

TWSS & EWSS – Latest Updates & Funding Supports

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Temporary Wage Subsidy Scheme (‘TWSS’)

Overview of Temporary Wage Subsidy Scheme (TWSS)

[Emergency Measures in the Public Interest \(Covid -19\) Act 2020](#)

Financial support to eligible employees where employers significantly affected by the pandemic

Maximise staff retention and viability of employers business

Fair, reasonable, pragmatic approach to the Covid-19 Crisis

List of employer participants published on www.revenue.ie

Register through ROS and nominate a refund bank account

Self assessment principles with self declaration from employer (to 31 July 2020)

Scheme Closing 31 August 2020

Eligibility and Supporting Documents

- Full criteria and eligibility document available on www.revenue.ie
- Employers across all sectors (excluding the Public Service and Non-Commercial Semi-State Sector)
- Business must;
 - be experiencing a significant negative economic disruption due to the Covid-19 pandemic.
 - demonstrate a minimum of 25% reduction in turnover or customer orders Q2, 2020
 - be unable to meet normal wages or normal outputs
 - have a firm intention to continue to employ specified employee
 - retain evidence and supporting documents – illustrative list on www.revenue.ie

Eligible Employee



Eligible employee is an employee who;

**On employers payroll at 29 Feb;
with pay and tax details reported in
qualifying submission;
being kept on the payroll.**

**or where the employee was laid
off after 29 Feb 2020 and rehired.**

Operating the Scheme

- Recent announcements:
 - Maternity, Paternity, Adoptive or related unpaid leave
 - Apprentices
 - Employment Wage Subsidy Scheme
- Rehiring of Eligible Employees
- Compliance checks
- Non Cumulative Week 1 basis
- End of year review and Reconciliation
- How to stop operating the Scheme

Maternity, Adoptive, Paternity, or related unpaid leave

Revisions announced 29 May 2020 for employees returning from a period of related unpaid leave

Employees may not have been included in January/February payrolls

Employee returning on/after 26th March, date of employer operating TWSS or date of return to employment

Employer notifies Revenue through ROS/MyEnquiries

Revenue calculates RNWP and generate employer CSV File

Employer notified of a refreshed CSV through MyEnquiries

Apprentices



Change to accommodate apprentices returning to work who, in February 2020, were on an apprenticeship education and training programme run by SOLAS, and were not on their main employer's payroll in February 2020.



Scheme applied retrospectively to the date of return to employment, or, the date the employer joined the scheme, or, 26 March 2020, whichever is the latest.



For apprentices who were ceased from payroll and in receipt of PUP, no retrospection to TWSS can apply.



However, employers may rehire these apprentices and can operate TWSS to subsidise their pay.

July Stimulus Announcement (Employer Subsidy Schemes)



Winding down of TWSS



Commencement of Employer Wage Subsidy Scheme (EWSS)

1 Sep 2020 to 31 March 2021



Legislative arrangements



TWSS Employers claim for non TWSS employees

from 1 July 2020



Non TWSS employers apply EWSS from 31 July 2020



Seasonal Workers and Rehires from 1 July 2020

Rehiring of Eligible Employees



Create new employment with same PPSN and new employment ID



Step by Step process FAQ V17



Weekly pay frequency for all rehired employees



Prevent PUP payment overlaps



CSV File refresh



Valid RPN received the day before the employer calculates and submits to Revenue the first payroll payment for the rehired employees

Compliance Checks

Letters issuing to employers/agents via MyEnquiries

Verification checks to confirm;

- eligibility,
- subsidy amounts paid (CSV file)
- payslip details

Address PMOD and outstanding tax issues

'Non Cumulative' Week 1 Basis



TWSS extension to August 2020



All employees under TWSS/PUP placed on Week 1 Basis from 21 June 2020



Updated RPN available for employers



End of year review for employees

Employee End of Year Review

- Subsidy payment not taxable in 'live' PAYE environment for employee
- Liable to Income tax and USC by way of an employee end of year review (2020)
- Unused tax credit may cover liability
- Reducing future tax credits
- Employee may have other tax credits such as health expenses to reduce liability

How do employers stop operating the scheme?



