

Statutory Document No. 2020/0190

C

Financial Provisions and Currency Act 2011

COVID 19 SALARY SUPPORT SCHEME

Approved by Tynwald:

Coming into Operation in accordance with paragraph 2

The Treasury makes the following Scheme under section 3 of the Financial Provisions and Currency Act 2011.

1 Title

This Scheme is the COVID 19 Salary Support Scheme.

2 Commencement

- (1) If approved by Tynwald, this Scheme comes into operation on approval.
- (2) The Scheme will be operational until 25 May 2020 unless extended by Order to be approved by Tynwald.

3 Interpretation

In this scheme, —

“**COVID-19**” means the disease caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2);

“**the Department**” means the Department of Treasury;

“**excluded sectors**” means any business whose income is wholly or mainly from

—

- (a) the finance sector including but not restricted to—
 - (i) banking;
 - (ii) insurance;
 - (iii) fund industry including managers and administrators;
 - (iv) accountancy services, except for those businesses with 25 employees or less where the majority of their clients are in the Isle of Man;
 - (v) trust and corporate service providers;

- (vi) other financial services;
- (b) legal services, except where at least 30% of the income of the provider of those services is derived from either or a combination of conveyancing and legal aid related work;
- (c) IT; information technology and digital;
- (d) E-gaming etc., except for those businesses with less than 20 employees whose business generates at least 50 percent of its revenue from Sportsbook income (sports betting, rather than Casino);
- (e) Space and utilities (including gas and telecoms);
- (f) public administration;
- (g) any retailer that is liable to pay or will be liable to pay income tax at a 10% rate under the large retailers tax for the 2018/19 income tax year;
- (h) any business that receives a significant amount of its income from Isle of Man Government in any way and including payments for underwritten events;
- (i) any constituent entity of a MNE group under the Income Tax (Country-by-Country Reporting) Regulations 2017¹ (total consolidated group revenue of 750 million Euro or more).

4 Purpose

The purpose of this Scheme is to provide salary support for businesses most adversely affected by COVID-19.

5 The Scheme

- (1) Expenditure under the scheme will be appropriated from the National Insurance Fund.
- (2) Qualifying businesses may apply for assistance for a period of up to 12 weeks during the period beginning on 2nd March 2020.

6 Qualifying Business

- (1) In order to qualify for financial assistance, a business must—
 - (a) employ 1 or more employees;
 - (b) not be in an excluded sector;
 - (c) have its place of business in the Isle of Man;
 - (d) *omitted by SD 2020/0237*;

¹ SD 2017/0091

- (e) have been consistently meeting in full its financial obligations to its employees up to 28 February 2020;
 - (f) commit, for the duration of the period for which it seeks financial assistance, —
 - (i) to not laying off any employee for the remuneration of whom the financial assistance is sought; and
 - (ii) to continuing to remunerate every such employee;
 - (g) subject to any measures in force under the Emergency Powers Act 1936, have been in operation continuously since at least the 28 February 2020 and continue to meet contractual obligations to employees;
 - (h) subject to any measures in force under the Emergency Powers Act 1936, intend to continue operating during the current state of emergency in effect due to the COVID-19 pandemic and for the foreseeable future, and continue to meet contractual obligations to employees; and
 - (i) be adversely affected through loss of business by the COVID 19 outbreak.
- (2) In addition to meeting the requirements of subparagraph (1), a business must comply with paragraphs 9 and 10.
 - (3) The business must also meet any other conditions as set by the Department in guidance.

7 Maximum amount of grant

- (1) The amount of the financial assistance available will be as follows—
 - (a) a maximum of £280 per week per full time equivalent employee;
 - (b) for part time employees the maximum payment will be £280 pro rata, based on a 35 hour week; and
 - (c) for an employee on a zero hours contract a maximum of £280 pro rata for hours worked based on a 35 hour week.
- (2) The financial assistance can be claimed for up to a maximum of 12 weeks during the period beginning on 2nd March 2020 and ending on the 25th May 2020.

8 The application process

- (1) An application for financial assistance under the Scheme must be—
 - (a) made in writing, monthly in arrears, in a form approved by the Department; and
 - (b) accompanied by such documentation as the Department require.
- (2) Upon receipt of the application, the Department must—

- (a) consider the application;
 - (b) decide whether financial assistance should be provided under the Scheme and, if so to what extent; and
 - (c) notify the applicant in writing and make the payment.
- (3) An application must be made no later than 30 days after the end of the month in which the payment(s) of salary were made. A claim will be accepted for the first 4 week claim up until the 30th May 2020.
- (4) The application will be subject to such prospective or retrospective checks as may be required by –
- (a) the Department;
 - (b) the Assessor of Income Tax; or
 - (c) the Collector of Customs and Excise.
- (5) Without limiting paragraph (4), checks referred to in that paragraph may be –
- (a) in respect of employees of an applicant for financial assistance;
 - (b) with a view to confirming the eligibility of the applicant to receive financial assistance.
- (6) The Department may seek advice from a professional advisor to assist in the decision making process.
- (7) A professional advisor must not provide advice on any application where there may be an actual or reasonably perceived conflict of interest.

