

Covid-19 Tax & Financial updates

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Welcome

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Covid-19 Wage Subsidy



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Major Recent Changes to Covid-19 Wage Subsidy

OPERATIONAL PHASE – FROM 4TH MAY

- Subsidy is calculated on the basis of Average Revenue Net Weekly Pay (“ARNWP”) in the period to the end of February 2020.
- Only available where net pay (including subsidy) falls below €960 per week.
- Subsidy is 85% of ARNWP, where base ARNWP less than €500, capped at €350.
- Subsidy is 70% of ARNWP, where base ARNWP between €500 and €586, capped at €410.
- Subsidy is €350 where base ARNWP exceeded €586 and pay reduced by 40%.
- Subsidy is €205 where base ARNWP exceeded €586 and pay reduced by 20%.
- Subsidy cannot bring pay (employer contribution + subsidy) above base ARNWP or €960, whichever is the lesser. Only exception is where pay (employer contribution + subsidy) is less than €350.
- No subsidy unless (a) new pay reduced by at least 20% and (b) new gross pay (including subsidy) is less than €960. Subsidy reduced by any excess over €960.

What is the Covid-19 Wage Subsidy?

- The Temporary Wage Subsidy Scheme (TWSS) is a scheme introduced to assist employees, who are retained on their employers payroll to receive significant supports through the payroll system.
- The subsidy is expected to be topped up unless an employer is not in a position to do so.
- Initial scheme duration is 12 weeks from 26 March.
- Employers make this special payment to their employees via their normal payroll process.
- Employers are then reimbursed by Revenue, in general, within 2 days of receipt of the payroll submission.

What is an Eligible Employer?

- The scheme is open to impacted employers in all sectors.
- To qualify, employers must self-declare to Revenue that they have,
 - (i) experienced significant negative economic disruption,
 - (ii) demonstrate a minimum of 25% decline in turnover, or customer orders,
 - (iii) an inability to pay normal wages and other outgoings, and
 - (iv) retain employees on their payroll.
- The scheme applies to employees of the employer at 29 February 2020, and for whom a payroll submission has already been made to Revenue in the period to 15 March 2020.
- The names of all employers operating this scheme **will be published** on Revenue's website.

How do I apply for the scheme?

Employers can apply to Revenue by carrying out the following steps:

1. Log on to ROS 'myEnquiries' and select the category 'COVID-19: Temporary Wage Subsidy';
2. Read the "COVID-19: Temporary Wage Subsidy Self-Declaration" and press the 'Submit' button.
3. Ensure bank account details on Revenue record are correct. These can be checked in ROS and in 'Manage bank accounts', 'Manage EFT', enter the refund bank account that the refund is to be made to.
4. Please stress the importance of entering a Bank Account see Notes below

How is the scheme operated?

Employers will be reimbursed by Revenue via the payroll process, within two working days after receipt of the payroll submission.

1

Income tax and USC will not be applied to the subsidy payment. Income tax and USC will apply to any top up payments made by the employers.

2

Employee PRSI will not apply to the subsidy or any top up payment by the employer.

3

Employers PRSI will not apply to the subsidy and a reduced rate from 11.05% to 0.5% will apply on the top up payment.

4

Employers must **not** operate this scheme for any employee who is making a claim for duplicate support (e.g. [the Pandemic Unemployment Payment](#)) from the Department of Employment Affairs and Social Protection.

5

The Subsidy **will be liable to Income Tax and USC on review at the end of the year**. Not clear yet how this will be collected from the employee, either direct or through payroll

6

DETAILS OF THE SCHEME ARE CONTINUALLY EVOLVING AS QUERIES RAISED



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What's new for High Earners?

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Covid-19 Wage Subsidy from 16th April 2020

EMPLOYEES WHO HAVE TAKEN PAY CUT BELOW €960 NET PER WEEK

- Subsidy will apply where the employee has taken a pay cut, which would mean their current Average Revenue Net Weekly Pay (“ARNWP”) has fallen, below €960 per week.
- Subsidy available as follows:
 - (i) If net pay reduction is more than 20% then a subsidy of up to €205 is payable,
 - (ii) If net pay reduction is more than 40% a subsidy of up to €350 is payable.
- To calculate which subsidy is payable, current gross top-up will be compared with ARNWP for January/February.
- This subsidy will be tapered to ensure total pay (gross top-up + subsidy) does not exceed €960 net per week.

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Steps

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Practical Steps

1. Determine ARNWP for January/ February
2. Apply pay-cut to reduce gross pay below €960 per week
3. Apply pay-cut % to determine subsidy rate, i.e. €205/€350
4. Max subsidy available is difference between €960 and new gross pay.