Employer no longer meets the employer eligibility criteria, then stop making J9 payroll submissions.



Ensure the employee PRSI class on all its employees is returned to the correct PRSI class



Employer must retain all records for TWSS operation including subsidy payments to employees. Employers operating TWSS will be included in Reconciliation and publication at the end of the scheme.

Reconciliation



Details of reconciliation process and the process for employers when returning excess Temporary Wage Subsidy Scheme funds will be published in due course.



Employers should continue to retain records of subsidy payments to employees, refunds and tax refunds received from Revenue



Hold any excess of the subsidy payments received for offset against future subsidy payments or for future repayment to Revenue. (via Revpay facility).

CSV File and Calculator

- Employer CSV file available from Revenue since 4 May
- Ensures correct subsidy paid to eligible employees
- Available on ROS employer Services “Request RPN’s”
- Employers registered for Employer PAYE (EMP), and agents
- Import/load employee information on employment with employer downloading the file.
- Specific information to eligible employee



Employment Wage Subsidy Scheme (‘EWSS’)

Employment Wage Subsidy Scheme “EWSS”

- Introduced as part of the July Stimulus Package
- Will apply from 1 July until the end of March 2021
- It will run concurrently with the existing Temporary Wage Subsidy Scheme (TWSS) until 31 August
- TWSS will cease from 1 September 2020
- The inclusion of new hires under the scheme will provide welcome support to employers who may need to expand their workforce in the future
- Financial Provisions (Covid-19) (No.2) Act 2020 provides the legislation for the scheme
- Guidance from Revenue is expected shortly



What is an Eligible Employer?

- To qualify, employers must be able to demonstrate to the satisfaction of the Revenue that:
 1. their business has been significantly disrupted by reason of Covid-19
 2. demonstrate at least a 30% decline in either the turnover of the employer's business or in orders received during the period 1 July 2020 to 31 December 2020, as compared to the same period in 2019
- In cases where the business of the employer has not operated for the whole of the corresponding period in 2019, the following will apply:
 1. Where the business operations have commenced on or before 1 November 2019, the 30% decline test must be determined in 2020 by reference to the same reference period in 2019 in which the business was in operation
 2. Where the business operations have commenced after 1 November 2019, the employer must be able to show that the turnover or orders during the period 1 July to 31 December 2020 will be at least 30% less than what the turnover or orders would have been had there been no disruption caused by Covid-19.

What is an Eligible Employer?

- The employer must be entitled to a tax clearance certificate throughout the period to be eligible for the EWSS
- Must remain tax compliant to continue to receive the EWSS subsidy



What is an Eligible Employee?

- Any employee who was considered an eligible employee under the existing TWSS provisions
- An individual who is on the payroll of the employer at any time in the “qualifying period”, i.e. at any time between 1 July 2020 and 31 March 2021
- Extends eligibility to seasonal workers and new hires
- Employers who were not eligible for TWSS or who had employees not eligible for TWSS can claim EWSS in respect of these employees from 1st July
 - These will be dealt with as part of a ‘sweepback’ mechanism, under development with proposal for payment being made in September



What is an Eligible Employee?

The following persons are **excluded** from the EWSS:

- Where the employer is a company, any proprietary director (a beneficial owner of the company who controls more than 15% of the ordinary share capital of the company)
 - the Minister for Finance has requested a review of the exclusion provision with the aim of admitting proprietary directors to the EWSS with effect from 1 September 2020 where they are retaining ordinary employees on their payroll
- Any person who is connected (e.g. spouse, sibling, child) with the employer and was not on the payroll of that employer, nor received a payment, at any time during the period from 1 July 2019 to 30 June 2020



How do I apply for the scheme?

