private residence may not be used as security under the scheme.	Eligible businesses must: • be based in the UK; • self-certify that it has been adversely impacted by the coronavirus (COVID-19) • have an annual turnover of not more than £45m; • have not received de minimis state aid beyond €200,000 in the past 2 fiscal years; • not operate in a "restricted sector". See: https://www.british-business-bank.co.uk/wp-content/uploads/2020/03/Ineligible-and-Restricted-Eligibility-Sector-2017.pdf and; • have a borrowing proposal which, were it not for the current pandemic, would be considered viable by the lender and which will enable the business to trade out of any short-to-medium term difficulties.	Applications should be made directly through the British Business Bank's 40+ accredited lenders.	Full scheme details are set out here: https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/for-businesses-and-advisors/ A list of accredited lenders can be found here: https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/accredited-lenders/ The British Business Bank have launched a Quick Eligibility Checker, which can be found here: https://www.british-business-bank.co.uk/wp-content/uploads/2020/03/CBILS-SME-Eligibility-Check-FINAL.pdf

Coronavirus Large Business Interruption Loan Scheme (CLBILS)	**Summary** Loans of up to £25 million for businesses through the British Business Bank. **Key features** The Government will guarantee 80% on individual loans. Facilities backed by a guarantee under CLBILS will be offered at commercial rates of interest. Available facilities include: short term loans, overdrafts, invoice finance and assets finance.	Eligible businesses must: • be UK-based; • have an annual turnover of more than £45 million; • self-certify that they have been adversely impacted by coronavirus; • not have received a facility under the Bank of England's COVID-19 Corporate Financing Facility and • have a borrowing proposal which the lender: a) would consider viable, were it not for the COVID-19 pandemic; and b) believes will enable the business to trade out of any short-term to medium-term difficulty. Businesses in the following sectors are excluded from the scheme: • Banks and building societies. • Insurers and reinsurers (but not insurance brokers). • Public-sector organisations, including state-funded primary and secondary schools. • Employer, professional, religious or political membership organisations. • Trade unions.	Applications should be made directly through the British Business Bank's 40+ accredited lenders.	Scheme details can be found here: https://www.businesssupport.gov.uk/coronavirus-large-business-interruption-loan-scheme/

Covid Corporate Financing Facility (CCFF)	**Summary** Bridging loan scheme provided through the Bank of England for very large companies to support liquidity and ease cash-flow disruptions during the current crisis. **Key features** Funding will be provided by way of short term unsecured debt instruments (called 'commercial paper') that pay a fixed rate of interest and have a maturity of up to one-year - like a bond, it is a promise by the issuer (the borrower) to pay money to the holder (the investor).	To be eligible, companies must: • have a substantial work-force in the UK; • generate significant revenues in the UK, serve a large number of customers in the UK or have a number of operating sites in the UK; and • have had prior the current Covid-19 crisis a short term credit rating acceptable to lending banks.	Companies that have never issued commercial paper are able to participate and, provided that their commercial paper is eligible for the scheme, their bank or another financial institution will assist with issuing commercial paper. As a first step, the company needs to liaise with its current bank to establish whether it administers commercial paper. If the bank is unable to assist, the company should participate via one of the institutions listed here: https://www.ukfinance.org.uk/covid-19-corporate-financing-facilities	Full details of the scheme are set out here: https://www.bankofengland.co.uk/news/2020/march/the-covid-corporate-financing-facility

