

UK Chancellor's latest measures in response to COVID-19

Tax Talks Blog on **March 17, 2020**

In addition to the measures announced in last week's UK Budget 2020 (as we reported in our Tax Talks blog of 16 March 2020 [The UK Budget and Coronavirus](#)), at the UK Prime Minister's daily briefing today the UK Chancellor announced further measures to support businesses affected by coronavirus (COVID-19).

The Treasury will make available £330 billion of government-backed loans to businesses, equivalent to 15 per cent of UK GDP. The Chancellor announced that this funding will be delivered through two main schemes intended to be up and running by the start of next week:

1. for larger firms a facility has been agreed with the Bank of England to provide liquidity; and
2. for SMEs the business interruption loan scheme announced in last week's Budget is extended so that loans of up to £5 million will be provided (rather than the £1.2 million announced previously) with no interest due for the first 6 months.

The Chancellor also announced that businesses in the retail, leisure and hospitality sectors with a rateable value of less than £51,000 will receive a cash grant of up to £25,000. The business rate holiday announced in last week's Budget is extended so that all businesses in the retail, leisure and hospitality sectors can avail of it, irrespective of their rateable value. Additionally, the 700,000 smallest businesses will be eligible for a £10,000 cash grant.

Proskauer's cross-disciplinary, cross-jurisdictional Coronavirus Response Team is focused on supporting and addressing client concerns. Visit our [Coronavirus Resource Center](#) for guidance on risk management measures, practical steps businesses can take and resources to help manage ongoing operations.

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