



Burgis & Bullock
Chartered Accountants

BOUNCE BACK LOANS

100% Government backed loans

For SMEs

28th April 2020



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On 27 April, the UK Government announced a new loan scheme aimed at supporting SMEs that have been unable, or unwilling to access the existing CBILS loans

The new microbusiness loan scheme will open next Monday, May 4 and will deliver cash to successful applicants within 24 hours. Although we don't currently know the exact criteria for accessing the loans, with more detail expected this week, we do know:

- Businesses will be able to borrow between £2,000 and £50,000 and access the cash within days
- Loans will be for up to 6 years with no repayments for the first 12 months
- Loans will also be interest free for the first 12 months, and businesses can apply online through a short and simple form

The microbusiness Bounce Back Loans scheme is capped at 25% of turnover and promises a streamlined application process involving no more than two pages of questions.

Loans will be administered by existing lenders in the same way as the CBILS loans previously announced, although it is anticipated that the 100% Government Guarantee will make the process easier and release of funds much faster than has been the case with CBILS.

In order to qualify a business must:

- be based in the UK
- have been negatively affected by coronavirus
- was not an 'undertaking in difficulty' on 31 December 2019

You cannot apply for a Bounce Back loan if already claiming under the CBILS scheme, however if a business has a CBILS loan of < £50,000 this can be transferred to a Bounce Back loan by speaking with your lender before 4th November 2020.

The speed at which the economy recovers will be largely dependent on the resilience of the country's SME businesses and it is hoped that this scheme will help plug one of the major gaps in support previously announced.

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