Employers must apply to Revenue to avail of the EWSS:

- Revenue are currently updating the eRegistration system to facilitate registration for EWSS – should be live by end of August
- A self-declaration will be made by the employer as part of this process
- To be eligible to complete the registration process it is necessary the employer has a valid Tax Clearance Certificate



What is the Rate of the Subsidy?

Eligible employers will receive a per-head subsidy on a flat rate basis which will be determined based on the amount of gross pay that the employer pays to the eligible employee

Gross Pay	Subsidy Payable
< €151.50	€0
€151.50 - €202.99	€151.50 per week
€203 - €1,462	€203 per week
> €1,462	€0

What is the Rate of the Subsidy?

For new hires and seasonal workers

- Backdating of the support to 1 July 2020 will be permitted for eligible employers
- Revenue are currently undertaking the necessary software changes to support this new scheme
- Payments for July and August are expected to be made by Revenue mid September
- Payments after mid September expected on a monthly basis
- Guidance on applications for new hires and seasonal workers expected shortly



EWSS - Scheme Operation

Claiming the EWSS

- The employer will pay the employee their normal wages
- Revenue will pay the subsidy via EFT directly to the employer in respect of each eligible employee following submission of the payroll return

Tax and PRSI position

- Employers will be required to operate payroll taxes in real-time on all gross payments to be made to their employees
 - We expect guidance from Revenue on this
- Employer's PRSI for those employees for whom a subsidy is being claimed, will apply at a rate of 0.5%



EWSS - Scheme Operation

Anti-avoidance Provisions

The Act includes a specific anti-avoidance provision which seeks to counteract

- A. contrived situations whereby any gross pay due to an employee is deferred, suspended, increased or decreased with a view to securing the wage subsidy or
- B. situations where an employee is laid off and removed from the payroll and replaced with two or more employees in relation for whom the subsidy would be available.

If Revenue identify any such cases, the employer will be treated as having never been eligible for the scheme and any subsidy payments received would need to be refunded, together with possible interest and penalties.

Other features of the EWSS

- Employers must review their eligibility criteria at the end of each month from August 2021 to February 2021
 - If as a result of the review, it transpires that the employer does not meet the eligibility criteria they should withdraw from the scheme on ROS with effect from the first day of the following month
- The names and addresses of all employers operating this scheme will be published on Revenue's website in January 2021 and April 2021



EWSS interaction with TWSS

- July & August 2020 the TWSS and EWSS will run in tandem
- 31 July 2020 no new applications for the TWSS
- 31 August 2020 TWSS will cease
- 1 September 2020 EWSS replaces the TWSS
- 31 March 2021 EWSS due to cease

NB: An employer cannot claim EWSS in July or August for an employee if that employee was eligible for TWSS irrespective of whether it is claimed for them in July or August

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.



COVID-19: Funding environment* and supports available through LEO, SBCI and ISIF

(*Appendix includes Enterprise Ireland supports for information only)

Today's presenter



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Funding Environment

Setting the Scene - Ireland's position given multi-year economic growth and why Ireland can currently borrow

Positive?

- Start of June, the NTMA raised €6 billion in 10 year treasury bond sales at just 0.285%.
- Demand was 11x oversubscribed and over 88% from overseas. NTMA has now funded €18.5bn of the revised funding plan of €20bn-€24bn.

Why was Irish sovereign debt demand so strong?

