



Isle of Man
Government



The Coronavirus Business Support Scheme

Guidance

ISSUED BY THE DEPARTMENT FOR 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 global 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-2020-0005-20200504.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 and loan payments are 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; or
- Undertake business improvement projects.

It is hoped that the support provided will help those businesses to continue trading during the current 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 the 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.

The provision of financial assistance is discretionary and the decision to provide assistance is based on the merits of each particular case.

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 grant or loan payment(s) to those businesses that meet the Scheme's eligibility criteria (Please refer to 1.3a) and which declare on the application form that the COVID-19 pandemic has financially affected their business.

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 (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 in future has the ability to support additional sectors, multiple funding rounds with varying amounts of support is potentially available.

Initially, the Scheme offers financial support to eligible businesses in the form of a grant payment of £3,000.

The Scheme allows for the business/self-employed person to mothball or temporarily cease trading in line with the Government issued guidance.

Important Note: it should be noted that self-employed applicants **will not** be able to apply for Manx Earnings Replacement Allowance (MERA) and anyone self-employed who has applied for MERA cannot apply for this Scheme. In addition self-employed applicants are not permitted to switch from CBSS to MERA and vice versa.

The Scheme has been recently enhanced to include payments to certain types of visitor accommodation providers, eligibility can be found at Appendix 1A of this guidance. Eligible tourism accommodation businesses may apply for both the £3,000 and the fixed rate assistance providing all eligibility criteria is met.

Support will only be provided to businesses and therefore public sector bodies, charities, sports organisations and not for profit organisations etc. are deemed ineligible.

1.3 Eligibility

Tourist Accommodation

For the purpose of the Scheme "Tourist Accommodation" means a business with income wholly or mainly from any of the premises specified in Schedule 4 to the Tourist Act 1975 (Appendix A) excluding temporary campsites and homestay. These businesses include: -

1. Any premises used for the lodging for reward of tourists or visitors.
2. Residential hotels.
3. Holiday hotels.
4. Private hotels.
5. Tourist inns.
6. Motor inns.

7. Road houses.
8. Guest houses.
9. Boarding houses.
10. Lodging houses.
11. Flats, flatlets or other rented accommodation used or intended to be used for accommodating tourists.
12. Holiday hostels.
13. Holiday camps.
14. Holiday villages.
15. Camping sites.
16. Caravan sites.

Eligible tourism business can apply for both £3,000 payment and the further assistance (fixed rate) which can be found in Appendix 1A of this guidance.

CATERING AND ENTERTAINMENT

“Catering and Entertainment” means a business with income wholly or mainly from: -

1. Carrying out any of the activities related to any stage of production, processing and distribution of food excluding large retailers¹ and farmers²
2. Premises which are registered with the Department of Environment, Food and Agriculture as a food business, such as coffee shops, cafes and restaurants;
3. Premises in respect of which a licence, granted under the Licensing Act 1995, is in force, such as bars, nightclubs and public houses, whether or not they serve food;
4. Parks, gardens, recreation grounds, playgrounds, public walks and pleasure grounds;
5. Indoor and outdoor leisure facilities consisting of gymnasia, swimming pools and other water facilities, skating rinks, tennis, squash and badminton courts, bowling centres, golf courses, dance studios, riding schools and other centres for sporting activities;
6. Sporting and recreational activities on inland and coastal waters;
7. Shooting, archery or similar activity;
8. Any theatre, concert hall, cinema, dance hall or other premises (including facilities in the open air) suitable for: -
 - (i) the giving of entertainments; or
 - (ii) the provision of amusements;
9. Premises and other facilities for the holding of conferences. Excluding non-permanent events and festivals.

TRAVEL AND TOUR OPERATORS

¹ any retailer that is liable to pay or will be liable to pay income tax at a 10% rate under the large retailers tax for the 2018/19 income tax year.

² unless value is added to the raw product.

“Travel and tour operators” means a business that has income wholly or mainly from the business of operating in the travel sector or as a tour or travel operator. Such businesses will include but are not limited to travel agents, coach operators, private car hire operators, car rental and taxi services but does not include shipping companies.