WORKING CAPITAL

Scheme Name	Details	Eligibility Criteria	How to Access Support	Comments and Resources
Retail, Hospitality and Leisure Grant Fund (England only)	**Summary** Cash grants will be made available by Local Authorities in England. **Key features** A £10,000 grant will be available for eligible businesses with a rateable value of up to £15,000. A £25,000 grant will be available for eligible businesses with a rateable value of £15,001-£51,000. The grant will be subject to tax (though only for businesses which make an overall profit once grant income is included)	Eligible businesses must: • be based in England; • be in the retail, hospitality, leisure sector; and • have a rateable value of not more than £51,000. Businesses which are not ratepayers in the business rates system are not included in this scheme. The grant will be given as aid under the EU Commission's new Covid-19 Temporary Framework for State Aid measures published on 19 March. If you have been offered the grant, you can only receive up to 800,000 euros under the Temporary Framework. You must also confirm that you were not a business in distress as at 31 December 2019.	No action is required to claim this relief - local authorities will be writing to eligible businesses in due course.	Eligibility enquiries should be made direct to local authorities. Scheme guidance can be found here: https://www.gov.uk/government/publications/coronavirus-covid-19-guidance-on-business-support-grant-funding and https://www.gov.uk/government/publications/coronavirus-covid-19-business-support-grant-funding-guidance-for-businesses?utm_source=b4f9bdbf-710a-4ee2-b783-da955ee31ea5&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate
Small Business Grant Fund (England only)	Local Authorities in England will make grants of £10,000 available to eligible businesses. The grant will be subject to tax (though only for businesses which make an overall profit	Eligible businesses must: • be based in England; and • have been, on 11 March 2020, a small business that was eligible for Small	No action is required to claim this relief - local authorities will be writing to eligible businesses in due course.	Scheme guidance can be found at: https://www.gov.uk/government/publications/coronavirus-covid-19-guidance-on-

	once grant income is included)	Business Rates Relief (occupying a property with a rateable value of £12,000 or less) or Rural Rates Relief. The Scheme will be primarily managed under existing State Aid rules permitting De-Minimis aid, meaning applicants can receive up to 200,000 euros of aid within a three-year period. Where this threshold has been reached by accepting the grant, a business can receive the £10,000 grant under the EU Commission's Temporary Framework mentioned above.		business-support-grant-funding and https://www.gov.uk/government/publications/coronavirus-covid-19-business-support-grant-funding-guidance-for-businesses?utm_source=b4f9bdbf-710a-4ee2-b783-da955ee31ea5&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate
Welsh Government Business Grants	**Summary** Local Authorities in Wales are making cash grants of up to £25,000 available to eligible businesses. **Key features** A £25,000 grant is available for eligible businesses with a rateable value between £12,001 and £51,000. A £10,000 grant is available for eligible businesses with rateable value of £12,000 or less.	Eligible businesses must: • be based in Wales; • be registered to pay rates on their premises on 20 March 2020; and • either: (a) operate in the retail, leisure or hospitality sector and have a rateable value between £12,001 and £51,000; or (b) be eligible for Small Business Rate Relief and have a rateable value of £12,000 or less.	Businesses should visit their Local Authority's website for application details.	Scheme guidance for can be found here: https://businesswales.gov.wales/coronavirus-advice/support/financial-support-and-grants/covid-19-grant
Development Bank of Wales (DBW) payment	DBW are offering a 3-month capital and monitoring fee	This support is available to DBW customers (but not	An application form and details on how to apply have been	Further information can be found here:

holiday	repayment holiday for all customers on request.	available in relation to property development loans). This arrangement will remain in place until 30th June 2020.	provided on the DBW website.	https://www.developmentbank.wales/coronavirus-support-welsh-businesses
Economic Resilience Fund grants (Wales) ***(Not currently available)***	**Details** ****Note: this Fund has now been paused whilst the Welsh Government reassess the support required. It is not clear if (or when) the Fund will be reinstated**.*** Cash grants will be made available to eligible Welsh businesses. **Key features** Grants of £10,000 will be available to micro-businesses employing 9 people or less (including sole traders who employ staff). Grants of up to £100,000 will be available for small and medium-sized businesses with between 10 and 249 employees. Support for larger Welsh businesses will also be offered under the scheme, with further details expected to follow.	This support is available to eligible businesses based in Wales. Micro-businesses may qualify for support if they: • have experienced in excess of a 40% reduction in turnover since 1 March; • can demonstrate that efforts have been made to sustain business activity; • are not pursuing other forms of Welsh government non-repayable grant funding support; and • are not entitled to business rate relief grants. Small and medium firms with between 10 and 249 employees may be eligible if they: • have experienced in excess of a 60% reduction in turnover since 1 March; • are not eligible for business rate relief (or if they are, that amount would be deducted from their allocation from the fund);	Applications can be made to the relevant local authorities as listed on the Welsh government website. The Economic Resilience Fund for microbusinesses is open to application from 17 April 2020 for 12 months.	Further information can be found here: https://businesswales.gov.wales/coronavirus-advice/support/financial-support-and-grants https://gov.wales/new-500-million-economic-resilience-fund-launched-wales To check for eligibility please visit this link: https://fundchecker.businesswales.gov.wales/ Further details relating to the grants can be found here: https://businesswales.gov.wales/coronavirus-advice/support/financial-support-and-grants