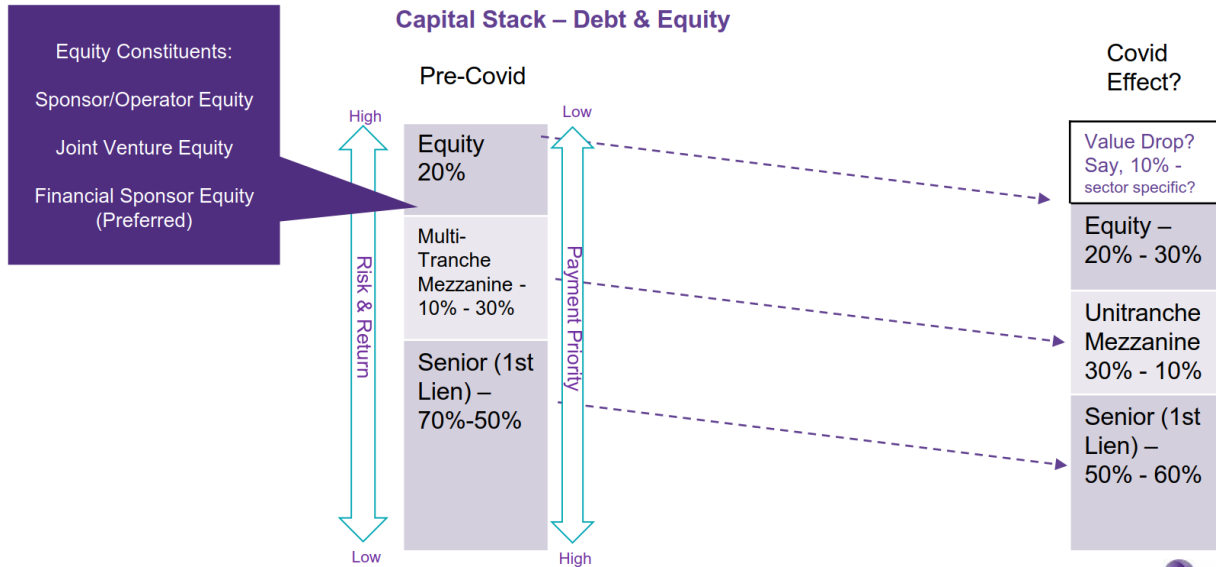
- Credit Rating Reaffirmed at AA- ; favourable debt maturity profile
- Track Record Fiscal discipline ; B/S improvement due to 6 years of primary surpluses with Debt to GNI reduced substantially from 166% to c.99% by end of 2019
- Labour Force Highly Skilled & unemployment starting from a low base, c.5% to ?? by Q4 (Currently c.0.5m unemployed & 1.0m getting income supports)
- Demographics Positive & household debt reduced
- External Environment EU expansionary fiscal & maximum accommodative monetary policy and comparatively attractive lending proposition vs. EU27 and EA19

Ireland is in recession and Substantial Risks Remain:

Deflation? ; 2nd wave? ; SME Innovation? ; Brexit! ; Tax Receipts ; Infrastructural Deficits ; Govt. Policy & Stability! ; Reduced/constraint output

Funding Environment

Q. How are lending deployment / policies shifting due to risk appetite change?





Funding Environment










How? – Snapshot of the Fund raising process

1	Preparation	<ul style="list-style-type: none">• Formulate the 'Ask' & the 'Out' / 'Offtake'• Establish list of most appropriate funders
2	Materials	<ul style="list-style-type: none">• Business Plan / Feasibility Study• Dynamic Financial Models as multi scenario is key
3	Approach	<ul style="list-style-type: none">• Target preferred / most likely funders first• Feedback from potential funders / investors
4	Head of Terms	<ul style="list-style-type: none">• Initial negotiations with funder(s)• Target receipt of indicative funding proposals
5	Negotiations	<ul style="list-style-type: none">• Detailed negotiations with preferred party(ies)• Due diligence
6	Completion	<ul style="list-style-type: none">• Legal process and documentation• Receipt of funds
7	Monitoring	<ul style="list-style-type: none">• Post drawdown covenant & condition subsequent compliance• Project monitoring and/or technical advisory

What are funders looking for?

