

Written 28 June 2021

## BUSINESS NEWS SCOTLAND

Welcome to our round up of the latest business and Covid-19 news for our clients. Please contact us if you want to talk about how these updates affect your business. We are here to support you!

### Covid-19 news

The whole of Scotland will move to Level 0 on 19 July if all necessary vaccination and harm reduction measures are met. Current levels will remain in place for the next three weeks with a review taking place on 13 July although some changes, such as minor relaxations to rules on events such as weddings and funerals, will come into place today.



During a statement to Parliament, First Minister Nicola Sturgeon, also confirmed that from 19 July physical distancing outdoors will be removed and physical distancing for indoor public areas will reduce to one metre if the data allows. Limits on outdoor gatherings will also be removed on this date given the reduced risk of outdoor transmission at this stage in the vaccination programme.

If the necessary conditions on vaccination and harm reduction continue to be met, all major remaining COVID restrictions will be lifted on 9 August.

New additions have been made to the international travel green list for Scotland to include Malta, Madeira and the Balearics. There will be close monitoring of the position in the Balearics over the next three weeks ahead of the next review point. The easing follows the latest review of the 'traffic light' risk warning system for international travel which came into effect on 17 May. Other additions to an expanded green travel list include Antigua, Barbados, and Bermuda. A number of destinations – including Tunisia and Uganda – have been added to the red list which requires managed isolation for 10 days on return. The latest changes come into effect at 4am on 30 June. See: [Expanded travel green list for Scotland - gov.scot \(www.gov.scot\)](https://www.gov.scot)

## **Moving goods between the UK and EU**

If you move goods between the UK and countries in the EU, you need to follow new customs and tax rules. HMRC has set up the Customs and International Trade helpline on 0300 322 9434. The helpline is open from 8am to 10pm Monday to Friday and from 8am to 4pm at weekends.

[HMRC's YouTube channel](#) is where you can watch videos to familiarise yourself with the new customs processes and what you need to do when you trade goods with the EU.

If you buy goods from the EU, or send or sell goods to the EU for your business, HMRC'S [Rules of Origin recorded webinar](#) will help you understand the process and what you need to do.

## **Apply for a grant to help small and medium-sized businesses new to importing or exporting**

The SME Brexit Support Fund could give you up to £2,000 to help with training or professional advice if your business has up to 500 employees and no more than £100 million annual turnover.

You can use the grant for training on:

- how to complete customs declarations
- how to manage customs processes and use customs software and systems
- specific import and export related aspects including VAT, excise and rules of origin

It can be used to help you get professional advice so your business can meet its customs, excise, import VAT or safety and security declaration requirements.

Your business must:

- [be established in the UK](#)
- have been established in the UK for at least 12 months before submitting the application, or currently hold Authorised Economic Operator status
- not have previously failed to meet its tax or customs obligations
- have no more than 500 employees
- have no more than £100 million turnover
- only import or export goods between Great Britain and the EU, or move goods between Great Britain and Northern Ireland, if you already import or export goods from or to a non-EU country you are not eligible for his grant

Your business must also either:

- complete (or intend to complete) import or export declarations internally for its own goods

- use someone else to complete import or export declarations but requires additional capability internally to effectively import or export (such as advice on rules of origin or advice on dealing with a supply chain)

See: [Apply for a grant to help small and medium-sized businesses new to importing or exporting - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/apply-for-a-grant-to-help-small-and-medium-sized-businesses-new-to-importing-or-exporting)

### **Three year carry back of company losses**

An extended loss carry back was announced at Budget 2021 which enables companies (and individuals) to make claims to carry back losses for a further 2 years than previous rules allowed. This temporary extension applies for losses arising in company accounting periods ending between 1 April 2020 and 31 March 2022.

An HMRC guidance note setting out further information on [extended loss carry back for businesses](#) is available.



### Claims Process

Where the loss relief claim is no more than £200,000, HMRC are prepared to accept the loss claim in advance of submitting the CT600 company tax return and finalised accounts provided there is sufficient evidence to support the loss claim. HMRC will shortly provide an update on the preferred method for claim submission, which will look to get these claims processed as quickly and efficiently as possible and result in a refund of tax paid in earlier years.

Claims that exceed the de minimis of £200,000 must be made in a company tax return. Box 45 (claim or relief affecting an earlier period) on the CT600 should be completed and details of the carry back claims included in the computations that accompany the CT600 and accounts.

There is no need to submit amended returns for the earlier periods to which the extended relief applies as the claims will be treated as amendments to those returns. Amended returns for these periods will be rejected for online submission as, in most cases, they will be out of time for amendment.