		• have a sustainable business plan to trade beyond the pandemic; • confirm no future compulsory redundancies will be made as long as the Coronavirus Job Retention Scheme is in place; and • are not pursuing any other forms of Welsh government non-repayable grant funding support.		
COVID-19 Wales Business Loan Scheme (Wales) ***(Not currently available)***	**Details** ****Note: this Scheme is now fully subscribed and further applications are not being accepted at this time. It is not clear if (or when) the Scheme will be reinstated**.*** Loans of between £5,000 and £250,000 will be made available to Welsh businesses by DBW. **Key features** Loans will be fixed at 2% interest with an interest and capital repayment holiday in the first 12 months. A 20% personal guarantee (to a maximum of £25,000) will be required for all investments. For loans over £100,000, a debenture will also apply.	This support was available to eligible businesses based in Wales which have been trading for longer than two years. The loan amount is limited based on the number of people employed by the business or a calculation based on profit or turnover.	This scheme has now been fully subscribed after more than 1,500 applications were received in just over one week. The first loans were approved within three days of the launch on Monday 30 March, with the first loans reaching applicants by 24 April 2020.	Further information can be found here: https://developmentbank.wales/news-and-events/development-bank-wales-launches-ps100-million-covid-19-wales-business-loan-scheme

Support for the creative, culture and sport sectors (Wales)	£18 million will be made available to Welsh businesses in the creative, culture and sports sectors through a series of support schemes.	The Welsh Government has confirmed that the following funds have been introduced: • a £7m Arts Resilience Fund, administered by the Arts Council for Wales, to support artists and arts organisations; • an £8m Sport Resilience Fund, administered by Sport Wales, to support sports clubs and partner networks in Wales; • a £1m Creative Wales Fund to provide support for grassroots music venues (up to £25,000 per business) and to support the TV and publishing sector in funding future activities; • grants to museums, collections, conservation services, archives and community and public libraries through a £1m Cultural Resilience Fund; • a £750k Emergency Relief Fund, which will support the smallest and most in need businesses in the independent sector and sport, museum and heritage sectors; and • a £250k Digital Library Resources scheme to support public libraries in providing additional digital resources.	The funding is to be made available by the Welsh Government, the Arts Council for Wales, and Sports Wales. Sector specific guidance on the various schemes can be found on the Welsh government as found here: https://businesswales.gov.wales/coronavirus-advice/culture-sector	Details of the funding for the creative, culture and sports sector can be found on the following websites: https://arts.wales/funding/coronavirus https://www.sport.wales/media-centre/latest-news/2020-03-24-400000-emergency-fund-for-sport-announced-by-welsh-government-and-sport-wales/ https://www.wales.com/creative-wales

The Prince's Trust and Natwest Enterprise Relief Fund	The £5 million fund will offer grants to 18 to 30 year olds across the UK who are self-employed and/ or running their own business. The grants can be used to maintain core business operations as well as meeting any existing financial commitments. As well as the grants, the initiative will also offer one-to-one support and guidance to any applicants who need it.	To be eligible to apply you must: • be a business owner aged 18 to 30; • have set up your business in the last four years; and • not have any other source of income during the crisis. If you set up your business with support from The Prince's Trust in the last four years, you will still be eligible for the fund if you were aged 18-30 at the time you received the support.	You can register your interest for the fund on the Princes Trust website however please note that the website has stated they are experiencing a high number of registrations and it may take some time for them to come back with a response.	Further information on the grants can be found here: https://www.princes-trust.org.uk/about-the-trust/coronavirus-response/enterprise-relief-fund
The Future Fund (for start-ups)	A £250 million investment fund for high growth companies. The fund will provide UK based companies with convertible loans of between £125,000 and £5 million, subject to at least equal match funding from private investors. The scheme is delivered in partnership with the British Bank.	To be eligible, a business must: • be unlisted; • be UK registered; • be able to attract equivalent match funding from third party private investors and institutions; and • have previously raised at least £250,000 in equity investment over the last five years. Investors must also meet a specified eligibility criteria. Full scheme details are set out on the British Business Bank's website.	Applications for the scheme can be made from 20 May 2020.	Details on the scheme can be found here: https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-schemes/future-fund/
Support for Innovation Firms	A new £1.25 billion coronavirus package to protect firms driving innovation in the UK	To be eligible you must be an existing Innovate UK customer, or you must be a new customer	The first payments will be made by mid-May.	Further details can be found here: https://www.gov.uk/governmen

