COVID-19: miscellaneous support for businesses

Protection from eviction for commercial tenants

Commercial tenants who cannot pay their rent because of COVID-19 will be protected from eviction. These measures will mean no business will automatically forfeit their lease and be forced out of their premises if they miss a payment up until 30 June, though this period may be extended if needed. All commercial tenants will still be liable for the rent at the end of this period.

Companies House support

This involves three different measures of support:

- Pausing the strike-off process – Companies House will temporarily pause the strike off process to prevent companies being dissolved. This will give businesses affected by the coronavirus outbreak the time they need to update their records and help them avoid being struck off the register.
- Sympathetic approach to late filing – Companies issued with a late filing penalty due to COVID-19 will have appeals treated sympathetically.
- Extension to file accounts – If your accounts will be late because your company is affected by COVID-19, and your filing deadline has not yet passed, you can apply for an automatic and immediate 3 month extension to file your accounts. If you do not apply for an extension and your accounts are filed late, an automatic penalty will be imposed. Applications should be made here.

Suspending or reducing deficit repair contributions

Eligibility – this statement applies to employers using defined benefit schemes.

The measures – the Pensions Regulator published guidance stating that:
- Trustees should be open to requests to reduce or suspend deficit repair contributions.
- Where sufficient information is not available to make a fully informed decision, trustees should, where appropriate, agree to requests to suspend or reduce DRCs for as limited a period as possible while appropriate information is being provided.
- If trustees are not able to assess the employer's position, contributions should not be suspended for more than 3 months. A condition of a suspension or reduction agreement in these cases should be full and ongoing provision of information so that trustees can monitor the employer covenant.
- Extensions beyond 3 months may be appropriate where other creditors commit to support for longer periods and restrictions on trustee extensions would limit that support.
- Trustees may agree to a longer suspension/reduction period, but this should be fully considered with appropriate information on the business case for additional reduction/suspension of DRCs and should ideally be underwritten by any available protections.

News Media Association, Second Floor, 16-18 New Bridge Street, London, EC4V 6AG
Tel: 0203 848 9620 Email: nma@newsmediauk.org   www.newsmediauk.org   Twitter: @newsmediaorg
The Newspaper Organisation Limited, trading as News Media Association, is a private company limited by guarantee registered in England and Wales.
Registered office: Second Floor, 16-18 New Bridge Street, London, EC4V 6AG. Registered number: 08963259

- The Pensions regulator ideally expects suspended/reduced contributions to be repaid within the current recovery plan timeframe and the recovery plan not to be lengthened unless there is sufficiently reliable covenant visibility.

How to apply – employers should contact their providers directly. If employers have immediate concerns with their scheme, administration or cannot pay their contributions they should contact the Pensions Regulator.

Trade Credit Insurance Guarantee

Due to coronavirus and businesses struggling to pay bills, there is a risk of credit insurance being withdrawn or premiums increasing to unaffordable levels, which could cause serious issues for liquidity and working capital across business supply chains. This scheme seeks to ensure that trade credit insurance coverage remains in place.

The scheme
- Trade Credit Insurers will receive up to £10 million in government backing. This will be sufficient for the vast majority of Trade Credit Insurance coverage maintained across the UK.
- The scheme will be backdated to April 1 and will operate until the end of 2020.
- The scheme will be available to insurers operating in the UK market, covering both domestic and overseas trade with payment terms of up to 2 years.

Accessing the scheme
- businesses should obtain cover from trade credit insurers as usual. These insurers will be able to buy cover for themselves from the government.