

## Covid-19 Update for Businesses, 24<sup>th</sup> February 2021

The Irish Government have announced an extension of level 5 restrictions until 5th April 2021, intended to maintain downward pressure on the spread of COVID-19, and to hopefully achieve lower case numbers.

A wide range of initiatives intended to provide economic and other supports required as a result of the Coronavirus Pandemic that were due to cease on 31<sup>st</sup> March will now remain available until at least the end of June 2021. However, the temporary VAT rate reduction will not persist beyond the end of this week. Some of the important items to be aware of are outlined below:

### 1. VAT rate

On 1st March 2021, the standard rate of VAT will revert back to 23%. This VAT rate was temporarily reduced to 21% for six months from 1st September 2020, but this tax reduction will now end this Sunday, 28<sup>th</sup> February.

### 2. New Covid-19 Support - (CBAS)

The COVID-19 Business Aid Scheme, (CBAS), is a new scheme recently announced by the government to provide grants to businesses ineligible for other existing schemes. Full details of the scheme have not yet been published, however, the recent press release did confirm that the scheme will be available to most companies, self-employed, sole traders, or partnerships with a minimum turnover of €50,000.

In order to qualify for this new subsidy scheme;

- the business must not be eligible for the existing CRSS or Fáilte Ireland Business Continuity Schemes,
- The business must incur rates charges on a building,
- the business must have a current Tax Clearance Certificate in place,
- The turnover of the business over the claim period must be estimated to be no more than 25% of the average weekly turnover of the business in 2019, and
- The business must intend to resume trading in full once government restrictions are eased.

As noted above, the relevant legislation and detailed rules/guidance for this scheme have not yet been published – it will be necessary to carefully consider these when they are available.

### 3. Existing Covid-19 Related Supports Now Extended

- CRSS – “The Covid Restriction Support Scheme” (CRSS) provides a weekly cash payment to business that are effectively closed or only able to trade at a fraction of their pre pandemic related turnover. As a result of the extended level 5 lockdown the CRSS will remain in operation until 30<sup>th</sup> June 2021.
- EWSS - The “Employment Wage Support Scheme” (EWSS) which provides a flat rate subsidy to qualifying employers based on a number of eligible employees was due to cease 31<sup>st</sup> March 2021, however, as a result of the extended level 5 restrictions, will continue until 30<sup>th</sup> June 2021.
- PUP - The “Pandemic Unemployment Payment” (PUP) that is paid to workers temporarily laid off because of the extended level 5 restrictions will be extended beyond its intended cessation date of 31st March 2021, so that it will continue until 30<sup>th</sup> June 2021.
- Loans & Grants to SME’S – Applications for certain business supports in the form of state guaranteed, or state supported loans are to be extended until 30<sup>th</sup> June 2021.
- Rates Waiver – Rates due to local authorities are waived until at least 30<sup>th</sup> June 2021.

At Tynan Dillon, our expert team are ideally placed to assist with any business issues or challenges you may be currently faced with. If you have any queries or would like advice, please do not hesitate to contact us.