	has been announced. This includes the Future Fund set out above and £750 million of grants and loans for small medium enterprises focusing on research and development.	that satisfies the eligibility of the specific project applied for. Please see https://www.gov.uk/guidance/innovation-apply-for-a-funding-award#find-out-if-you-are-eligible-to-apply		t/news/billion-pound-support-package-for-innovative-firms-hit-by-coronavirus
Bounce Back Loan Scheme	The scheme will help small and medium sized businesses apply for loans of up to £50,000. The government will guarantee 100% of the loan and there will not be any fees or interest to pay for the first 12 months. Loans will be up to six years. No repayments will be due during the first 12 months. The government will work with lenders to agree a low rate of interest for the remaining period of the loan. The scheme will be delivered through a network of accredited lenders.	You can apply for a loan if your business: • is based in the UK; • has been negatively affected by Coronavirus; and • was not an "undertaking in difficulty" on 31 December 2019. The following businesses are not eligible to apply: • 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. You cannot apply if you are already claiming under the Coronavirus Business Interruption Loan Scheme (CBILS).	The scheme launched on Monday 4th May. Applications can be made via an accredited lender and the list can be found on the British Business Bank's website. A short application form will need to be completed which self certifies that your business is eligible for a loan under the scheme.	Further details of the scheme can be found here: https://www.gov.uk/guidance/apply-for-a-coronavirus-bounce-back-loan A list of frequently asked questions can be found on the British Bank website here: https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-schemes/bounce-back-loans/faqs-for-small-businesses/

TAX

Scheme Name	Details	Eligibility Criteria	How to Access Support	Comments and Resources
Business Rates Relief	There will be an immediate 12 month holiday on business rates for businesses in certain sectors.	Eligible businesses must: • be in the retail, hospitality, and/or leisure sector; and • if based in Wales, occupy property with a rateable value of less than £500,000. There is no cap on the rateable value of properties occupied by businesses based in England.	No action is required to claim this relief - local authorities will be writing to eligible businesses in due course.	Properties which have closed temporarily as a result of the COVID-19 outbreak will be deemed "occupied". Scheme guidance in relation to businesses based in England can be found here: https://www.gov.uk/guidance/check-if-your-retail-hospitality-or-leisure-business-is-eligible-for-business-rates-relief-due-to-coronavirus-covid-19 Scheme guidance in relation to businesses based in Wales can be found here: https://businesswales.gov.wales/business-rates-relief-in-wales#tabs-2
Deferring VAT	VAT registered businesses which would be due to make VAT payments between 20 March and 30 June 2020 will not be required to make any payment on the due date. Any amounts deferred will be payable by 5 April 2021.	All UK businesses are eligible.	The deferral applies automatically so no application for deferral is required	Those who normally pay their tax bill by direct debit should contact their bank to cancel this. VAT returns should be prepared and submitted to HMRC as normal by the normal due date. No penalties will apply in respect of this deferral. There has been no statement as to whether interest will apply to any deferred payments – the

				current rate of interest applied to late paid VAT is 3%. VAT repayments and reclaims will continue to be paid by HMRC during this period. Further guidance can be found here: https://www.businesssupport.gov.uk/vat-deferral/
Waiver of Duties and VAT on vital medical imports	Goods arriving from outside the EU will not be subject to customs duty or import VAT. NHS suppliers will no longer have to pay customs duty and import VAT on specific medical goods coming from outside the EU, including ventilators, coronavirus testing kits and protective clothing.	This relief can be claimed immediately by: • state organisations, including state bodies, public bodies and other bodies governed by public law; and • other authorised non state bodies. The relief can be claimed on imported goods for free circulation that are: • for distribution free of charge to those affected by, at risk from or involved in combating the coronavirus; and • to be made available free of charge to those affected by, at risk from or involved in combating the coronavirus outbreak, while remaining the property of the organisations importing them.	If you are a non-state body, you can request authorisation by contacting the National Import Relief Unit (NIRU) by emailing niru@hmrc.gov.uk for an application form. To claim relief on goods imported as freight you can claim relief by completing an import declaration in CHIEF. You can claim relief on your declaration in CHIEF by entering in: • box 37 the customs procedure code 40 00 C26 • box 44, declaration/notes, enter document codes 9AID and/or 9AIV and status codes JP or UP as appropriate.	There is a COVID-19 Commodity Codes List which you can claim relief on, and the list can be found here: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/876962/COVID_19_commodity_codes_list.csv The guidance in relation to this scheme can be accessed here: https://www.gov.uk/guidance/pay-no-import-duty-and-vat-on-medical-supplies-equipment-and-protective-garments-covid-19

