

# Coronavirus Large Business Interruption Loan Scheme

The Government will extend the maximum loan size available through the Coronavirus Large Business Interruption Loan Scheme (CLBILS) from £50 million to £200 million.

The expanded loans, which have been introduced by the Government following discussions with lenders and business groups, will be available from 26th May 2020.

These changes also mean companies receiving help through CLBILS and the Bank of England's Coronavirus Corporate Financing Fund will be asked to agree to not pay dividends and to exercise restraint on senior pay.

Businesses that lend money under CLBILS will be able to borrow up to 25% of turnover, now up to a maximum of £200 million from 26th May 2020. The maximum loan size available under the scheme will be increased from £50 million to £200 million to help ensure those large firms which do not qualify for the Bank of England's Covid Corporate Financing Facility (CCFF) have enough finance to meet cashflow needs during the outbreak.

## Who is eligible?

The eligibility criteria will be the same as previously announced for a CLBILS loan. More information can be found [here](#).

There will be certain restrictions placed on borrowers including not being able to make any dividend payments other than those that have already been declared and they must agree not to make any share buybacks.

The business must also agree not to pay any cash bonuses, or award any pay rises to senior management, including the board, except where they:

- were declared before the CLBILS loan was taken out;
- are in keeping with similar payments made in the preceding 12 months;
- do not have a material negative effect on the borrower's ability to repay the loan.

These restrictions will now also apply to the Bank of England's Covid Corporate Financing Facility (CCFF) participants that wish to borrow money beyond 12 months from 19th May 2020. This will ensure that the money is used to keep the company going through the crisis.



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