ROBUST PROPOSAL– WELL COMMUNICATED

 Covid19 Areas of Impact for both Investment & Development Finance
 Development Finance Impact only

The Promoter <i>'Track Record'</i>	The Opportunity <i>'Does it all stack up?'</i>	 The Ask <i>'The money'</i>
<ul style="list-style-type: none"> Previous experience / credentialsManagement teamOperational capabilities Building capacity & Programme Subcontractor relationshipsExecution abilityAccess to pipeline Landlord / Tenant Relationship	<ul style="list-style-type: none"> Attributes – sector, location etc. Feasibility study and financial model – demand assessment, surveys, costings, pricing, contracts etc. Mid–Build Considerations due to Covid. i.e. changes to Programme & payments Tenure & Covenant and Offtakes	<ul style="list-style-type: none">Level of Debt vs. EquityFunding structure – syndicate, equity partnerLoan to Cost ('LTC') - DevelopmentLoan to Value ('LTV') - InvestmentPricing & financial metricsSecurity/ControlFinancial CovenantsExit Ability - Refinance/Sell/Term debt out

Funding Terms – Development & Investment

Case by Case but below is a headline summary of terms available from senior & alternative funders

Senior Lenders



- ✓ Appetite limited for the Sector (Support Existing)
- ✓ Loans up to €200m but €1m-€50m traditional range
- ✓ Lower cost (e.g. development margin c.4%,+, investment margin c.2.5%+)
- ✓ LTC 'up to' 70%; LTV 'up to' 70% (Dev) ; Up to 70% (Inv.)
- ✓ Syndicated / Club/ Equity partnered lending available
- ✓ Limited loss of control
- ✓ Clear repayment schedule – level and term
- ✓ Increased market insight



- *Pre-let requirement (institutionally acceptable or Income/rent metrics must be high)*
- *Full subordination*
- *More risk averse / stringent covenants*
- *Repaid from cash flow (unless limited Payment In Kind)*

Alternative (non-Pillar) Funders



- ✓ Greater risk appetite - speculative investment funding
- ✓ Higher debt levels
- ✓ LTV up to 80% in very limited cases.
- ✓ Lower DSCR and longer amortization terms
- ✓ Hybrid Structures - Equity, unitranche or mezzanine funding
- ✓ Varies from non to some recourse & may lend personally
- ✓ Greater flexibility/speed - less covenant heavy
- ✓ Flexible repayment structures



- *More expensive (Range from 5% to >10% margin) esp. as leverage sought is high & market risk/uncertainty prevails*
- *Restrictive geographically*
- *May seek upside / profit share / partial control*
- *Who is the funder of the funder? Crisis liquidity supports may be unavailable from many lenders*

Summary of LEO, MFI & SBCI Supports

Key supports available



Additional funding to help businesses cope with the liquidity challenges posed by the Covid-19 restrictions:

-  *Local Enterprise Office Supports: ~~Business Continuity Voucher~~; Restart Grant ; Trading Online Voucher*
-  *Microfinance Ireland Covid-19 Business Loan (€20m available) via LEO*
-  *DBEI Online Retail Scheme (via Enterprise Ireland)*
-  *SBCI Working Capital Loan (€450m available)*
-  *SBCI Future Growth Finance Loan (€200m available)*
-  *SBCI Credit Guarantee Scheme*
-  *ISIF Pandemic Stabilisation and Recovery Fund (€2bn)*

LEO, MFI and DBEI 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) specific to each of the following:

Key Supports Summarised in the following slides



Business Continuity Voucher (Expired)



Trading Online Voucher Scheme



COVID-19 Business Loan via MicroFinance Ireland

This section also includes reference to:



Restart Grant



DBEI - Ireland Online Retail Scheme (Expired) - 2nd call expected

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**

LEO Business Continuity Voucher



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

Features

- The voucher is worth up to €2,500 in third party consultancy costs and can be used by companies and sole traders to develop short-term and long-term strategies to respond to the Covid-19 pandemic

Note: *The Business Continuity Voucher isn't suitable for clients of Enterprise Ireland, IDA Ireland or Údarás na Gaeltachta.

BCV from both LEO and Udaras expired – **Similar scheme still available via InterTrade Ireland (Emergency Business Solutions Grant for companies with cross border trade)**

Use cases

- ✓ Designed for businesses across every sector that employ up to 50 people.
- ✓ To help companies make informed decisions about what immediate measures and remedial actions should be taken to protect staff and sales.

