

## **Financial Support Measures for Self-Employed Barristers and Chambers**

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
Income tax payments for the self-employed are deferred	Self-assessment payments due on 31 Jul 2020 will be deferred until 31 Jan 2021. This is automatic and you do not need to apply, however the deferment is optional, should you wish to make the payment on time. No penalties or interest for late payment will be charged in the deferral period. <a href="#">For further information, see here.</a>
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. (You can, of course, continue to pay as usual, should you wish to.) 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. <a href="#">Further details can be found here</a></p>
Claim under the Coronavirus Job Retention Scheme	In November 2020, the Government announced that the Coronavirus Job Retention (or 'Furlough') Scheme would be extended. Employers can now furlough employees who were on the payroll at the end of October for a minimum period of seven consecutive days. 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. <a href="#">See the Government's announcement for further information</a>
The Self-Employed Income Support Scheme (SEISS)	<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 many barristers.</p> <p>Earlier this year, the scheme was extended to provide a second grant, the deadline for which was 13 July and the eligibility criteria for which remained the same as the first grant. If you were eligible, the second grant offered a taxable grant worth 70% of your average monthly trading profits, paid out in a single instalment covering a further 3 months' worth of profits, and capped at £6,570 in total.</p> <p>The Government has now extended the SEISS for a third time and across two additional three months periods covering November 2020 to January 2021, and February 2021 to April 2021. The extension will last for six months and will be paid in two lump sum instalments each covering a three-month period. During the first</p>

	<p>period (November 2020 to January 2021), the Government will provide a taxable grant calculated at 80% of three-months average monthly trading profits, paid out in a single instalment covering three months' worth of profits, and capped at £7,700 in total. Details of the fourth period (February 2021 to April 2021) will be announced in due course.</p> <p>To be eligible for these Grant Extensions, you must have been previously eligible for the SEISS First and Second Grants, and be prepared to declare that you intend to continue to "trade" but that demand for your services has reduced as a result of the coronavirus pandemic. If you fit these criteria then you will be able to make an application from 30 November 2020 onwards. <a href="#">See the Government's announcements for further information.</a></p>
Borrow through the Coronavirus Business Interruption Loan Scheme (CBILS)	<p>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 <a href="#">British Business Bank website here.</a></p>
Borrow through the Bounce Back Loan Scheme (BBLs)	<p>BBLs is available until 31 January 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 <a href="#">Bar Council BBLs guidance.</a></p>
Seek financial assistance from the Barristers' Benevolent Association	<p>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 <a href="#">Chair of the Bar's letter to members</a> and the <a href="#">BBA's webpage</a> for an application form.</p>
Reclaim the costs of Statutory Sick Pay (SSP) paid to employees	<p>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. <a href="#">Further details can be seen here.</a></p>
Further tax-liability support for businesses and the self-employed through the HMRC Time to Pay scheme	<p>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. <a href="#">Further details can be seen here</a> or phone the HMRC's dedicated COVID-19 Time to Pay Helpline on 0800 024 1222</p>
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>More recently, mortgage lenders were further instructed that no repossession proceedings should be commenced or continued before 31 Oct 2020.</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. The FCA is proposing that those</p>

	<p>who have not yet taken a payment holiday will be eligible for two payment holidays of up to six months in total, those who currently have an initial payment holiday will be eligible for another payment holiday of three months, and those who have resumed repayments after an initial payment holiday will be eligible for another payment of up to three months. Those who wish to apply have until 31 January 2021 to do so, noting that they won't be eligible if they have had two payment holidays of up to six months in total. <a href="#">Please see the FCA guidance for further information.</a></p>
<p>Receive a grant of £10,000 if you are eligible for Small Business Rate Relief (SBRR)</p>	<p>If the rateable value of your one business property (ie 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.</p>
<p>Spread your remaining Business Rates instalments</p>	<p>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. (This minor cash-flow measure has been agreed by some LAs on application.)</p>
<p>Check if you can claim on your existing Business Interruption Insurance</p>	<p>Chambers should check their existing business insurance to see if it provides relevant cover, eg Business Interruption arising from pandemics, though please note that the Association of British Insurers has advised that this is <i>not</i> standard cover. Seek advice from your insurance broker as appropriate and pay attention to any time limits in the policy.</p>