

Subject: Bounce Back Loan Scheme - May 4th

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Bounce Back Loan Scheme (BBLs)

The scheme opened at 9am this morning as planned. The website crashed almost immediately but can now be accessed.

As a reminder a business can apply to borrow between **£2,000 and £50,000 but this is limited to 25% of turnover**. The Government will cover all interest and fees in the first twelve months, and provide a 100% guarantee to lenders. No repayments need to be made in the first twelve months and the length of the loan can be up to six years. Early repayment is allowed without penalties. The interest rate is set at 2.5% and a lender is not permitted to take personal guarantees.

The business will also need to self-certify that it:

- is engaged in **trading or commercial activity in the UK** and was established by 1 March 2020; and
- has been **negatively affected by Coronavirus**; and
- was **not a 'business in difficulty'** on 31 December 2019 – this is defined in the FAQs link below and includes Limited companies which have accumulated losses greater than half of their share capital in their last annual accounts (this does not apply to SMEs less than 3 years old).

The Government advise that a business should first approach their '**own provider, ideally via it's website**. You may also consider approaching other lenders if you are unable to access the finance you require or if their existing provider is not accredited to provide loans under the Scheme.'

To start the BBLs process you should click the 'Apply now' button at the bottom of this webpage <https://www.gov.uk/guidance/apply-for-a-coronavirus-bounce-back-loan>

This will take you to the dedicated BBLs pages of the British Business Bank. The 'For Business and Advisors' page has details of how to find and approach a lender <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-schemes/bounce-back-loans/for-businesses-and-advisors/>

The British Business Bank have also produced a helpful set of FAQs <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-schemes/bounce-back-loans/faqs-for-small-businesses/>

We will feedback later today with more information and early experiences of the application process.

If you would like to discuss this information please do contact us and we will do our best to assist.

The Allens Team



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Allens Chartered Accountants
123 Wellington Road South
Stockport, Cheshire SK1 3TH
United Kingdom

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