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Calculation for weekly paid
(Assumes no tax or USC refunds)

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Annual Salary €	Estimated Average Revenue Weekly Net Pay (ARWNP) €	% Net Pay Reduction	Employers Additional Payment €	Subsidy Due, Based on % Reduction €	Reduction in Subsidy €	Tapered Subsidy Available €	Gross Pay + Subsidy €
76,000	961	20.0%	769	205	14	191	960
80,000	998	20.0%	798	205	43	162	960
85,000	1,044	20.0%	835	205	80	125	960
90,000	1,090	20.0%	872	205	117	88	960
95,000	1,137	21.0%	898	205	143	62	960
100,000	1,183	25.0%	887	205	132	73	960
105,000	1,229	28.5%	879	205	124	81	960
110,000	1,275	32.0%	867	205	112	93	960
115,000	1,321	35.0%	859	205	104	101	960
120,000	1,367	37.5%	854	205	99	106	960
125,000	1,414	40.0%	848	350	238	112	960



Annual Salary €	Estimated Average Revenue Weekly Net Pay (ARWNP) €	% Net Pay Reduction	Employers Additional Payment €	Subsidy Due, Based on % Reduction €	Reduction in Subsidy €	Tapered Subsidy Available €	Gross Pay + Subsidy €
76,000	961	20.0%	769	205	14	191	960
76,000	961	40.0%	577	350	0	350	927
95,000	1,137	20.0%	910	205	155	50	960
95,000	1,137	40.0%	682	350	72	278	960
95,000	1,137	50.0%	568	350	0	350	918
120,000	1,367	20%	1,094	0	0	0	1,094
120,000	1,367	35%	888	205	133	72	960
120,000	1,367	40%	820	350	210	140	960
120,000	1,367	60%	547	350	0	350	897

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Calculation for Monthly paid
(Assumes no tax or USC refunds)

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Annual Salary €	Estimated Average Revenue Weekly Net Pay (ARWNP) €	% Net Pay Reduction	Employers Additional Payment €	Subsidy Due, Based on % Reduction €	Reduction in Subsidy €	Tapered Subsidy Available €	Gross Pay + Subsidy €
76,000	4,165	20.0%	3,332	888.33	60	828	4,160
80,000	4,325	20.0%	3,460	888.33	188	700	4,160
85,000	4,525	20.0%	3,620	888.33	348	540	4,160
90,000	4,725	20.0%	3,780	888.33	508	380	4,160
95,000	4,925	21.0%	3,891	888.33	619	269	4,160
100,000	5,125	25.0%	3,844	888.33	572	316	4,160
105,000	5,325	28.5%	3,807	888.33	536	353	4,160
110,000	5,525	32.0%	3,757	888.33	485	403	4,160
115,000	5,725	35.0%	3,721	888.33	450	439	4,160
120,000	5,925	37.5%	3,703	888.33	431	457	4,160
125,000	6,125	40.0%	3,675	1516.67	1,032	485	4,160

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How do the calculations work from 4th **MAY**?

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Covid-19 Wage Subsidy from 4 May 2020

Employees with net pay less than €586 per week (circa €38,000pa) - Tiered approach

Previous average net weekly pay	Weekly Subsidy available
Less than €412 per week (circa €24,400pa)	85% of ARNWP
€412 to €500 per week (circa €24,400 to €31,000 pa)	Up to 85% capped at €350
€500 to €586 per week (circa €31,000 to €38,000pa)	70% of ARNWP up to maximum of €410

Covid-19 Wage Subsidy from 4 May 2020

Employees with net pay greater than €586 per week (circa €38,000pa)

Tiered approach - Maximum subsidy of €350 per week

Gross top up amount paid by employer	Subsidy available
Up to 60% of average net weekly pay	Up to €350
Between 60% and 80% of average net weekly pay	Up to €205
Over 80% of employee's previous average net weekly pay or €960	NO SUBSIDY

Illustration – Average Weekly Net Pay less than €500

Where Average Weekly Net ('ARNWP') pay is €500 or less

- Process 85% of ARNWP pay as a non-taxable element, up to a maximum of €350
- Process the top-up payment, to bring the total pay to no more than the greater of ARNWP or €350

Example:

ARNWP pay	€400
Subsidy available (85% of €400)	€340
Maximum top-up (to equal ARNWP)	€60

- A minimum top-up of 1c must be entered to submit payroll. Top-up added to Subsidy cannot exceed the ARNWP. Tax impact may bring this below base ARNWP.

Illustration – Average Weekly Net Pay of €500 to €586

Where Average Weekly Net ('ARNWP') pay is from €500 to €586

- Process 70% of ARNWP pay as a non-taxable element, up to a maximum of €410
- Process the top-up payment, to bring the total pay to no more than the maximum of ARNWP

Example:

ARNWP pay	€550
Subsidy available (70% of €550)	€385
Maximum top-up (to equal ARNWP)	€165

- A minimum top-up of 1c must be entered to submit payroll. Top-up added to Subsidy cannot exceed the ARNWP. Tax impact may bring this below base ARNWP.

Illustration – Average Weekly Net Pay greater than €586

Where ARNWP pay is greater than €586 but less than €960 & **Top-up up to 60% of ARNWP**

- Process a subsidy of €350 as a non-taxable element
- If gross pay (subsidy plus top-up paid by employer) exceeds ARNWP, the excess will be clawed back by Revenue

Example:

ARNWP pay	€850
Subsidy available	€350
Maximum top-up (up to max 60% ARNWP)	€500

- A minimum top-up of 1c must be entered to submit payroll. Tax deducted on top-up will bring amount received below base ARNWP.
- If a gross top greater than 60% applied (i.e. greater than €510) the maximum subsidy available is up to €205.