Note that there is a £2 million limit on the losses qualifying for this extended loss relief and that limit applies to all companies within a 75% group. Such groups are required to nominate how the £2 million is allocated among group members.

### **UKCA marking – Find out if you need to use the UKCA marking and how to use it**

The UKCA (UK Conformity Assessed) marking is a new UK product marking that is used for goods being placed on the market in Great Britain (England, Wales and Scotland). It covers most goods which previously required the CE marking, known as ‘new approach’ goods.

The UKCA marking came into effect on 1 January 2021. However, to allow businesses time to adjust to the new requirements, you will still be able to use the CE marking until 1 January 2022 in most cases.

The UK Government has produced guidance which explains how to use the UKCA marking. For further information on placing these goods on the market, see the guidance on [placing manufactured goods on the market in Great Britain](#).

The UKCA marking alone cannot be used for goods placed on the Northern Ireland market. See the guidance on [placing goods on the Northern Ireland market](#).

#### Selling goods in the EU

The UKCA marking is not recognised on the EU market. Products need a CE marking for sale in the EU. [Find out how to use the CE marking](#).

For further information see: [Using the UKCA marking - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/using-the-ukca-marking)

### **Establishing green ports**

Businesses are being asked to note their interest in establishing fair and sustainable green ports in Scotland.



Adapting the UK Government freeport proposals, the aim of Scottish green ports is to offer a package of tax and customs reliefs to operators and their beneficiaries who adopt fair work practices and contribute to Scotland’s just energy transition to net zero.

In a letter to Chief Secretary to the Treasury Steve Barclay, Trade Minister Ivan McKee outlined concerns from the Scottish Government and industry stakeholders that a delay from the UK Government is putting Scottish ports at a competitive disadvantage. Mr McKee also

confirmed that while remaining committed to working with the UK Government to establish green ports, the Scottish Government is now seeking notes of interest from business.

See: [Establishing green ports - gov.scot \(www.gov.scot\)](https://www.gov.scot)

## **COVID-19 GOVERNMENT SUPPORT NEWS**

Below is our weekly roundup of changes to government support information generally and for businesses, employers and the self-employed.

### **VAT deferred due to coronavirus (COVID-19)**

Information about paying deferred VAT in full or making an arrangement to pay by 30 June 2021 has been added to the webpage below. If you have not arranged a time to pay plan or have not repaid any VAT deferred then you should [contact coronavirus \(COVID-19\) helpline](#) to discuss your situation.

You may be charged a 5% penalty or interest if you do not pay in full or make an arrangement to pay by 30 June 2021.

See: [Pay VAT deferred due to coronavirus \(COVID-19\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

### **The Furlough Scheme and Employee Travel – “Temporary Workplaces” and COVID-19**

Several professional bodies have requested clarification from HMRC concerning their interpretation of the “temporary workplace” rules where employees have had their posting extended due to the coronavirus pandemic.

HMRC has confirmed that its approach remains unchanged. Under the 24-month rule employees who are seconded to a temporary workplace for no more than 24 months of “continuous work” are entitled to tax relief on their travel expenses. However, if it becomes apparent that the placement at the temporary workplace will go on for longer than 24 months then the travel (and subsistence) to that workplace will not qualify for relief.

This means that employees working at a temporary workplace and then furloughed will no longer be entitled to claim tax relief on their remaining time at the temporary workplace if the furloughed time takes them over 24 months of “continuous work”.

#### Example

An employee was due to work at a temporary workplace for 21 months but say three months after the secondment started they were placed on furlough for five months.

When they return to the temporary workplace for 18 months to complete the 21 months of work, they are no longer entitled to claim relief for business travel and, where reimbursed by the employer, the amounts would be taxable emoluments. This is because it was known that the initial three months of work, the five months of furlough and the 19 months of work would together be greater than 24 months.

HMRC have confirmed that: “The government’s position remains that any period of furlough or working from home, whilst attending a temporary workplace, will be considered a period of continuous work.”

Please talk to us if you need anything clarifying, we are here to help.

### **Coronavirus Job Retention Scheme templates**

The templates to use when claiming for 16 or more employees have been updated. The guidance for uploading these templates has also been updated.