EMPLOYEE SCHEMES

Scheme Name	Details	Eligibility Criteria	How to Access Support	Comments and Resources
Coronavirus Job Retention Scheme	**Summary** Support to cover up to 80% of salary costs of any employee that is not working and would otherwise be laid off due to Coronavirus but whose job has been retained (called a 'Furloughed Worker'). **Key Features** The employee's salary will be paid through payroll in the normal way. The maximum amount which HMRC will reimburse the employer per Furloughed Worker is £2,500 per month. There is no overall funding limit. Claims will be backdated to 1 March 2020. Employers will need the employee's agreement to only pay 80% of their entitlement, however, this can be obtained when negotiating with the employee to categorise them as a 'Furlough Worker'. From 1 August 2020, the	All UK employers with a PAYE scheme will be eligible. This includes the public sector, local authorities and charities. The scheme will cover full-time and part-time employees, as well as those on agency, flexible or zero-hour contracts.	Steps to apply: 1. Designate the affected employees as Furloughed Workers and notify them of this change in status. 2. Apply via the online portal which can be accessed here: https://www.gov.uk/guidance/claim-for-wages-through-the-coronavirus-job-retention-scheme Employers can only submit one claim every 3 weeks, which is the minimum length an employee can be furloughed for.	The online portal was made available 10 days ahead of schedule. The Chancellor has announced that the scheme has been extended until the end of June. The Furloughed Worker's employment remains subject to existing employment law and, depending on the affected employee's employment contract, may be subject to negotiation (for example, there may be on-going contractual benefit entitlements). Full scheme details are set out here: https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme

	scheme will offer "greater flexibility", including the ability to bring employees back on a part-time basis. Companies will also be expected to "share the cost" of the scheme until this date.			
Statutory Sick Pay (SSP) Rebate	The Government has been working on a rebate system for certain businesses to reclaim up to two weeks' SSP paid to eligible staff for sickness-absence relating to the COVID-19 outbreak (from 13 March 2020 onwards).	Eligible businesses must: • be UK-based; and • be a small or medium sized and employ fewer than 250 employees as of 28 February 2020. The scheme covers all types of employment contracts, including: • full time employees • part-time employees • employees on agency contracts • employees on flexible or zero hour contracts	The application system and scheme mechanism are currently being developed by the UK Government.	We expect further details on this scheme to follow in due course however initial details can be found here: https://www.gov.uk/guidance/claim-back-statutory-sick-pay-paid-to-employees-due-to-coronavirus-covid-19

SUPPORT FOR THE SELF-EMPLOYED

Scheme Name	Details	Eligibility Criteria	How to Access Support	Comments and Resources
Self-Employed Income Support Scheme	**Summary** Support to cover up to 80% of the average monthly income of self-employed persons adversely affected by the COVID-19 outbreak. **Key Features** A taxable grant (up to a maximum of £2,500 per month) will be paid directly into eligible claimants' bank accounts. Entitlement will be calculated based on average monthly income over the previous three years (though a shorter period may be used if necessary). Claims will be backdated to 1 March 2020 and paid as a lump sum in June 2020.	The scheme will be available to those self-employed persons or members of a partnership: • who generate at more than 50% of their income through self-employment; • have trading profits of less than £50,000 per year; and • have traded in 2019/20; are currently trading at the point of application (or would be except for COVID-19) and intend to continue to trade in the tax year 2020/21. Those who have recently become self-employed will not be eligible under the scheme.	No application is required – HMRC will contact eligible persons directly.	HMRC scheme guidance can be found here: https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme
Self-Employed Income Tax	Income Tax payments on account of 2019-20 tax liabilities due on 31 July 2020 will be deferred to 31 January 2021 and any other Income Tax payable in July 2020 under Self-Assessment will also be deferred to January 2021.	Those who are due to pay their second Self-Assessment payment on account on 31 July are eligible for the deferral. The deferral is optional; those who wish to make their second payment on account may do so.	The deferral applies automatically so no application is required.	Those who normally pay their tax bill by direct debit should contact their bank to cancel this. No penalties or interest for late payment will be charged in the deferral period.