Illustration – Average Weekly Net Pay greater than €586

Where ARNWP is greater than €586 but less than €960 & **Top-up between 60% to 80% of ARNWP**

- Process a subsidy of up to €205 as a non-taxable element
- If gross pay (subsidy plus top-up paid by employer) exceeds ARNWP, the excess will be clawed back by Revenue

Example:

ARNWP pay	€900
Subsidy available	€205
Maximum top-up (60% - 80% ARNWP)	€695

- A minimum top-up of 1c must be entered to submit payroll. Tax deducted on top-up will bring amount received below base ARNWP.
- If a gross top greater than 80% applied (i.e. greater than €720) no subsidy is available.



Illustration – Average Weekly Net Pay greater than €960

Where ARNWP is greater than €960 & current “gross” pay has fallen below €960 per week.

- Determine level of subsidy available and process a subsidy as a non-taxable element
- If gross pay (subsidy plus top-up paid by employer) exceeds ARNWP, the excess will be clawed back by Revenue

Example:

ARNWP	€1,200
Current employer contribution	€800
% Reduction	33%
Maximum Subsidy	€205
Subsidy Available (to bring pay to €960)	€160

- A minimum top-up of 1c must be entered to submit payroll. Tax deducted on top-up will bring amount received below base ARNWP.

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What records will Revenue require ?

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Revenue will focus on business records, having regard to the nature and scale of the business, that should normally be readily available for such a business.

Examples of such proofs are listed. Revenue is open to considering other relevant evidence

Documentation supporting employers rationale for the fall in turnover/orders of at least 25%;

Income/ turnover projections for Q2 2020

Actual income/ turnover for comparative period(s)

Turnover decline can be determined at company level/ business division level;

Cash-flows/ budgets based on projections for the business in absence of Covid-19 Pandemic compared with final Q2 2020;

Correspondence with Revenue to agree forbearance measures in respect of tax liabilities

Cont'd

Documentation submitted to a financial institution as part of the negotiation of forbearance measures with the financial institution

Notifications or communications to employees or Trade Unions or staff representative bodies of salary/wage cuts implemented as a direct result of the COVID-19 pandemic.

Documentation that show that any cash reserves in the business that are required to fund debt or to fund other business commitments and expansion plans. See FAQ

Evidence of reliance on the Government Credit Guarantee Scheme or overdraft facilities or other borrowings for capital purposes

In the case of start-up businesses, for example, evidence of a decline in investment by at least 25% arising from the COVID-19 crisis.

Note: This list is intended to be illustrative rather than exhaustive



Things to note

1

Revenue are currently working with the payroll software providers to have the payroll software updated to operate the scheme. You should contact your software provider to ensure you receive and can apply the upgrade.

2

In Phase 1 of the scheme being up to no later than **4th May** 2020 Employers will receive €410 regardless of the subsidy payable for the employee. The over payment will be due to be refunded to the Revenue in the future. In Phase 2 of the scheme the actual amount of the subsidy will be the amount refunded to the employer.

3

Ensure the employer bank account details on ROS for EFT is correct, this can be different to the RDI bank account details entered for payment of your normal PAYE.

3

When reconciling the refunds made to Employers, Revenue will use the Average Net Weekly Pay to determine the refund value amount for each employee. If an employer uses a value other than the Average Net Weekly Pay to determine the employee's subsidy payment, then the employer may find it difficult to reconcile the payments made to employees with the subsidy amount refunded as determined by Revenue.

4

If the employer chooses to make additional top up payments to fully or partially make up the difference between the amount provided by the subsidy scheme and the employee's normal average net weekly pay, such additional payments are regarded as gross payments (and cannot be regrossed) and are liable to Income Tax and USC. If the gross top up made is greater than the difference allowed by the scheme then the subsidy value refunded to the employer will be reduced by the excess amount when a reconciliation is performed by Revenue.

Contact us – COVID-19 Team

We are available to answer your questions or queries 24/7



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COVID-19: Update on expansion of business supports from EI, ISIF, SBCI, and LEO/MFI



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Summary of key EI, ISIF, SBCI, and LEO/MFI Supports

Key supports available

The government has announced the introduction of additional funding to help businesses cope with the liquidity challenges posed by the Covid-19 restrictions, including:



Enterprise Ireland Business Financial Planning Grant



Enterprise Ireland Lean Business Continuity Voucher



Enterprise Ireland Online Retail Scheme



Enterprise Ireland Sustaining Enterprise Fund (SEF) (€180m); EI SEF – Small Enterprises



Ireland Strategic Investment Fund (ISIF) Pandemic Stabilisation and Recovery Fund (€2bn)



SBCI Working Capital Loan (€450m available)



SBCI Future Growth Finance Loan (€200m available)