9 The probity requirements

- (1) The probity requirements are as follows-
- (a) No person involved in controlling or managing the business should be disqualified from holding an appointment as a director or a company secretary anywhere in the world at the time of application.
 - (b) No person involved in controlling the business is the subject of outstanding executions anywhere in the world at the time of application.
 - (c) No person involved in controlling the business is insolvent at the time of application.
 - (d) The business is not insolvent at the time of application.

10 The disclosure requirements

- (1) The disclosure requirements are as follows-

- (a) If the business is a company, the person involved in controlling that business must disclose the ultimate beneficial ownership of the business at the time of application.
- (b) A person involved in controlling the business must declare any arrears of the business in relation to—
 - (i) income tax;
 - (ii) National Insurance contributions;
 - (iii) value added tax; or
 - (iv) any other taxes or duties payable.

11 Miscellaneous

- (1) The Chief Financial Officer of the Treasury may —
 - (a) include any business as a qualifying business for the purposes of this Scheme;
 - (b) exclude any business which in his opinion should not obtain financial assistance under this Scheme;if he considers it is in the best interests of the Island's economy.
- (2) The Chief Financial Officer of the Treasury may also determine whether any person in his or her opinion is or is not a business for the purposes of this Scheme.
- (3) The Treasury may publish a report to be laid before Tynwald detailing the names of each business and the amount of financial assistance claimed.
- (4) The Treasury may by Order amend the conditions or application of this Scheme in any way at any time.

12 False etc. applications

- (1) Any person, including in the case of a company a director, who provides false, incomplete or misleading information in connection with an application under the Scheme commits an offence.
- (2) A person who commits an offence under subparagraph (1) is liable to summary conviction to custody not for more than 6 months, to a fine of £5,000, or both.

13 Recovery

- (1) If any person has provided a false, incomplete or misleading claim for financial assistance under this Scheme, subparagraph (2) applies.
- (2) Where this subparagraph applies, the Treasury may, whether or not it has carried out the confirmation checks, at any time recover either the full amount or any part of the financial assistance provided.

- (3) Recovery may be made if —
 - (a) a person has made a misleading claim in order to receive pecuniary benefit; or
 - (b) has made a false declaration under the Scheme.
- (4) Recovery under subparagraph (3) may be made —
 - (a) from the business; or
 - (b) in the case of a company, from any or all directors of that business or as necessary the shareholders.
- (5) Any amount recovered will be returned to the National Insurance Fund.

14 Review of decision

- (1) An applicant for financial assistance may request the Department to review any decision.
- (2) The request for review must be made within one month of the decision.
- (3) The Department may appoint an officer of Treasury or another person to—
 - (a) review how the decision was reached; and
 - (b) provide a report to the Department on the matter.
- (4) If it is concluded that in reaching the decision, the Department—
 - (a) erred in law;
 - (b) based the decision on any incorrect material fact; or
 - (c) exercised a discretion in an unreasonable manner,the Department will reconsider the application for financial assistance taking into account the findings of the review.
- (5) Subparagraph (4) does not in itself affect the previous operation of the decision or anything duly done or suffered under it.

15 Guidance

- (1) The Department may publish guidance for applicants with respect to the manner in which powers are to be exercised under this Scheme which may amend the definition of excluded sector and amongst other things, detail—
 - (a) the type of business eligible for financial assistance;
 - (b) terms and conditions of support; and
 - (c) the application process and the information that must be provided.

16 The appropriation of the fund

The sums required to be paid under the Scheme will be appropriated from the National Insurance Fund.

MADE

ALFRED CANNAN
Minister for the Treasury

EXPLANATORY NOTE

(This note is not part of the Scheme)

This Scheme provides will be appropriated from the National Insurance Fund.

It provides financial assistance to any qualifying business for £280 per full time equivalent employee per week for up to 12 weeks and pro rata for part time employees based on a 35 hour week.

The first financial assistance payment can be claimed for the end of March. The payment is available for up to 12 weeks beginning on the 2nd March 2020 and ending on the 25 May 2020.

Businesses not included within the scheme are those which have been least affected by the Coronavirus at this time. However the Chief Financial Officer will have discretion on whether to make a payment or not in the interests of the Island's economy.