Self-Assessment Filing Extension	The Government has announced a filing extension to 23 April 2020 for those who missed the Self-Assessment filing deadline in January 2020.	All self-employed persons are eligible.	The filing extension applies automatically; no application is required.	

PRACTICAL MEASURES

Corporate and Commercial

Action	Details	Solution	Comments
Review Existing Banking Facilities	Keep business forecasts under regular review to identify the likely impact on revenue streams, and whether there are likely to be any challenges in meeting repayment obligations, or financial covenants during any period of downturn.	If it appears likely that revenues will dip to such an extent that they will affect the ability to meet repayment terms or financial covenants will not be met, speak to your relationship director at an early stage to see what options are available to you, for example, whether covenant testing can be suspended, or covenants amended, and whether temporary changes to repayment terms can be accommodated.	They key thing is to open lines of communication early before the businesses' financial situation becomes critical to explore what options might be available.
Review Supplier & Customer Contracts	Review the terms of contracts under which you supply goods or services to your customers, or your suppliers supply good or services to you. Understand to what extent you (or the other contracting party) are able to continue to fulfil your (or their) contractual obligations, or whether government restrictions prevent or hinder performance, and what alternative options may be available to navigate some of the additional challenges currently being faced.	Acuity can provide tailored legal advice on the terms of your contracts.	The effect of COVID-19 and what this means for your customer and supplier relationships will vary depending on a number of factors, including: ▪ industry type; and ▪ the terms of the contract itself Depending on the precise terms of the contract, it may be possible to: ▪ have a longer period of time to perform contractual obligations; ▪ suspend performance of the contract; or ▪ terminate the contract. However, not all contracts contain express provisions to accommodate unforeseen circumstances or 'force majeure' events so different options – both commercial and legal – may need to be considered.

Changes to the insolvency laws	The Government has proposed changes to the insolvency laws to reduce the pressure on businesses in financial distress due to the Coronavirus outbreak. The proposed changes will include a temporary moratorium for businesses seeking a rescue or restructure, allowing them to continue to trade and access raw materials. A temporary suspension of unlawful trading has also been announced in order to reduce the threat of company directors incurring personal liability. The changes will operate retrospectively from 1 March 2020.	If your business is unable to meet its debts due to the impact of Coronavirus, the relaxation in the insolvency rules may offer you greater freedom to continue trading whilst seeking a restructure or rescue. Acuity can provide tailored legal advice on the insolvency rules to businesses and directors. Please get in touch with our restructuring team who will be able to talk you through the options available to you.	Full details of the changes will be made available in due course. Acuity will provide a full analysis of the revised rules once details have been confirmed.
Accounts Extension	If, immediately before the filing deadline, it becomes apparent that a company will not be able to file their accounts due to being affected by the outbreak, the company may make an application for an automatic and immediate 3 month extension to file its accounts.	All companies due to file accounts may apply. Applications can be made online here: https://beta.companieshouse.gov.uk/extensions	If Companies do not request an extension, then an automatic penalty will be imposed. Any appeals would then be dealt with under the existing Companies House guidance for appeals based on unforeseen ill health. Companies that have already extended their filing deadline, or shortened their accounting reference period, may not be eligible for an extension. Guidance can be found here: https://www.gov.uk/government/news/coronavirus-if-your-company-cannot-file-accounts-with-companies-house-on-time?utm_source=c2ba96c8-8dc3-4ec4-a459-79a056d29160&utm_medium=email&utm_campaign=govuk-notifications&utm_content=daily