If you are claiming on or after 1 July 2020 for 16 or more employees, you will need to upload a file containing the following information for each employee:

- full name
- National Insurance number (or payroll reference number if you do not have this)
- payroll reference number (sometimes called a pay identify or staff number)
- furlough start and end date (using the format DD/MM/YYYY)
- full amount claimed (pounds and pence)
- normal hours (using decimals, for example 7.5)
- actual hours worked (using decimals)
- furloughed hours (using decimals)
- if they have returned from statutory leave and you then put them on furlough

You must upload the template in .xlsx or .csv format when you claim. If you already have the claim forms saved in a different format (such as .xls or .ods), you must save them again as .xlsx or .csv files. The other formats are no longer accepted.

Your template may be rejected if you do not give the information in the right format. If your template is rejected, you will see a message on the screen and your claim will not be processed.

You’ll need to make sure you:

- provide only the employee information requested here - you might be asked again, or your template may be rejected
- submit one line per employee for the whole period
- do not break up the calculation into multiple periods within the claim
- do not split data by contract type (for example, those paid weekly and monthly should be claimed for together)
- do not provide more or less columns than needed
- upload your file as a .xlsx or .csv (or you can save existing .xls or .ods file types as .xlsx or .csv before uploading them)

If we are submitting your claims we will of course upload your information in the new format.

See: [Download a template if you're claiming for 16 or more employees through the Coronavirus Job Retention Scheme - GOV.UK \(www.gov.uk\)](#)

### **VisitBritain: Business Events Domestic Support Fund launched**

A new fund supporting the events industry recovery will provide financial support to not-for-profit organisations hosting domestic business events from 21 June to 17 December 2021.

The new Domestic Support Fund is designed to offer financial support to kick start the return of business events and to showcase that the UK is ready to meet again and has adapted to new ways of meeting in a COVID-19 secure environment.

Financial support is based on number of delegates attending a live event, or the live component of a hybrid event. The event organisation can apply for £30 per delegate (cash incl. VAT) attending an event. Approved applications will receive financial support, after the event has taken place, and submission of evidence to support total number of attendees.

Offered as a 'Small Amount of Financial Assistance' grant scheme, this support is available for events from 100 to 500 people to a maximum value of £15,000 support.

All activities need to take place within the dates 21 June to 17 December 2021 and evidence provided by 1 March 2022.

More information can be found at [Visit Britain](#).

### **Scotland Coach Operators COVID19 Business Support and Continuity Fund - strand 2**

The Scotland Coach Operators – COVID-19 Business Support and Continuity Fund was created to provide financial support for Scottish based businesses in the coach tourism and coach private hire sector.

Strand 2 of the fund has been created following feedback from the industry that recognises a funding gap for coach operators with a lower percentage of their turnover coming from coach tourism/private coach hire.

The £1.6 million fund will support coach operators in Scotland whose turnover in 2019/20 from coach tourism/private coach hire made up more than 40% of their total turnover. A two-strand approach to grant funding is necessary to meet the needs of the coach sector:

1. Strand 1 is currently closed for applications. It supported coach operators in Scotland with a business turnover equal to more than 55% of their total turnover.
2. Strand 2 is open to coach operators with a business turnover equal to more than 40% of their total turnover. It is open to applications from midday on 23 June and closes on 30 June at 5pm.

The fund is being delivered on behalf of the Scottish Government by VisitScotland, with development, input and criteria setting from the Confederation of Passenger Transport. VisitScotland is the awarding body for this fund.

See: [Scotland Coach Operators COVID19 Business Support and Continuity Fund - strand 2 \(findbusinesssupport.gov.scot\)](#)

### **SMART SCOTLAND grant**

The SMART SCOTLAND grant is a research and development (R&D) grant offered by Scottish Enterprise to support high-risk, highly ambitious projects. It provides funding to support feasibility studies that help to show your idea could work in the real world. Your project will need to generate intellectual property (IP) that your business will own. The grant is only available to small and medium enterprises (SMEs). This fund opened for applications on Friday 9 April 2021.

The initial deadline for applications has been extended to 11:59am on 31 August 2021. After this, there will be a short pause while the service is moved onto a new digital platform. Companies will then be invited to apply using the new online application form.

See: [SMART SCOTLAND grant \(findbusinesssupport.gov.scot\)](#)

### **Green Jobs Funding Call**

This funding call is now open to applications until 12 noon on 1 July 2021.

The green jobs call is part of a series of funding rounds that will open and close for applications periodically. The first call has been delayed until 27 May 2021. It will offer funding of between £50,000 and £500,000 to help Scottish businesses to:

- create green jobs (new jobs that relate directly to the transition to net zero) or facilitate the transition of a job from non-green to green
- minimise environmental impacts by developing sustainable low carbon products or services

Green jobs are:

- jobs in businesses that produce goods or provide services that benefit the environment or conserve natural resources
- jobs in which workers' duties involve making their establishment's production processes more environmentally friendly or use fewer natural resources

This is a competitive funding call and **not** emergency COVID-19 funding. Applications will be assessed against a number of criteria, and only those that are expected to have the biggest economic or environmental impact will be successful.