LOGISTICS

“Logistics” means a business with income wholly or mainly from the transport of goods within or to and from the Island including removal companies, haulage and freight operators.

RETAIL

“Retail” means a business carried on in the Island with income wholly or mainly from –

1. the retail sale of goods other than the sale of food;
2. a post office;
3. hairdressing or the provision of beauty treatments;
4. grooming of pets where no element of kennelling is provided;
5. a florist;
6. the hiring out of domestic or personal goods or articles; or
7. the reception of goods to be washed, cleaned or repaired;

This definition excludes large retailers.³

Important Note: in the case of the retail sector, an eligible business must have 26 or fewer full-time equivalent employees.

CONSTRUCTION

“Construction” means a business with income wholly or mainly from –

1. the erection, extension, alteration, maintenance or repair of a building;
2. the provision, extension or repair of windows, roof lights, roof windows, doors, air-conditioning units or systems, heating or hot water boilers, or hot water vessels;
3. the insertion of insulation material into a cavity wall of a building;
4. work involving the underpinning of a building;
5. work involving the erection of earth retaining structures;
6. work involving laying of any drain or private sewer in connection with a building, extension or repair to a building;
7. the conservation of fuel and power in buildings;
8. any other general construction work, whether on a building or not;
9. the designing of buildings;
10. managing the costs of a construction project through the calculation of the cost of the materials and labour necessary;

³ Large retailer is any retailer that is liable to pay or will be liable to pay income tax at a 10% rate under the large retailers tax for the 2018/19 income tax year.

- 11. the painting and decorating of houses, businesses or any other building; or
- 12. horticulture or the general care of gardens or grounds of a home, business concern, or other property.

EDUCATION

“Education” means a business with income wholly or mainly from the provision of giving systematic instruction to individuals to enable the acquisition of knowledge and/or skills by that individual. Including but not restricted to child care and nurseries.

ANIMAL CARE

“Animal Care” means a business carried on in the Island with income wholly or mainly from –

- (a) the keeping of animals in a boarding establishment which is licensed under the Animal Boarding Establishments (Isle of Man) Act 1973; or
- (b) the provision of a “day care” facility for animals.

COMMERICAL FISHING

“Commercial fisher” means a business or individual with income derived wholly or mainly from carrying out the capture of sea fish from a fishing vessel registered as such with the Isle of Man Ship Registry and in respect of which a valid Isle of Man Sea Fishing Licence has been issued by the Department of Environment Food and Agriculture.

As the pandemic situation develops, the list of eligible businesses may be increased to support additional sectors.

a) Eligible businesses

For all businesses, the following must be declared: -

- It was operating on 28th February 2020 and subsequently;
- It has been financially affected by loss of trade caused the COVID-19 pandemic;
- 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;
- The 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;
- For Tourist Accommodation, the premises/site is registered with the Department for Enterprise;
- It has one or more employees (which can be either full-time or part-time permanent employees) which can include the owner/a self-employed person (please see 1.3d for more eligibility criteria); and
- It has less than 100 employees (With the exception of the hotel sector) or in the case of the retail sector, 26 or fewer full-time equivalent employees.

The business must meet other Income Tax, NI and VAT compliance criteria.

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.

Only one application and payment per business in each round of funding will be permitted.

| Eligible Sectors | Self-Employed Person | More than 1 employee |
|--|----------------------|----------------------|
| Tourist Accommodation (can be more than 100 employees) | ✓ | ✓ |
| Catering & Entertainment | ✓ | ✓ |
| Travel & Tour Operators | ✓ | ✓ |
| Logistics | ✓ | ✓ |

| | | |
|---|---|---|
| Retail (less than 26 full time equivalent employees) | ✓ | ✓ |
| Construction (incl. horticulture, architects, quantity surveyors and painters/decorators) | ✓ | ✓ |
| Education | ✓ | ✓ |
| Animal Care | ✓ | ✓ |
| Commercial Fishing | ✓ | ✓ |

b) Eligible self-employment

In order to qualify for the Scheme and financial assistance, a self-employed person must -

- Be a self-employed earner as defined by the Social Security Contributions and Benefits Act 1992⁴;
- 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;
- Have been in operation, in the capacity specified in a), continuously for a period that commenced no later than 28th February 2020⁵;
- Have annual profits or gains wholly or mainly from a relevant sector as set out in these guidance;
- 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; and
- 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.