SBCI Credit Guarantee Scheme



Local Enterprise Office Supports and MicroFinance Ireland Loan





EI Supports Summary

Overview



Key Supports Summarised in the following slides

-  Enterprise Ireland Business Financial Planning Grant
-  Enterprise Ireland Lean Business Continuity Voucher
-  Enterprise Ireland Online Retail Scheme
-  Enterprise Ireland Sustaining Enterprise Fund (€180m)
-  Enterprise Ireland Sustaining Enterprise Fund for Small Enterprises

In addition to the existing Innovation, Market Diversification and Competitiveness supports available, other Covid19 Enterprise Ireland supports include:

- ✓ Strategic Consultancy Grant
- ✓ Covid-19 Act On Supports
- ✓ Key Manager Grant
- ✓ Business Process Improvement Grant
- ✓ Rapid Response Research & Innovation Funding



EI Business Financial Planning Grant

Overview



Features

- Strategic intervention for companies to work with third party consultants to prepare a detailed financial and business plan with forecasts and assumptions.
- Grant up to €5,000 (ex. VAT) to cover related consultant expenses (max. €900 per day).

Uses cases

- ✓ Engage an external financial advisor to:
 - ✓ Understand immediate liquidity issues;
 - ✓ Create 3 year financial plan to secure external finance; and
 - ✓ Develop framework to manage the finances of the business and mitigate the effects of the current crisis.
- ✗ Expenditure incurred prior to the date of receipt of application in Enterprise Ireland.
- ✗ General consultant expenses.
- ✗ Sales related expenses, trade fair participation costs.
- ✗ Any internal costs of the company (e.g. salaries & overheads).

Available to

- ✓ All Enterprise Ireland and IDA clients as well as other businesses that operate in manufacturing or internationally traded services that employ 10 or more full time employees:
 - ✓ Business must have been viable as at 31 December 2019
 - ✓ Materially impacted by the Covid-19 outbreak



EI Business Financial Planning Grant

Output report



Enterprise Ireland require the following submissions at the conclusion of the assignment. We are advising eligible clients to start preparing available information and avail of this grant:

- Completed **Output Report** including responses to a number of qualitative questions about the business;
- Completed **Financial Data Sheet** (“FDS”) which summarises the company’s recent trading and projected cash flow;
- **3-Year company financial plan** which underpins the projected figures in the FDS;
- A **cash flow statement** covering the previous 12 months;
- A **weekly cash flow projection** to cover the initial 3 months of the business plan;
- Last **3 years audited financial statements**;
- Personnel organisational charts;
- **Latest management pack** (monthly P&L, Balance Sheet and cash flow statement) – less than 3 months old;
- The projected **sales pipeline** including indication of status of orders;
- Details of existing **borrowing commitments**.
- Current **Trade Debtors** and **Trade Creditors** listings
- A **declaration of viability** pre Covid-19 i.e. as at 31 December 2019;
- Evidence the business has been negatively impacted by Covid-19 (>15% decrease in revenue or profits);
- Group structure and capitalisation table.



El Lean Business Continuity Voucher



Overview

Features

- Strategic intervention for third party consultants for training or advisory services support related to the continued operation of their businesses during the current pandemic.
- Grant up to €2,500 (ex. VAT) to cover related consultant expenses (max. €900 per day).
- One per company to a maximum of 3 for distinct operations
- Many businesses seeking to combine this voucher with the Business Financial Planning Grant

Uses cases

- ✓ Engage from approved providers (from EI's approved directory list) to focus on Operations of the company in terms of:
 - ✓ Crisis response where appropriate,
 - ✓ Sustaining Operations including process re-engineering (Lean, etc),
 - ✓ Planning for resilience post crisis.
- ✓ Short term delivery at a maximum of 6 weeks and anticipated to be delivered online

Available to

- ✓ All Enterprise Ireland and Údarás.
- ✗ Existing IDA & Local Enterprise Ireland clients (as well as companies employing up to 50 people) may qualify for alternative supports

You apply via the [Enterprise Ireland Online Application System](https://www.enterpriseireland.com/en/Productivity/Lean-Business-Offer/Lean-Business-Continuity-Voucher.html)

Eligible costs**

- Reduced cash flow management
- Risk assessments for continuity
- Management of people through a crisis
- Management of sub contractors & suppliers
- Preparing for ramp up post crisis
- Crisis management
- Coaching / mentor support for leaders / staff
- Aiding in preparation for external assessment

**** General consultancy such as market research or project implementation are deemed ineligible costs**

<https://www.enterpriseireland.com/en/Productivity/Lean-Business-Offer/Lean-Business-Continuity-Voucher.html>



DBEI - EI Covid-19 Online Retail Scheme



Overview

<https://www.enterprise-ireland.com/en/funding-supports/online-retail/online-retail-scheme/online-retail-scheme.html>

Features

- Develop Irish retailers' online capability in order to sustain the sector through the current crisis
- Encourage the sector to develop a more competitive online offer, that will enable an increase in their customer base and enhance resilience
- Initial Fund size of €2m
- Competitive process