Consider when / how to hold the Annual General Meeting	Consider whether to delay, postpone or adjourn a planned Annual General Meeting (AGM). For companies with their financial year end being 31 December, the deadline to hold the AGM will be 30 June in order to comply with UK legislation.	Consider whether it may be appropriate to hold a "hybrid" (a mixture of electronic and in-person attendance) or virtual AGM. These may be the only viable methods to hold an AGM if tighter restrictions on movement are enacted. Check the articles of association of the company to establish whether a virtual or "hybrid" AGM can be validly held. Acuity can assist with a review of constitutional documents to see whether these are a possibility.	We anticipate that the Government will look to relax the 6 month deadline to hold AGMs but in the meantime: ▪ communicate with shareholders as much as possible over the coming months so that they can find out about any changes to planned AGMs; and ▪ encourage early proxy submissions so that shareholders can vote on any resolutions proposed.
Consider force majeure contract clauses	Review the terms of contracts to see if any contain force majeure clauses and, if so, what the terms of any such clauses state. Understand the extent to which force majeure clauses will impact your contractual obligations and/or rights.	A force majeure clause expressly excuses a party from performance following the occurrence of certain events. It may be that a pandemic, such as COVID-19 (coronavirus), is covered under such clauses. All new contractual agreements need to be drafted proactively to take account of the impact of COVID-19 (coronavirus) and the impact that any future extraordinary issues such as future pandemics may have. Acuity can provide tailored legal advice on the terms of any force majeure contract clauses and the appropriate drafting of future contracts to cover such issues.	The burden of proving that performance is excused rests upon the party relying upon the force majeure clause. That party must prove that the event in question falls within the clause and that non-performance as caused by that event.

PRACTICAL MEASURES

Dispute Resolution

Action	Details	Solution	Comments
Consider government protection for tenants and insolvency proceedings for Landlords. **Be alive to lease terms, rights and obligations.**	**Assistance for tenants** The new Coronavirus Act 2020 sets out immediate protection for commercial tenants. **Assistance for Landlords** Notwithstanding this protection for tenants, landlords can still seek recourse against defaulting tenants by way of insolvency proceedings.	**Assistance for tenants** Landlords are prevented from forfeiting leases for rent arrears until 30 June 2020. The measures apply to any lease which falls under the definition of a business lease within Part 2 of the Landlord & Tenant Act 1954 (the Act). This covers all business tenancies, regardless of whether they have contracted out of the protection of the Act itself. There is no requirement for a tenant to demonstrate that the rent arrears have arisen due to COVID-19 (coronavirus). Tenants will still be liable for any unpaid rent after 30 June 2020. **Assistance for Landlords** It remains open for landlords to seek payments of unpaid debts, such as rent, by making formal demands or by issuing statutory demands. These could potentially result in winding up petitions against tenants who fail to pay their rent. Tenants may also be liable, in accordance with the terms of their lease, to pay the landlord's costs of pursuing rent arrears. Parties are encouraged to review the terms of	The terms of the Coronavirus Act 2020 will be welcomed by commercial tenants who have been hit quickly by the COVID-19 (coronavirus) pandemic and its correlating restrictions. Tenants should remember that they are still liable for their rent and should pay this as usual if this can be done. If they face financial hardship and struggle to do so, they should speak to their landlord to see if they can work together to put in place a voluntary rent payment scheme such as rent deferrals or holidays. The protection only applies to rent arrears. If the tenant is in breach of other covenants, such as repair, the usual steps can be taken to give notice and potentially forfeit the lease. Landlords should be alive to the possibility that tenants may go on strike over rent and should plan accordingly. Tenants should appreciate that in the absence of dialogue and working together to reach a common ground which could beyond the three month moratorium, short term gain, in the form of the time to pay delay, may result in a more rigid approach regarding the enforcement of contractual.

		their leases to ascertain the extent to which such terms, and other terms relating to the payment and recovery of rent, exist. Parties should also consider how much of their leases are left along with options to terminate. Acuity can advise on rights and obligations under leases along with insolvency proceedings and arrangements for the payment and recovery of rent.	
Consider the doctrine of frustration	Keep the contractual doctrine of frustration in mind when considering the effect of COVID-19 (coronavirus) on the enforceability of your contractual relationships and obligations and those of your customers.	The doctrine of frustration can be used to terminate a contract immediately upon the occurrence of an event or circumstances that are so serious and unforeseen that the law cannot justifiably expect a contract to continue. Acuity can provide tailored legal advice on the applicability of the doctrine of frustration.	The doctrine of frustration is complex, and the court will take into consideration several factors when determining whether the doctrine of frustration applies to a contact.
Review court correspondence / correspondence from Acuity Law regarding hearings	Review correspondence received from the court or correspondence from Acuity Law to see if your hearing is taking place and, if so, in what format.	Courts hearings are still taking place although, especially in the short term, there may be cancellations. Where court hearings are taking place, technology in the form of telephone, skype and video conferencing is being used as much as possible and attendances in person at court are only being ordered in the rarest of cases. Acuity Law will let you know if there are any changes to any upcoming hearings.	Parties are encouraged to contact the court if they have not heard from the court regarding any upcoming hearing and are concerned about whether they will be taking place or their format.