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 (e) and (f) apply to that person as though such a liability exists.

When considering whether a self-employed person meets condition (b) 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.

When considering whether a self-employed person meets condition (e) 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.

c) Eligible expenditure

The grant must be used for **businesses purposes** by the supported business. It is intended that the grant can be used in two broad ways a) to help alleviate cash flow issues and b) to undertake business improvement initiatives.

1.4 Application Process

⁴ <http://www.tynwald.org.im/links/tls/socsec/ss/SocialSecurityContributionsandBenefitsAct1992.pdf>

⁵ [http://www.tynwald.org.im/links/tls/socsec/ss/SocialSecurity\(Contributions\)Regulations2001.pdf](http://www.tynwald.org.im/links/tls/socsec/ss/SocialSecurity(Contributions)Regulations2001.pdf)

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

Applicants are encouraged to scan and email to enterprisesupport@gov.im, posting applications may reduce response times.

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

a) Information to be supplied

All applicants must provide: -

- A fully completed and signed CBSS1 application form including;
 - Company details;
 - Answers to all eligibility questions;
 - A declaration that the business is not in immediate danger of closing;
 - Details as to how the applicant would like to receive the funding. Preferably, and in the majority of cases, this should be via a business bank account, however cheque payments will be available; and
 - The Department's standard declarations.

b) Assessment criteria

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

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

c) Approval process

Once the Department has determined eligibility, the Department reserves the right to confirm the applicant's standing with regards to Income Tax, National Insurance and VAT with Treasury. If these checks are failed then the application will be rejected by the Department.

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 days following approval.

Cheque payments can also be made in exceptional circumstances. Please be aware that timescales for cheque payments will be longer than stated in 1.4.

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.

The applicant must clearly and concisely state the reasons for the review and provide any additional supporting information.

The Department must appoint a review 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.

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/coronavirus-bss-application-form>

Appendix 1A - Tourist Accommodation

1.1 Introduction

This Appendix provides specific guidance in respect of additional financial assistance available to eligible businesses or self-employed persons providing Tourist Accommodation, in accordance with paragraph 7 of the Coronavirus Business Support Scheme (“the Scheme”);

The information contained within this Appendix should be considered in addition to the general guidance on the Scheme published by the Department;

All general provisions of the Scheme guidance apply to applications made for financial assistance under this Appendix.

The Department will continually review the eligibility of accommodation types and retains the right to change the eligibility criteria at its discretion.

1.2 Purpose

The primary purpose of providing financial assistance to eligible Tourist Accommodation providers is to ensure the Island retains its strategic capacity in this key sector during the period impacted by COVID19 and subsequent emergency measures introduced by the Government. This is intended to assist a more rapid recovery as the situation improves.

By providing targeted financial assistance, the intent is that the strategic capacity of the Tourist Accommodation sector will be maintained during a period of little, or no, revenue. Thereby enabling those receiving this financial assistance to ensure that creditors within the local supply chain are paid and that support is provided towards the costs of maintaining strategically important accommodation stock and facilitating an orderly winding down of businesses over the affected period.

Eligible tourism accommodation businesses may apply for both the £3,000 (1.3 of the main guidance) and the fixed rate assistance providing all eligibility criteria is met.

1.3 Eligibility

a) Eligible Premises

The following types of Tourist Accommodation are eligible for financial support as set out in this appendix provided they are graded at 3* or above, accredited or highly accredited and registered with the Department before 28th February 2020 in accordance with the regulations made under the Tourist Act 1975:

- Hotels;
- Guest Houses;
- Guest Accommodation;
- Bed and Breakfasts;
- Serviced Apartments;
- Inns;
- Farmhouses;
- Self-Catering properties;
- Permanent Glamping Sites (Permanent Campsites offering a majority or wholly of Glamping Accommodation); and
- Hostels.

b) Ineligible Premises

The following types of Tourist Accommodation are currently not eligible for financial support:

- Temporary and permanent camping sites;
- Temporary Glamping sites (temporary campsites offerings Glamping Accommodation);
- Homestay accommodation;
- Any other form of serviced or non-serviced accommodation which is graded at 2* or below; and
- Premises on the tourist Accommodation register that are demonstrably operating as Houses of Multiple Occupancy (HMOs) - The Department reserves the right to inspect premises in this regard.