Funding

- ✓ 80% grant up to a maximum €50k spend (€40k grant)
- ✓ Includes salary costs of project champion, fees of service provider to develop a digital strategy & enhance the company's online presence and back-end systems

Eligibility

- ✓ Irish-owned retailers employing > 10 full-time equivalent employees on 29/2/20
- ✓ Must have an existing online presence (website or social media)
- ✓ Must have a retail outlet and derive the majority of revenue from the retail outlet(s)
- ✓ Projects should show ambition to export in future
- ✓ Minimum expenditure of €12,500 (€10,000 grant) (50% can include salary costs)
- ✗ Excludes: franchisees, hotels, restaurants, pubs, primary agricultural producers, gambling



DBEI - EI Covid-19 Online Retail Scheme



Application

Enterprise Ireland have included very detailed guidance on this scheme on their website. We are advising all eligible retailers to review this in detail and begin preparing the information needed to avail of this grant:

Submission

- Deadline of Wednesday 20th May for submissions
- Well thought out plan
- Demonstrate the need for funding
- Impact of the project on your business
- Internal resources – project champion
- Latest set of statutory accounts (not > 2 years old)

Evaluation

- Quality of the proposal and the potential impact on the business – **40%**
- Impact of proposed changes on the competitive position and viability of the company – **40%**
- Ambition to internationalise the business – **10%**
- Company's financial track record – **10%**



EU Sustaining Enterprise Fund (SEF)

Overview



Features

- Up to €800k per enterprise.
- Annual administration fee of 4%.
- The funding to be repaid as follows:
 - 3-year grace period
 - Repayment by the end of year 5, on successful achievement of the project objective.

Fund overview

- Enterprise Ireland has a new fund to provide manufacturing and internationally traded services companies with capital to help stabilise and rebuild their businesses.
- Businesses qualifying under this EU-supported scheme will be offered a repayable advance of up to €800,000.

Available to

- ✓ Micro, SMEs, and Small MidCap enterprises that:
 - ✓ Have been impacted by a 15% or greater reduction in actual or projected turnover or profit, and/or a have significant increase in costs as a result of the Covid-19 outbreak;
 - ✓ Have fewer than 500 employees, but more than 10.
 - ✓ Operating in the manufacturing and internationally traded services sectors;
 - ✓ Company must have applied for and have been unable to raise sufficient funding from other sources;
 - ✓ Is a viable business.



El Sustaining Enterprise Fund – Small Enterprises



Overview

Features

- Businesses with less than €5m in annual turnover.
- Funds available
 - **Up to €25k** for turnover < €1.5m
 - **Up to €50k** for turnover between €1.5m and €5m.
- Payment in the form of a repayable advance.
- No repayments for first 3 years, with full repayment by Year 5.
- 4% annual administration fee.

Fund overview

- Goal: Sustain eligible manufacturing and internationally traded services companies:
 - who have been impacted by a 15 per cent or more reduction in actual or projected turnover or profit; and
 - require access to liquidity to sustain business continuity

Available to

- ✓ Manufacturing and internationally traded service companies with:
 - ✓ 10 or more full-time people (as at 29 Feb 2020)
 - ✓ Annual **turnover not exceeding €5 million**
 - ✓ Suffered, or be projected to suffer, a **15 per cent or more reduction in actual or projected turnover or profit** as a result of COVID-19 outbreak
 - ✓ Engaged with financial institution on financing needs to sustain the business through the short and medium term
- ✗ Business that were in financial difficulty on 31 December 2019
- ✗ Operate in coal, steel, fishery, or aquaculture sectors



ISIF Pandemic Stabilisation and Recovery Fund



Overview – Refer for detail: <https://isif.ie/pandemic-stabilisation-and-recovery-fund>

Features

- Available to Medium to Large Enterprises.
- Capacity for long-term investment horizon.
- Ability to bring advice to board and work with co-investors.
- “Patient” capital, typically taking non-controlling interests.
- Multiple investment instruments available across debt and equity options.

Overview

- ✓ Total of €2bn of investment funds allocated for investment in medium and large enterprises.
- ✓ Investments to be made on a commercial basis, requiring both a financial return to the investor and also a positive economic impact.
- ✓ All sectors considered.

Available to

- ✓ Medium and Large Irish businesses
 - ✓ >250 employees; or
 - ✓ Annual turnover > €50m.
- ✓ Businesses must demonstrate commercial viability prior to the pandemic, and ability to recover post-crisis.
- ✓ Company must demonstrate clear and material impact of Covid-19 on its business.

Application process

- Applications are made directly to ISIF.



Summary SBCI Supports

Key supports available

The Minister for Business, Heather Humphries, has announced the introduction of additional funding to help businesses cope with the liquidity challenges posed by the Covid-19 restrictions, including:



SBCI Working Capital Loan (€450m available)



SBCI Future Growth Finance Loan (€200m available)



SBCI Credit Guarantee Scheme



What's Next? What Else?



