



# The Coronavirus Business Support Scheme

## Round 6

Applications open - 1<sup>st</sup> July to 13<sup>th</sup> August 2021

Qualifying period - April-May-June 2021

Supported period - July 2021

## Guidance

**ISSUED BY THE DEPARTMENT FOR ENTERPRISE**

**July 2021**

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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 amended in July 2020, with further amendments being made in October 2020, January, March and June 2021 to allow further funding rounds 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.

As border restrictions are eased and the Island's trading conditions are in short term transition, this sixth funding round of the Scheme is intended to be the final round offered. The payment value of £1,000 covers the single month of July 2021 and is intended to assist the businesses transition into normal trading conditions.

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](https://legislation.gov.im/cms/images/LEGISLATION/PRINCIPAL/2011/2011-0021/FinancialProvisionsandCurrencyAct2011_2.pdf)

The Tynwald Scheme can be found at [https://legislation.gov.im/cms/images/LEGISLATION/SUBORDINATE/2020/2020-0156/CoronavirusBusinessSupportScheme2020\\_7.pdf](https://legislation.gov.im/cms/images/LEGISLATION/SUBORDINATE/2020/2020-0156/CoronavirusBusinessSupportScheme2020_7.pdf)

The latest Treasury Notice regarding the Scheme can be found at [https://www.gov.im/media/1372053/treasury-notice-gc-2021\\_0032-final.pdf](https://www.gov.im/media/1372053/treasury-notice-gc-2021_0032-final.pdf)

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

Note that the Department provides other forms of grants and assistance, details of which can be found at [www.iomdfenterprise.im/financial-support](http://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](http://www.gov.im/businessenquiries)

**Important note.** 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.

**Important Note** - Payments made under this Scheme are treated as income for Income Tax purposes and should be included in your annual tax return as taxable income. For further details please refer to <https://www.gov.im/media/1372987/pn-216-21-taxation-of-covid-19-financial-support-published.pdf>

### 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 this update to the Scheme is to provide a further one months' support by way of financial assistance in the form of a single 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 in the relevant period and that more than 50% of their annual income is usually gained from tourism and travel related activities.

"Applicants" are defined (and subject to other eligibility criteria) 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).

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

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.

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.

**Important note** - Applications for this payment round will open on 1<sup>st</sup> July 2021 and close on 13<sup>th</sup> August 2021. Any issues with submitted applications must be resolved by 31<sup>st</sup> August 2021, failure to resolve issues by this date will result in the application being closed and no payment will be made.

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 offers financial support to eligible applicants in the form of a single grant payment of £1,000.

Tourist accommodation providers, with the exception of registered permanent camp sites without glamping facilities, 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 any employees other than the business owner(s), please visit the Department's **Coronavirus Recovery Scheme** web page.

## 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 purely 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.

### 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 in the period April, May, June 2021 due to ongoing border restrictions as a result of the COVID-19 pandemic compared to the same period in 2019.

**Important Note:** Any funding received during the period April, May and June 2021 through the following schemes must be included as turnover when applicants are determining whether the business has endured a 50% downturn in turnover when comparing this to the same period in 2019: -

- Coronavirus Business Support Scheme round 4;
- Coronavirus Business Support Scheme round 5;
- Coronavirus Circuit Break Lockdown 1 (January 2021) Scheme; and
- Coronavirus Circuit Break Lockdown 2 (March 2021) Scheme.

**Important Note** - Payments received under Manx Earnings Replacement Allowance (MERA) and the Salary Support Scheme (SSS) are not classified as income for the purposes of this Scheme.

**Important Note:** The Department may request evidence to verify that the application satisfies this condition by providing turnover figures for April, May and June in 2019, 2020 and 2021.

In the case of start-up businesses, which must have been in operation prior to 28th February 2020, an individual assessment will be made.

#### 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) Confirm that the business is their primary source of income;
- c) Declare that more than 50% of their annual income is gained from tourism and travel activities;
- d) 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;
- e) Have been in operation continuously for a period that commenced no later than 28<sup>th</sup> February 2020;
- f) Have annual profits or gains wholly or mainly from a relevant sector as set out in this guidance;
- g) 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. **Important note** - However, those applicants who engage with the Treasury to resolve their debts may be eligible for support. Applicants who may be in this situation are encouraged to apply and full tax/ITP/NI checks will be undertaken to determine the current status and eligibility; and
- h) Meet other Income Tax, NI and VAT compliance criteria.

Additional criteria specifically for self-employed applicants:

- i) Be a self-employed earner as defined by the Social Security Contributions and Benefits Act 1992<sup>1</sup>;
- j) 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;
- k) Have been in operation, in the capacity specified in (i) continuously for a period that commenced no later than 28<sup>th</sup> February 2020; and
- l) Derive his or her primary source of income, other than income which may be received via a pension entitlement, from an eligible sector.

**Important note** - Primary source of income is defined as one of the following: -

1. Only source of income; or
2. Main source of income; or
3. Income above £6,500.

**Important note** - If you have been previously declined a Coronavirus Business Support Scheme application due to not meeting the Treasury’s eligibility criteria, an application is encouraged to be submitted to enable the Treasury to re-assess the applicant’s eligibility.

**Important note** - Applicants who have been declined for one (or more) of the criteria listed above and who have not resolved the issue(s) will be declined in this funding round.

#### e) Eligible expenditure

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

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

## 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.

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](http://www.gov.im/businessenquiries)

All applications must be submitted via the online electronic application form which can be found at [www.iomdfenterprise.im/financial-support/funding/coronavirus-business-support-scheme/](http://www.iomdfenterprise.im/financial-support/funding/coronavirus-business-support-scheme/)

All applications must be submitted via the online electronic application form which can be found at - <https://www.iomdfenterprise.im/cbss>

Following receipt of a correctly completed and eligible application form, the Department will seek to process applications within approximately 3-5 working days of submission of the application. However, due to the potentially high demand levels for the Scheme and depending on the complexity of the application, the processing 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 total revenue figure for the period April, May and June 2021 (this figure must include any CBSS or CBL funding received during this time), and a total revenue figure for the period April, May and June 2019;
  - 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

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 5 working days following approval, with the payment runs usually being completed on Wednesdays. These may differ depending if there are any Bank Holidays or if demand dictates.

### e) Declined 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 10 working days of the date of notification of that decision.

An application may only be reviewed once.

Review requests should be either emailed to [enterprisesupport@gov.im](mailto:enterprisesupport@gov.im) or sent to:

The Coronavirus Business Support Scheme (Round 6) Manager,  
Department for Enterprise,  
St Georges Court,  
Upper Church Street,  
Douglas,  
Isle of Man  
IM1 1EX

## **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. The Department will answer all parliamentary questions and freedom of information requests in accordance with the Freedom of Information Act 2015 and the Data Protection Act 2018.

## **1.6 Application form**

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

The Application Form is available at [www.iomdfenterprise.im/financial-support/funding/coronavirus-business-support-scheme/](http://www.iomdfenterprise.im/financial-support/funding/coronavirus-business-support-scheme/)