1.4 Financial Assistance

For eligible premises, the level of financial assistance available will vary depending on the accommodation type and quality rating. The rate of financial assistance payable will be based on a payment made per room, per day covering a period of 91 days for the period from 1st April 2020 to 30th June 2020. The applicable rates are set out in Table 1 below:

Table 1.

| Accommodation Type | Star | Rate (Per room or glamping unit, per day) |
|---|------|---|
| Hotel | 4* | £ 21.25 |
| | 3* | £ 14.17 |
| Guest Houses, Bed and Breakfasts, Guest Accommodation, Serviced Apartments, Inns and Farmhouses | 4* | £ 14.17 |
| | 3* | £ 7.08 |
| Self-Catering, Permanent Glamping Sites (permanent campsites offering Glamping accommodation) and Hostels | 4* | £ 5.00 |
| | 3* | £ 5.00 |

| | | |
|--|--------------------------|--------------|
| | Highly Accredited | £5.00 |
| | Accredited | £5.00 |

For example a 4* hotel may have 25 rooms, therefore the support would be calculated as follows = 25 rooms x £21.25 day funding rate x 91 days = £48,343.75.

1.5 Information Required

As part of the application, applicants must provide full details of:

- Their current creditors, including providing a detailed breakdown of existing customer deposits and monies held, or owed, within the local supply chain (i.e. suppliers or travel and tour operators operating in the Isle of Man);
- A breakdown of specific costs in respect of ‘mothballing’ the business to the end of June 2020 (i.e. ongoing overheads, minimum staffing costs, costs of financing, rents, rates, utilities, security etc.); and
- A summary of deposits and advance payments held for bookings for the period 1st April to 30th June 2020;

The Department reserves the right to request additional financial information where it sees fit.

It will be a condition of receiving financial assistance, that eligible businesses must make a commitment to make payments in respect of all of their existing debts within the local supply chain.

The Department will require evidence of these payments having been made before any further assistance may be considered.

The business must declare that: -

- It has been financially affected by loss of trade caused the COVID-19 pandemic;
- It was legally registered as a Tourist premises on 28th February 2020 and subsequently;
- 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; to resume trading once conditions permit.
- The business does not have any overdue payments of more than 3 months relating to Income Tax, National Insurance and VAT.

The Department will collate the information gathered as part of the application process, in order to fully understand the full financial position of the Tourist Accommodation sector. This will help inform consideration of any further financial assistance that may be required.

1.6 Application Process

Due to the high number of potential applicants, it will not be possible for the Department to contact all potentially eligible applicants. 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 an application;

Businesses who are unsure of their eligibility, should, in the first instance contact the Department by emailing accommodation.dfe@gov.im

Following receipt of a correctly completed and eligible application form, the Department will seek to process applications within 5 working days. However, due to the unprecedented demand levels for financial support at this time, this period may be extended.

All applications must be submitted using the relevant form as published by the Department. All application forms must be fully completed.

a) Approval process

Once the Department has determined eligibility, the Department reserves the right to confirm the applicant's standing with regards to Income Tax, National Insurance and VAT with Treasury.

b) Payment

The Department will authorise the payment to be made. All payments will usually be made into the applicant's bank account approximately 1-2 days following approval.

Cheque payments can also be made in exceptional circumstances. Please be aware that timescales for cheque payments will be longer than stated above.

c) 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.

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

An application may only be reviewed once.

The applicant must clearly and concisely state the reasons for the review and provide any additional supporting information.

The Department will appoint a Review 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.

1.7 Application form

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

Applicants should read the guidelines before submitting an application to the Department. Queries should be emailed to accommodation.dfe@gov.im