SBCI Working Capital Loan

Overview



Loan Features

- €25,000 to €1.5m per enterprise, for 1 – 3 years.
- Unsecured loans up to €500k.
- Max. interest rate of 4%.
- Optional interest-only repayments may be available at the start of the loans
- Loan amount and term is dependent on the loan purpose.

Loan uses cases

- ✓ Future working capital requirements.
- ✓ To fund innovation, change or adaptation of the business to mitigate the impact of Covid-19.
- ✗ Refinance of undertakings in financial difficulties.
- ✗ Refinance of existing debt (e.g. Terms Loans/Leases/Hire Purchase etc.).

Available to

- ✓ Micro, SMEs, and Small MidCap enterprises that:
 - ✓ Have fewer than 500 employees
 - ✓ Have a turnover of €50 million or less (or €43 million or less on their balance sheet)
 - ✓ Are independent and autonomous i.e. not part of a wider group of enterprises
 - ✓ Have less than 25% of their capital held by public bodies
 - ✓ Is established and operating in the Republic of Ireland
 - ✓ Is a viable business



SBCI Future Growth Loan

Overview



Loan Features

- €100,000 to €3m per applicant, for 8 – 10 years.
- Unsecured loans up to €500k.
- Initial interest rate of 4.5% for loans below €250k, 3.5% for loans above €250k (variable over the term)
- Optional interest-only repayments in certain circumstances

Loan uses cases

- ✓ Investment in Machinery or Equipment, Research and Development, Business Expansion, Premises Improvement, Process Innovation, People and/or Systems.
- ✗ Loans to undertakings in difficulty
- ✗ Finance of pure real estate development
- ✗ Finance of pure financial transactions
- ✗ Additional restrictions are listed at www.sbc.gov.ie.

Available to

- ✓ Micro, SMEs, and Small MidCap enterprises that:
 - ✓ Have fewer than 500 employees
 - ✓ Have a turnover of €50 million or less (or €43 million or less on their balance sheet)
 - ✓ Are independent and autonomous i.e. not part of a wider group of enterprises
 - ✓ Have less than 25% of their capital held by public bodies
 - ✓ Is established and operating in the Republic of Ireland
 - ✓ Is a viable business



SBCI Credit Guarantee Scheme (CGS)



Overview

Features

- Provides an 80% guarantee to participating banks (AIB, BOI and UB), mitigating credit risk or need for collateral.
- Available on facilities from €10,000 up to €1m.
- Terms of up to 7 years.
- Eligible loan types: Term Loans, Demand Loans and Performance Bonds.
- Optional interest-only repayments in first 3 – 6 months.

Uses cases

- ✓ The Credit Guarantee Scheme can be used by businesses to obtain loans to support changes they need to make to their business in response to Covid-19 who may be facing barriers to funding, including:
 - ✓ Inadequate collateral;
 - ✓ Novel business market, sector or technology which is perceived by finance providers as higher risk under current credit risk evaluation practices; or
 - ✓ Need for refinancing caused by the exit of an SMEs lender from the Irish market
- ✗ Business involved in primary production in agriculture, horticulture, fisheries.
- ✗ Refinancing of existing debts.
- ✗ Property-related activities.



SBCI Credit Guarantee Scheme (CGS)

Overview (continued)



Features

- Provides an 80% guarantee to participating banks (AIB, BOI and UB), mitigating credit risk or need for collateral.
- Available on facilities from €10,000 up to €1m.
- Terms of up to 7 years.
- Eligible loan types: Term Loans, Demand Loans and Performance Bonds.
- Optional interest-only repayments in first 3 – 6 months.

Available to

- ✓ SMEs meeting the following criteria:
 - ✓ Are involved in a commercial activity
 - ✓ Are a sole trader, partnership, franchise, co-operative or limited company
 - ✓ In the lender's opinion have a viable business proposal
 - ✓ Are able to repay the facility

Application process

- Speak with a participating bank about a loan covered by the CGS.
- The participating bank assesses the viability of the loan i.e. the business' ability to repay in line with its normal assessment criteria.
- The participating bank will make all decisions on lending.



LEO/MFI Supports



Overview – Refer for detail: <https://www.localenterprise.ie/Response>

LEO provides supports for new and established businesses typically meet the relevant eligibility criteria (such as employing 10 or fewer people with the potential for growth and job creation)

Business Continuity Voucher

- Covers up to €2,500 in third party consultancy costs.
- Can be used by companies and sole traders to develop short-term and long-term strategies to respond to the Covid-19 pandemic.
- Eligibility:
 - Employees < 10

Note: *not suitable for clients of EI, IDA Ireland or Údarás na Gaeltachta.