Available to

- ✓ Support businesses
 - ✓ Develop business continuity plan
 - ✓ Assess current financial needs in the short term to medium term
 - ✓ Reduce variable costs, overheads and expenses
 - ✓ Review and explore supply chain financing options
 - ✓ Implement remote working processes or procedures
 - ✓ Leverage HR expertise ; ICT expertise
 - ✓ Prepare a business case for application to emergency financial interventions available through Banks, SBCI and Microfinance Ireland

EXPIRED. 11.7k Approvals & €25m deployed

LEO Trading Online Voucher

As at 31/07 – 5.6k
approvals & €13.4m value



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

Features

- Second voucher now available under the Government's National Digital Strategy.
- The expanded Trading Online Voucher Scheme promotes more online trade to boost sales and reach new markets.
- €2,500 available with co-funding **now 90%** from the original 50%

Uses cases

- ✓ Funding can be used towards adding payment facilities or booking systems to your website or developing new apps for your customers.
- ✓ The voucher can also be used towards subscriptions to low cost online retail platform solutions to help companies quickly establish a retailing presence online.

Available to

- ✓ Businesses with the following profile:
 - ✓ Limited or no e-commerce presence
 - ✓ 10 or less employees;
 - ✓ Turnover less than €2m;
 - ✓ Applicant business must be trading for at least 6 Months;
 - ✓ Business must be located in the area covered by the LEO to whom they make their application i.e. LEOs cannot accept applications from businesses located outside their jurisdiction.

Microfinance Ireland Covid-19 Loan.

Overview (Lower rate if applying via LEO)



Loan Features

- Loans from €5,000 – €50,000.
- Terms up to 3 years.
- No repayments and no interest for first 6 months.
- Interest rate 5.5% (4.5% for applications via Local Enterprise Offices)
- Fixed repayments with no penalty for early repayment.

Uses cases

- ✓ The loan is designed to support businesses who have been impacted negatively by Covid-19 in Ireland

Available to

- ✓ Businesses meeting the following criteria:
 - ✓ The business is a “microenterprise” i.e. a business with less than 10 full time employees, annual turnover of up to €2m, and net assets of less than €2m;
 - ✓ The business is not in a position to avail of finance from Banks and other commercial lending providers; and
 - ✓ 15% of actual or projected turnover or profit is negatively impacted by COVID-19.

Application process

- Application via the Microfinance Ireland website or a Local Enterprise Office.
- Required documents include
 - Covid-19 Business Plan and cash flow forecast;
 - Last 6 months bank statements;
 - Credit reports.

Covid-19 Restart Grant

As at 31/07/2020- 35.5k approvals
& €147m value (3x 30/06 no's)



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

Features

- New €250m Restart Grant, providing direct grant aid of up to €10,000 to micro and small businesses.
- Apply (Until 31 August) via Local Enterprise Office (or County Council website) and level of funding is directly linked to the amount of your rates demand in respect of calendar year 2019 only, subject to a minimum of €2,000* and a maximum of €10,000.

* Applies to those not rate assessed in 2019 and minimum grant available if business had arrears or non-payment of rates in 2019

Uses cases

- ✓ Designed for businesses across every sector to re-open, re-employ, keep business operational, pay ongoing fixed costs or put in place measures to ensure employee and customer safety.

An Eligible** business is one which has

- ✓ a turnover of less than €5m and have 50 or less employees.
- ✓ suffered a projected 25%+ loss in revenue from 1 April 2020 to 30 June 2020.
- ✓ committed to remaining open or to reopen if it was closed and must also declare the intention to retain employees that are benefitting from the Temporary Wage Subsidy Scheme (TWSS).

