

# CORONAVIRUS BUSINESS INTERRUPTION LOAN SCHEME (CBILS)



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## CORONAVIRUS BUSINESS INTERRUPTION LOAN SCHEME (CBILS)

CORONAVIRUS  
BUSINESS  
INTERRUPTION  
LOAN  
SCHEME  
(CBILS)

**The Coronavirus Business Interruption Loan Scheme (CBILS) is now available through participating lenders**

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If you are a smaller business or a business advisor, please visit our [CBILS for Businesses and Advisors page](#)

CBILS

If you are an accredited lender or a prospective lender for the

scheme, please visit our [CBILS for Accredited Lenders page](#)

CBILS is a new scheme, announced by The Chancellor at Budget 2020, that can provide facilities of up to £5m for smaller businesses across the UK who are experiencing lost or deferred revenues, leading to disruptions to their cashflow.

CBILS supports a wide range of business finance products, including term loans, overdrafts, invoice finance and asset finance. The scheme provides the **lender** with a government-backed guarantee potentially enabling a 'no' credit decision from a lender to become a 'yes'. The borrower always remains 100% liable for the debt.

**Please note:** This scheme is just one of a number of measures announced by Government and you can find full details of the temporary, timely and targeted measures to support public services, people and businesses through this period of disruption caused by COVID-19 [here](#).

## CBILS: KEY FEATURES

- **Up to £5m facility:** The maximum value of a facility provided under the scheme will be £5m, available on

repayment terms of up to six years.

- **80% guarantee:** The scheme provides the lender with a government-backed, partial guarantee (80%) against the outstanding facility balance, subject to an overall cap per lender.
- **No guarantee fee for SMEs to access the scheme:** No fee for smaller businesses. Lenders will pay a fee to access the scheme.
- **Interest and fees paid by Government for 12 months:** The Government will make a Business Interruption Payment to cover the first 12 months of interest payments and any lender-levied fees<sup>[1]</sup>, so smaller businesses will benefit from no upfront costs and lower initial repayments.<sup>[2]</sup>
- **Finance terms:** Finance terms are up to six years for term loans and asset finance facilities. For overdrafts and invoice finance facilities, terms will be up to three years.
- **Security:** At the discretion of the lender, the scheme may be used for unsecured lending for facilities of £250,000 and under. For facilities above £250,000, the lender must establish a lack or absence of security prior to businesses

using CBILS. If the lender can offer finance on normal commercial terms without the need to make use of the scheme, they will do so.

- **The borrower always remains 100% liable for the debt.**

## **ELIGIBILITY CRITERIA**

Smaller businesses from all sectors [3] can apply for the full amount of the facility. To be eligible for a facility under CBILS, an SME must:

- Be UK-based in its business activity, with annual turnover of no more than £45m
- Have a borrowing proposal which, were it not for the current pandemic, would be considered viable by the lender, and for which the lender believes the provision of finance will enable the business to trade out of any short-to-medium term difficulty.

**Please note:** If the lender can offer finance on normal commercial terms without the need to make use of the scheme, they will do so.

**Find out [how to apply for a CBILS-backed loan facility](#)**

[1] Following earlier discussions with the banking industry, some lenders indicated that they would not charge arrangement fees or early repayment charges to SMEs borrowing under the scheme. HM Government greatly appreciates this approach by lenders.

[2] Fishery, aquaculture and agriculture businesses may not qualify for the full interest and fee payment.

[3] The following trades and organisations are not eligible to apply: Banks, Building Societies, Insurers and Reinsurers (but not insurance brokers); The public sector including state funded primary and secondary schools; Employer, professional, religious or political membership organisation or trade unions.

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offers banking services.

A complete legal structure chart for British Business Bank plc can be found on this website.

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