Trading Online Voucher

- €2,500 available with co-funding now 90% from the original 50%
- Used towards setting up payment facilities, booking systems, or developing new apps for your customers to facilitate online trading.
- Eligibility:
 - Employees < 10
 - Annual T/O <€2m
 - Trading longer than 6 months

MicroFinance Covid Loan

- Loans from €5k – €50k; terms up to 3 years.
- Interest rate 5.5% (4.5% for applications via LEO)
- No repayments and no interest for first 6 months.
- Fixed repayments with no penalty for early repayment.
- Eligibility:
 - Employees < 10
 - Annual T/O <€2m
 - Net assets <€2m

Additional supports available via LEO include:

- ✓ Mentoring
- ✓ Online Training and Webinars
- ✓ LEAN for Micro
- ✓ Other Financial Supports
- ✓ Business Priming Grants
- ✓ Business Expansion Grants
- ✓ Feasibility Study Grants
- ✓ Technical Assistance for Micro- Exporters Grant



International & domestic corporate tax considerations during the Crisis

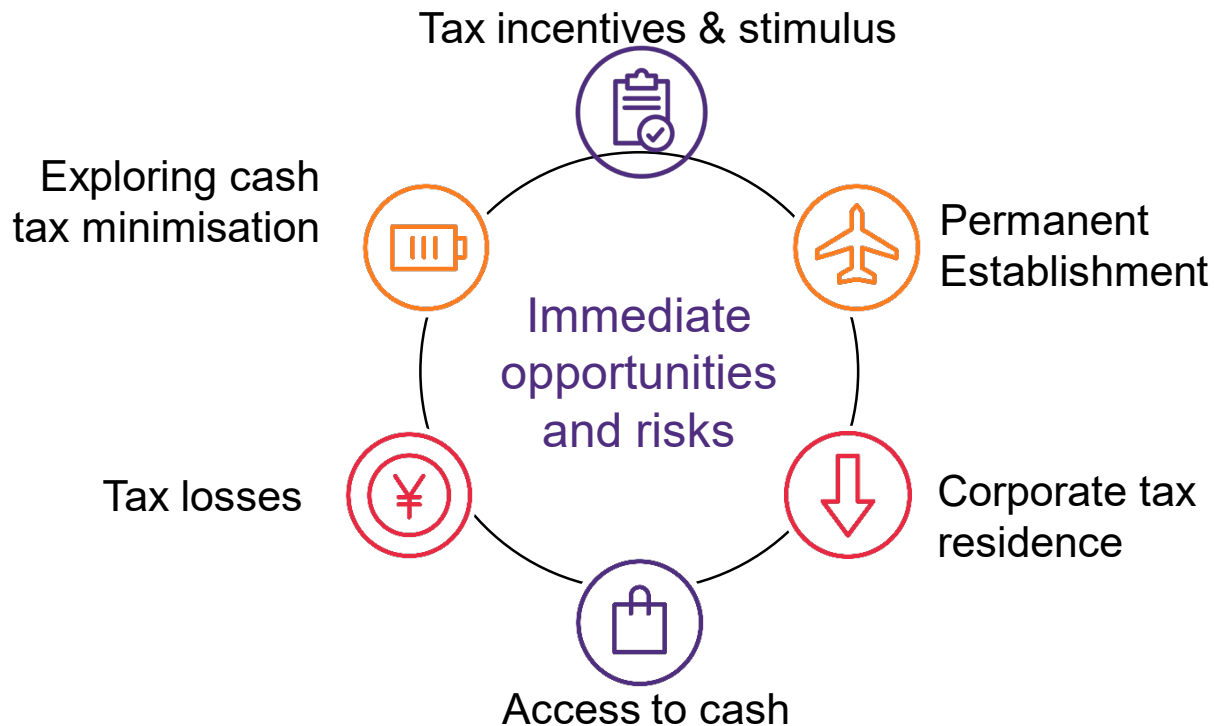


Peter Vale

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Covid-19 Tax considerations



Cash tax optimisation opportunities

1

Acceleration of 2019 filings and refunds if applicable.

2

Consider change to accounting period ends to get benefit for poor 2020 results against 2019 profits