The following businesses are **not Eligible**

- ✗ Multiple chain stores, i.e. a business that is a non-financially independent branch of a group of chain stores which is owned and managed by a single entity, are not eligible.
- ✗ Non-commercial organisations such as community and sporting premises (including charity shops and community and sporting premises with a bar).
- ✗ Businesses not operating from commercially rateable premises (tradesmen, service providers, etc).
- ✗ Premises that were vacant prior to the Covid-19 emergency are not eligible for the grant.

DBEI - EI Covid19 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 eventually increased to €6.5m and 2nd call proposed at a later date [183 successful applicants]**
- 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 passed at end of May for submissions for the first call
- 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%**

Strategic Banking Corporation of Ireland

Overview



Additional funding to help businesses cope with the liquidity challenges posed by the Covid-19 restrictions, include:

-  SBCI Working Capital Loan (€450m available)
-  SBCI Future Growth Finance Loan (€200m available)
-  SBCI Credit Guarantee Scheme

SBCI Working Capital Scheme

Overview



As at 31/07 – 750 approvals of 3,108 eligible submissions with €94m in loans approved value (c.€125k av. per loan approved)

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 – specific guidance available via EC
 - ✓ 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 CGS 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:
 - ✓ Need for refinancing caused by the exit of an SMEs lender from the Irish market
 - ✓ Inadequate collateral;
 - ✓ Novel business market, sector or technology which is perceived by finance providers as higher risk under current credit risk evaluation practices; or
- ✗ Business involved in primary production in agriculture, horticulture, fisheries.
- ✗ Refinancing of existing debts. [Proposed to be amended to allow for this]
- ✗ Property-related activities.

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 and the funder will make all decisions on lending.

Further Funding Supports via ISIF

Key support available



On May 2nd, the Government agreed, at a special Cabinet meeting, a suite of measures to further support small, medium and larger business that are negatively impacted by Covid-19 and of particular interest from a funding perspective is the following via ISIF:



Pandemic Stabilisation and Recovery Fund ('PSRF') within the Ireland Strategic Investment Fund (ISIF) (€2 billion)

ISIF Pandemic Stabilisation and Recovery Fund

Overview



Features

- Direct intervention to assist significant employers materially impacted by Covid19.
- ISIF have up to €2bn to invest on a commercial basis in medium and large enterprises, i.e. 250+ employees and/or >€50m*.
- Investments must generate a double impact i.e. commercial & economic impact
- Case by Case assessment and can be an investment across the capital stack

* may consider investing in enterprises below these levels if of scale

Uses cases

- ✓ Must be viable and proven business model, i.e. profitable/viable prior to the Impact of Covid19 and future long term viability.
- ✓ Capacity for long term time horizon as ISIF's focus is on near term economic stimulation and employment support.
- ✓ Flexibility (across types of investment, capital structure, instrument, risk levels etc.)
- ✓ Patient capital, non-controlling / minority investor
- ✓ Track record, investing across a wide range of sectors
- ✓ Ability to work with co-investors and co-investment encouraged / expected
- ✓ The business does not currently need to align with ISIF's existing Priority Themes of Regional Development, Housing, Indigenous Businesses, Climate Change, Brexit.

Exclusions

- ✗ Loans to undertakings in difficulty pre-Covid19

ISIF Pandemic Stabilisation and Recovery Fund

Guidance to Commence Engagement



ISIF have provided initial information guidance to commence engagement :

GENERAL:

- Standard **Company Information**;
- **Narrative on the Organisation** including products, markets, your USP, overview of the customer base, key competitors, etc.;
- **Geographic footprint** for your business and customers;
- Personnel organisational charts and Employee overview
- Corporate Overview and/or Business plan;

COVID19 IMPACT:

- Areas affected and how investment would be deployed

FINANCIAL:

- Group structure and capitalisation table.
- **Last three years headline financial summary table**;
- Customer base, sector exposure and customer concentration in finances;
- Recent Financial Accounts
- 12 month projected turnover;

Conclusion and outlook

- 1 Strong propositions only currently have a number of funding options/structures/offtakes. Significant number only have Government / existing Bank supported options available to them in the short term
- 2 Lending options vary by sector and increase as the deal quantum increases including private placement opportunities with funders in Europe and the US.
- 3 Given the size of the market, Ireland is ordinarily reasonably well represented with alternative funding providers – smaller deals harder to place
- 4 Funding takes time to put in place... requirement to plan ahead and ensure sufficient headroom in place. Not a time to be on a learning curve!