See: [Green Jobs Funding Call \(findbusinesssupport.gov.scot\)](#)

## **Business Loans Scotland**

This funding includes Business Loans Scotland, which is a consortium of Scottish local authorities. They provide loans ranging from £25,000 to £100,000 (and in exceptional circumstances up to £250,000) to eligible businesses on behalf of the Scottish Government.

These loans can be used for a variety of purposes, including:

- working capital
- capital expenditure
- growth funding

See: [Business Loans Scotland \(findbusinesssupport.gov.scot\)](https://findbusinesssupport.gov.scot)

## **UMi Debt Finance Scotland**

The Scottish Growth Scheme is a package of financial support of up to £500 million for small and medium enterprises (SMEs) in Scotland. The scheme is backed by the Scottish Government and aims to help businesses grow. This funding includes UMi Debt Finance Scotland, which is managed by UMi Scotland on behalf of the Scottish Government and provides loans of £25,001 to £250,000 to eligible businesses.

Loans can be used for a variety of purposes, including:

- working capital
- capital expenditure
- growth funding

See: [UMi Debt Finance Scotland \(findbusinesssupport.gov.scot\)](https://findbusinesssupport.gov.scot)

You can submit an enquiry here: [Contact us - UMi Debt Finance Scotland - Find Business Support](#)

## **Foresight Scottish Growth Fund**

This funding includes the Foresight Scottish Growth Fund, which is managed by the Foresight Group on behalf of the Scottish Government. It provides equity finance of up to £2 million in rounds of up to £10 million for eligible businesses.

See: [Foresight Scottish Growth Fund \(findbusinesssupport.gov.scot\)](https://findbusinesssupport.gov.scot)

## **Scottish Microfinance Fund**

This funding includes the Scottish Microfinance Fund, which is managed by DSL Business Finance Ltd on behalf of the Scottish Government. It provides loans of up to £25,000 to eligible businesses.

These loans can be used for a variety of purposes, including:

- working capital
- capital expenditure
- start-up and growth funding

To be eligible for a business loan of up to £25,000 from the Scottish Microfinance Fund, businesses must:

- be a small to medium-sized enterprise (SME)
- have a borrowing proposal which the lender considers viable
- have a viable business plan which demonstrates you can pay back the loan, and how the requested funding will help you start or grow your business
- be based in Scotland or ready to relocate to Scotland (and be located in Scotland before any loan financing is made available)

The Scottish Microfinance Fund is not sector-specific and businesses in a variety of sectors have already been supported under the fund. However, restrictions do apply within some sectors.

See: [Scottish Microfinance Fund \(findbusinesssupport.gov.scot\)](https://findbusinesssupport.gov.scot)

### **Techstart Ventures Equity Finance**

This funding includes Techstart Ventures Equity Finance, which is managed by Techstart Ventures on behalf of the Scottish Government. It provides equity finance of up to £2 million, in rounds of up to £10 million, for eligible businesses.

The equity funding can be used for a variety of purposes, including:

- growth funding
- research and development
- working capital
- capital expenditure

Techstart Ventures invests principally in early stage start-ups and SMEs who are developing innovative new products with high growth and export potential.

See: [Techstart Ventures Equity Finance \(findbusinesssupport.gov.scot\)](https://findbusinesssupport.gov.scot)

### **DASA launches the Space to Innovate Campaign**

The Defence and Security Accelerator (DASA) and the Defence Science and Technology Laboratory (Dstl) Space Programme have launched the [Space to Innovate Campaign](#).

The campaign seeks proposals for developing future space technologies, including satellites and space-based services, which will enhance and protect space military and civil potential. It is open to innovators from both the existing space sector and those who have not traditionally worked in this domain.

The campaign will involve space-related challenges that will be released in 'drops' throughout 2021 and 2022. The first drop - the 'Alpha challenge drop' - is now open for proposals.

Space to Innovate Campaign - Alpha challenge drop

This challenge drop focuses on two challenges:

- Challenge 1: Visualisation tools to enable space operators to exploit information gathered from multiple data sources
- Challenge 2: Novel methods for characterising objects in space and their intent

See: [Space to Innovate Campaign - Alpha Drop: Competition Document - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/100421/Space_to_Innovate_Campaign_-_Alpha_Drop_-_Competition_Document.pdf)