

# CORONAVIRUS BUSINESS INTERRUPTION LOAN SCHEME (CBILS)

## WHAT IS CBILS?

CBILS is designed to support the continued provision of finance to UK smaller businesses (SMEs) who are experiencing lost or deferred revenues, leading to disruptions to their cashflow as a result of the Covid-19 outbreak.

It supports a wide range of business finance products, including term loans, overdrafts, invoice finance and asset finance facilities.

The scheme provides the lender with a government-backed guarantee, potentially **enabling a 'no' credit decision from a lender to become a 'yes'**. **Note:** The borrower remains fully liable for the debt.

From 6 April 2020, access to the scheme has been opened up to those smaller businesses who would have previously met the requirements for a commercial facility but would not have been eligible for CBILS.

**Note:** Insufficient security is no longer a condition to access the scheme.

There are no guarantee fees for SMEs to access the scheme. The Government will make a Business Interruption Payment to cover the first 12 months of interest payments and any lender-levied fees<sup>1</sup>, so smaller businesses will benefit from no upfront costs and lower initial repayments<sup>2</sup>.

<sup>1</sup>Following earlier discussions with the banking industry, some lenders indicated that they would not charge arrangement fees or early repayment charges to SMEs borrowing under the scheme. HM Government greatly appreciates this approach by lenders.

<sup>2</sup>Fishery, aquaculture and agriculture businesses may not qualify for the full interest and fee payment.

## HOW DO I APPLY FOR A CBILS-SUPPORTED FACILITY?