Thank you

Questions

Notice

This briefing is provided for general information purposes only and is not a comprehensive or complete statement of the issues to which it relates. It should not be used as a substitute for advice on individual cases. Before acting or refraining from acting in particular circumstances, specialist advice should be obtained. No liability can be accepted by Grant Thornton for any loss occasioned to any person acting or refraining from acting as a result of any material in this briefing. Grant Thornton, Irish member of Grant Thornton International, is authorised by the Institute of Chartered Accountants in Ireland to carry on investment business and is regulated by the Central Bank of Ireland.

FYI only Appendix - EI Supports

Overview

Over 5,000 companies have been engaged with per EI records as at 31/07/2020



Key Supports Summarised in the following slides



Enterprise Ireland Business Financial Planning Grant



Enterprise Ireland Lean Business Continuity Voucher



Enterprise Ireland Sustaining Enterprise Fund (€180m)



Enterprise Ireland Rescue & Restructuring Fund (€200m)

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



As at 31/07 – 664 approvals of
715 submitted i.e. c.€3.2m value

Features

- Strategic intervention for EI / IDA 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.

EI Lean Business Continuity Voucher

Overview

As at 31/07 – 286 approvals of 325 submitted i.e. €717k value

IDA Business Continuity Support:

As at 24/07 – 50 approvals of 50 submitted with €126k value but can get up to €29.7k per application



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) could qualify for alternative supports

You apply via the [Enterprise Ireland Online Application System](#)

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>

EI Sustaining Enterprise Fund

Overview



As at 24/07 – 153 enquiries and 23 approvals of 56 submissions received with €8.9m in value (c.€388k av.)

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.

EI Sustaining Enterprise* Fund – Small Enterprise



Overview

As at 24/07 – 8 approvals of 13 submissions with €375k value (c.€47k av.)

Features

- €50k repayable advance where Turnover is between €1.5m & €5m and;
- €25k repayable advance if Turnover less than €1.5m

- 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 extended its SEF for smaller manufacturing and internationally traded services companies with turnover less than €5m.
- Funds to be utilized to help implement a business continuity plan to help stabilise and rebuild their businesses.
- Online application via EI website and less onerous information requirements than the full SEF

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 engaged with their financial institution on their financing needs to sustain the business through the short and medium term;
 - ✓ Is a viable business.

* EI HPSU option for start ups for additional 50k CRPF & there have been 19 approvals of 25 applications

EI Rescue & Restructuring Scheme

Overview



Features

€200m Scheme split into:

A) Temporary Restructuring Support (Debt based)

- Loans between €100k & €3m and a term of up to 18 months
- More than 3 years established in their sector

B) Restructuring Aid (Equity based)

- Available to restore viability during far-reaching restructuring plan
- Restructuring costs must be co-funded by SME's by between 25% (if <50 employees) & 40% (if <250 employees) support levels between €100k and €3m
- Must be in the 'common interest' & eligibility is case by case.

Scheme overview

- A short term (18 month) Debt Fund and a co-funded Equity Fund (reasonable time period) which are designed to support businesses in difficulty and/or companies facing acute liquidity needs, in line with the relevant European Commission guidelines, to restructure their business.
- Funding is considered for SMEs which, have tried and failed to secure capital from the market, can achieve the 'common interest' objective and is eligible on a 'case by case' basis.
- Aid applicants must present a sound restructuring plan which seeks to protect employment and demonstrates realistic value creation in order to ensure their long-term viability.

Available to:

- ✓ Any Micro, SME business undertakings that are in financial difficulty except Coal, Steel and financial services.
- ✓ Only once in a ten year period.