PRACTICAL MEASURES

Real Estate

Action	Details	Solution	Comments
Negotiations between Landlords and Tenants regarding rent payments	Tenants are approaching Landlords to ask for concessions to ease the financial impact of the COVID-19 outbreak. If Tenants are unable to reduce their liabilities then they could be pushed into insolvency. In particular it may be difficult for Tenants to pay quarterly in advance for a premises that is shut or where the Tenant is barely trading from the premises.	The effect of COVID-19 could have a significant impact on both Landlords and Tenants during the term of the lease. Acuity can review the terms of a lease and can look at options whether from a Landlord or Tenant perspective. Parties should look to open discussions as soon as possible	Landlords can take various actions against Tenants to enforce rent payments under the terms of the lease (although the Coronavirus Act includes provisions preventing Landlords from forfeiting for unpaid rent until June 30th 2020). Even so, it is likely to be beneficial to each party if they can reach an agreement. Parties may wish to consider agreeing one of the following: ▪ monthly rent as opposed to quarterly rent payments; ▪ rent holidays; or ▪ rent reductions. Leases do not allow for rent reductions or rent suspensions during the term of the lease unless insured damage has occurred. Any concessionary agreement should be recorded in the form of a side letter rather than agreed verbally or ignored altogether.

PRACTICAL MEASURES

Employment

Action	Details	Solution	Comments
Carrying Over Annual Leave	Workers will now be able to carry over up to four weeks' annual leave into the next two leave years, if they have not taken all of their statutory annual leave entitlement due to the Coronavirus outbreak.	The changes, which will amend the Working Time Regulations, seek to provide additional flexibility to businesses under pressure from the impacts of COVID-19. Acuity can provide tailored advice on what these changes mean for employers and their liability in relation to statutory annual leave entitlement.	
Business Closures	Local Authorities have been granted further powers to enforce business closures and to restrict movement and public gatherings until further notice. Businesses selling food or drink for consumption on the premises as well as various sports and leisure facilities are among those instructed to close their venues,	Under the new regulations many businesses have no choice but to close their premises and send their employees home. Where employees are willing and able to work employers closing their premises will still be obliged to pay them irrespective of whether they can work from home or not. Homeworking is recommended where possible and our employment team are able to work with businesses to update working from home and data protection policies to suit the current realities. Where homeworking is not possible employers may consider using the Coronavirus Job Retention Scheme but we would recommend contacting our employment team in advance to properly navigate the uncertainty and complexities surrounding this new scheme.	

	Reforms to the off-payroll working rules (**IR35**) due to come into force on 6 April 2020 have been deferred. The IR35 reforms are currently in draft form and set out in the Finance Bill 2019-21 and would extend the application of IR35 provisions set out in chapter 10 of the Income Tax (Earnings and Pensions) Act 2003 to medium and large clients in the private sector.	The reforms will now come into force on 6 April 2021.	Off-payroll working rules seek ensure that someone working like an employee, but through a limited company, pays broadly the same tax as an employee. The proposed reforms are designed to tackle non-compliance with the off-payroll working rules.
Right to Work Checks	Temporary amendments to "right to work" checks have been introduced to make it easier for employers to carry them out. Checks can now be carried out over video calls and applicants can send scanned documents or a photo of documents, rather than sending originals.	The Government has issued the following advice to those carrying out a right to work check: • Ask the worker to submit a scanned copy or a photo of their original documents via email or using a mobile app. • Arrange a video call with the worker – ask them to hold up the original documents to the camera and check them against the digital copy of the documents. • Record the date you made the check and mark it as "adjusted check undertaken on [insert date] due to COVID-19". • If the worker has a current Biometric Residence Permit or Biometric Residence Card or status under the EU Settlement Scheme you can use the online right to work checking service while doing a video call - the applicant must give you permission to view their details	

Gender Pay Gap Reporting	The Government Equalities Office (**GEO**) and the Equality and Human Rights Commission (**EHRC**) have suspended enforcement of the gender pay gap deadlines for this reporting year (2019/20).	The decision means there will be no expectation on employers to report their data for the reporting year 2019/2020.	