



Financial Support Measures for Self-Employed Barristers, Chambers and BSB Regulated Entities

The following is a list of the measures announced so far that could be of benefit to self-employed barristers and chambers (*that is, either chambers operating as unincorporated Trade Protection Associations (TPA) or through incorporated limited companies*); it will be updated as the situation develops.

Please see the Government guidance on [Support for Business](#) and the links therein for further details.

Measure	Further Information
VAT payments for businesses are deferred for three months	<p>VAT-registered sole traders and chambers were previously told that they would not need to make a VAT payment between 20 Mar and 30 Jun 2020. Instead, taxpayers would be given until the end of the 2020/21 tax year to pay any liabilities that have accumulated during the deferral period, and VAT refunds and reclaims would be paid by the government as normal. This facility was automatic, and you did not need to apply for it. However, you still needed to submit your VAT return. If you normally paid VAT by direct debit, you should have cancelled it, to avoid HMRC automatically taking the payment.</p> <p>On 24 September 2020, the Chancellor announced that businesses who deferred VAT due from 20 March to 30 June 2020 now have the option to pay in smaller payments over a longer period. Instead of paying the full amount by the end of March 2021, they can instead make smaller payments up to the end of March 2022, interest free. To benefit from this, VAT-registered sole traders and chambers will need to opt-in to the scheme, which means that any VAT liabilities due between 20 March and 30 June 2020 do not need to be paid in full until the end of March 2022. Those that can pay their deferred VAT can still do so by 31 March 2021. Further details can be found here.</p>

Measure	Further Information
<p>Claim under the Coronavirus Job Retention Scheme</p>	<p>The Coronavirus Job Retention (or 'Furlough') Scheme has been extended to 30 September 2021.</p> <p>Until 30 April 2021, employers can furlough employees who were on the payroll on 30 October 2020 for any amount of time and any work pattern, noting that the minimum claim for employees on flexible furlough is seven calendar days within any given month. The level of the grant will mirror levels available under the CJRS in August, so the government will pay 80% of wages up to a cap of £2,500 and employers will pay employer National Insurance Contributions (NICs) and pension contributions only for the hours the employee does not work. See the Government's announcement for further information.</p> <p>From 1 May 2021 onwards, employers can furlough employees who were on the payroll on 2 March 2021 for any amount of time and any work pattern, noting that the minimum claim for employees on flexible furlough is seven calendar days within any given month. Between 1 May and 30 September 2021, the level of grant will gradually be reduced, as follows:</p> <ul style="list-style-type: none"> • Until 30 June 2021, the level of the grant will mirror those outlined above. • In July 2021, the government will pay 70% of wages and employers will pay the remaining 10%, in addition to National Insurance Contributions (NICs) and pension contributions for the hours the employee does not work. • In August and September 2021, the government will pay 60% of wages and employers will pay the remaining 20%, in addition to National Insurance Contributions (NICs) and pension contributions for the hours the employee does not work.
<p>The Self-Employed Income Support Scheme (SEISS)</p>	<p>The SEISS was introduced to support self-employed individuals who had lost income due to COVID-19, by enabling those eligible to claim a taxable grant worth 80% of trading profits up to a maximum of £2,500 per month for 3 months. There were significant restrictions, though, on eligibility and those will have affected many barristers.</p> <p>Fourth grant</p> <p>The SEISS has now been extended for a fourth time and eligibility for the Scheme has been improved, in that it is based on the 2019 to 2020 tax returns and is open to those who become self-employed during the same tax year. All self-employed individuals falling into this category will be able to claim a taxable grant of 80% of three months' average trading profits, paid out in a single instalment, capped at £7,500.</p>

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<p>The Self-Employed Income Support Scheme (SEISS) (continued)</p>	<p>To be eligible for the fourth grant, self-employed barristers must also have trading profits of no more than £50,000 during the 2019 to 2020 tax return year. Where a barrister is not eligible on this basis and provided that they have traded in both the 2019 to 2020 and 2020 to 2021 tax years, their returns during the years 2016 to 2017, 2017 to 2018, 2018 to 2019 and 2019 to 2020 will be assessed instead.</p> <p>As with the first three grants, all applicants must also:</p> <ul style="list-style-type: none"> • be currently trading but impacted by reduced demand or have been trading but are temporarily unable to do so due to coronavirus; • be intending to continue to trade; and • hold a reasonable belief that there will be a significant reduction in their trading profits due to reduced business activity, capacity, demand or inability to trade due to coronavirus. <p>The online claims service for the fourth grant will be available from late April 2021 until 31 May 2021. If you are eligible, HMRC will contact you in mid-April to give you your personal claim date. This will be the date that you can make your claim from. There will be more guidance about the fourth grant in due course and further information can be found on the Government's website.</p> <p>Fifth grant</p> <p>A fifth and final grant will be made available later this year, covering May to September 2021. Those who are eligible will be able to claim from late July 2021 and how much they receive will be determined by how much their turnover has reduced in the 2020 to 2021 tax year. The fifth grant will be worth:</p> <ul style="list-style-type: none"> • 80% of three months' average trading profits, capped at £7,500, for those with a turnover reduction of 30% or more; or • 30% of three months' average trading profits, capped at £2,850, for those with a turnover reduction of less than 30% <p>Further details will be provided on the fifth grant in due course.</p>