3

Acceleration of 2019 Research & Development Tax Credit Claims

4

Maximise other relief claims such as W&T on 2019 Capex

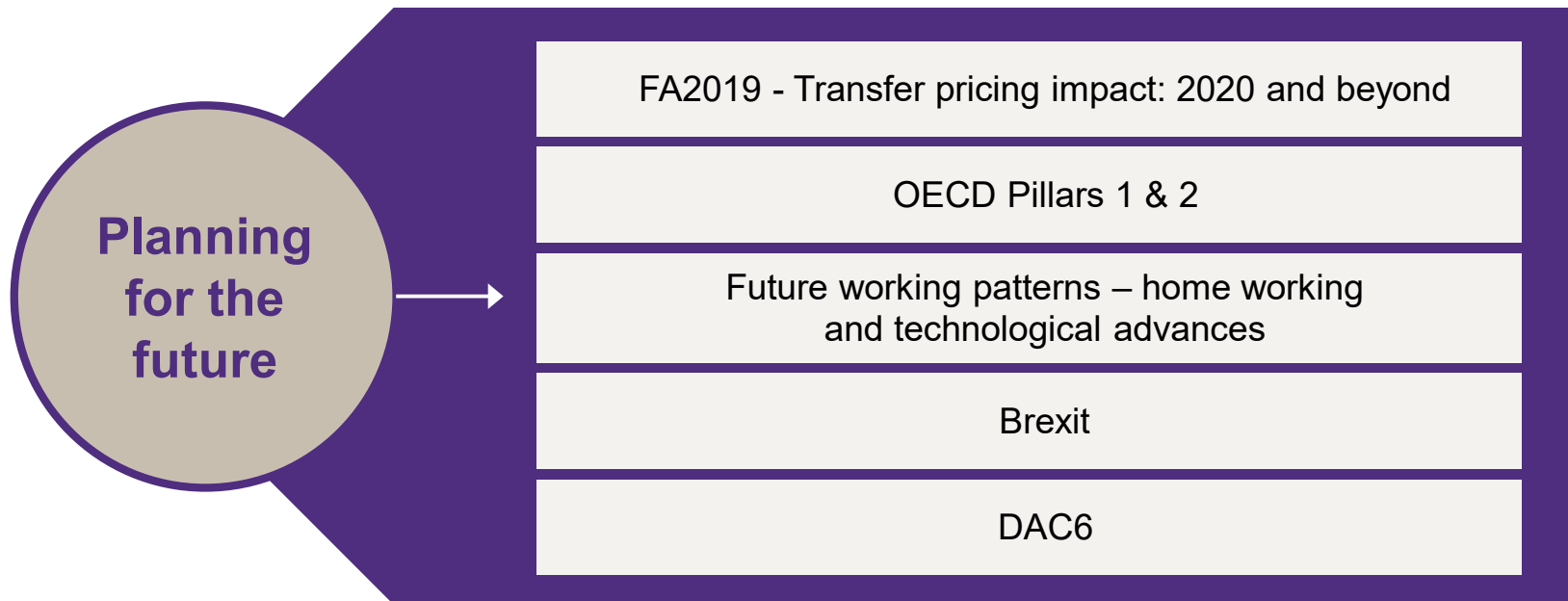
5

Succession Planning – with reduced valuations – opportunities for tax efficient transfers now. Also potential capital tax increases in future.

6

Benefits of Warehousing of tax debts

International Tax considerations



Q&A

Thank you

Grant Thornton at a glance



Integrated firm
Service offerings
across Advisory, Audit
and Tax.



14
Core industries



€158m
Irish Turnover
(FY 2019)



1,450+
Irish employees



7
Irish Offices



54
Irish Partners



Grant Thornton

An instinct for growth™

Appendix 1 – recent news coverage

Recent comments from Paschal Donohoe

Finance Minister Paschal Donohoe has admitted there's a "gap" in the temporary wage subsidy scheme that sees some workers worse off if they're kept on by their employers..... Today, he promised the government is looking at the issue. (Friday 2nd April)

He also said that companies who have cash in reserve, and who have been hit by a decline in business, can also still qualify for the scheme.

Chairman of Revenue Commissioners Niall Cody's public statements – said that

“Revenue guidelines show that even if a company has cash reserves for debt or future expansions they can still qualify for the scheme”

"absolutely not a declaration of insolvency"

he does "not believe it will be a challenge for employers to prove that their income has been reduced by more than 25% during this crisis"

“businesses applying for the scheme will have an ongoing relationship with Revenue and he does not anticipate that many businesses will need to be reviewed at the end of the scheme”

“employers should not worry about being published on the list of companies who applied for the scheme as it will be "a mark of honour for employers who did the right thing"

Minister Donohoe Seanad debate comments 27/03

- The only people who will decide whether a company meets the criteria are the Revenue Commissioners. Companies should not divert their time by approaching a Deputy or Senator, nor place a Deputy or Senator in such a position. They need to engage directly with the Revenue Commissioners.
- On the points raised by Senator Mulherin about turnover, the definition will vary as we engage with companies. The most likely way in which decline in turnover will be worked out will be to examine what the expected turnover would have been in quarter 2 and to compare that with an equivalent period, most likely quarter 2 a year ago. It is not unworkable. These are issues that companies and the Revenue Commissioners will be able to resolve very quickly between themselves.
- As for declarations of insolvency, the very outcome we are trying to avoid is companies becoming insolvent. We are trying to ensure that if companies are in a position where they are in difficulty, they will be still in a position to retain a relationship with their employees and keep them involved. Participating in this programme is all about ensuring that companies are in a position whereby when our economic health recovers, they will be able to rebound, without having put their employees on the live register.
- Where companies can add to the subsidy, we want and expect them to. We recognise, however, that it could become the case that companies simply will not have income coming in and as a result will not be in a position to pay wages to employees. What would normally happen in such circumstances is that the employer would cease to exist and the employees would become unemployed, but that is what we want to avoid happening.



Disclaimer

- These slides are not considered to be tax advice and no reliance should be placed on the information contained therein.
- These slides set out our understanding of the Covid-19 Government Supports based on information currently available. The information contained in these slides does not purport to be comprehensive but is purely for guidance and discussion purposes only.
- <https://www.revenue.ie/en/employing-people/documents/pmod-topics/guidance-on-operation-of-temporary-covid-wage-subsidy-scheme.pdf>