Measure	Further Information
Borrow through the Coronavirus Business Interruption Loan Scheme (CBILS)	CBILS is available to small and medium-sized businesses, including self-employed sole traders with a business bank account and chambers who operate either through an unincorporated Trade Protection Association or an incorporated limited company. Loans of up to £5M will be available, with the first 12 months of the loan being interest-free. Personal guarantees will not be required for loans of less than £250K. For further information, see the British Business Bank website , noting that the Scheme comes closes on 31 March 2021.
Borrow through the Bounce Back Loan Scheme (BBLs)	<p>BBLs is available until 31 March 2021 to provide financial support to small and medium-sized businesses, including self-employed sole traders and chambers, with loans of up to £50,000. For further information, see the Bar Council BBLs guidance.</p> <p>In February 2021 the Chancellor of the Exchequer announced that those businesses making use of the BBLs would be offered the option to tailor payments according to their individual circumstances by extending their loans from six to ten years (reducing monthly repayments by almost half) and delaying all repayments for a further six months (in addition to the original twelve offered under BBLs) under the Government’s new Pay As You Grow Scheme. The Government will also cover the costs of interest for the first year of the loan. Lenders will proactively and directly inform their customers of Pay as You Grow, and borrowers should only expect correspondence three months before their first BBLs repayments are due.</p>
Seek financial assistance from the Barristers’ Benevolent Association	The BBA exists to provide emergency financial assistance to members of the Bar and is running a special COVID-19 appeal with the Inns of Court to raise additional funds. If you are in financial difficulty, please see the Chair of the Bar’s letter to members and the BBA’s webpage for an application form.
Reclaim the costs of Statutory Sick Pay (SSP) paid to employees	Employers can reclaim the costs of SSP paid for sickness absence, covering up to two weeks' SSP per employee who has been off work due to COVID-19. Further details can be seen here .

Measure	Further Information
Further tax-liability support for businesses and the self-employed through the HMRC Time to Pay scheme	Further to the measures above, all businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support, agreed on a case-by-case basis and tailored to individual circumstances and liabilities. Further details can be seen here or phone the HMRC's dedicated COVID-19 Time to Pay Helpline on 0800 024 1222
Take a "mortgage holiday" of up to three months, with the possibility of a further three-month extension	<p>In March, it was announced that mortgage holders with financial difficulties caused by the COVID-19 pandemic could apply for a three-month mortgage-payment holiday.</p> <p>In November 2020, the FCA announced that if mortgage holders had not taken a payment holiday, they would be eligible for two payment holidays of up to six months in total. Furthermore, those who had applied for an initial payment holiday would be eligible for another payment holiday of three months.</p> <p>The current position is that mortgage holders can request a payment holiday of up to six months in total, but lenders can only agree one of up to three months at a time before agreeing to renew for a further three months. Those who wish to apply must do so by 31 March 2021 and all payment holidays must end by 31 July 2021. Extensions can be agreed to after 31 March 2021 but only where they don't go over the six-month limit and there are no breaks in the financial support offered. Please see the FCA guidance for further information.</p>
Receive a grant of £10,000 if you are eligible for Small Business Rate Relief (SBRR)	If the rateable value of your one business property (i.e. its open market rental value on 1 Apr 2015, based on the estimate by the Valuation Office Agency) is £15,000 or less, you will already be eligible for SBRR. This is likely to apply only to a few sole- practitioners or very small chambers with one business property <i>and already in receipt of SBRR</i> . Your local authority will contact you to provide a one-off grant of £10,000; you do not need to apply.
Spread your remaining Business Rates instalments	Contact your Local Authority to see if you can pay the balance of your annual Business Rates over the full twelve months of the tax year rather than the normal ten payments.

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<p>Check if you can claim on your existing Business Interruption Insurance</p>	<p>In a recent test case before the Supreme Court, the Financial Conduct Authority (“FCA”) successfully argued for there to be a basis on which business interruption policyholders might be able to use their respective ‘disease’ and prevention of access’ clauses to make an insurance claim.</p> <p>The judgment is complex and, whilst it does now cover all possible disputes, it resolves some key contractual uncertainties and ‘causation’ issues relating to the 21 policy types of eight different insurance companies - Arch Insurance (UK) Ltd, Argenta Syndicate Management Ltd, Ecclesiastical Insurance Office Plc, MS Amlin Underwriting Ltd, Hiscox Insurance Company Ltd, QBE UK Ltd, Royal & Sun Alliance Insurance Plc and Zurich Insurance Plc.</p> <p>It is clear from the FCA’s dedicated website that most SME business insurance policies will not benefit from the Supreme Court judgment; specifically where the relevant clauses focus on basic cover arising from property damage. However, where chambers and Bar Standards Board (“BSB”) regulated entities have policies that provide cover for business insurance from other causes and, in particular, infectious or notifiable diseases and non-damage denial of access and public authority closers or restrictions, they may now be eligible to receive a pay out in relation to the coronavirus pandemic and its effects.</p> <p>Due to the variety of business interruption insurance policies available to the Bar, chambers and BSB regulated entities will need to consider the content of their own against the Supreme Court judgment in order to establish whether they might have a valid claim. To assist, the FCA’s legal team at Herbert Smith Freehills have published a bulletin on their website, which can be referred to for further detail.</p>

Last updated: 4 March 2021

