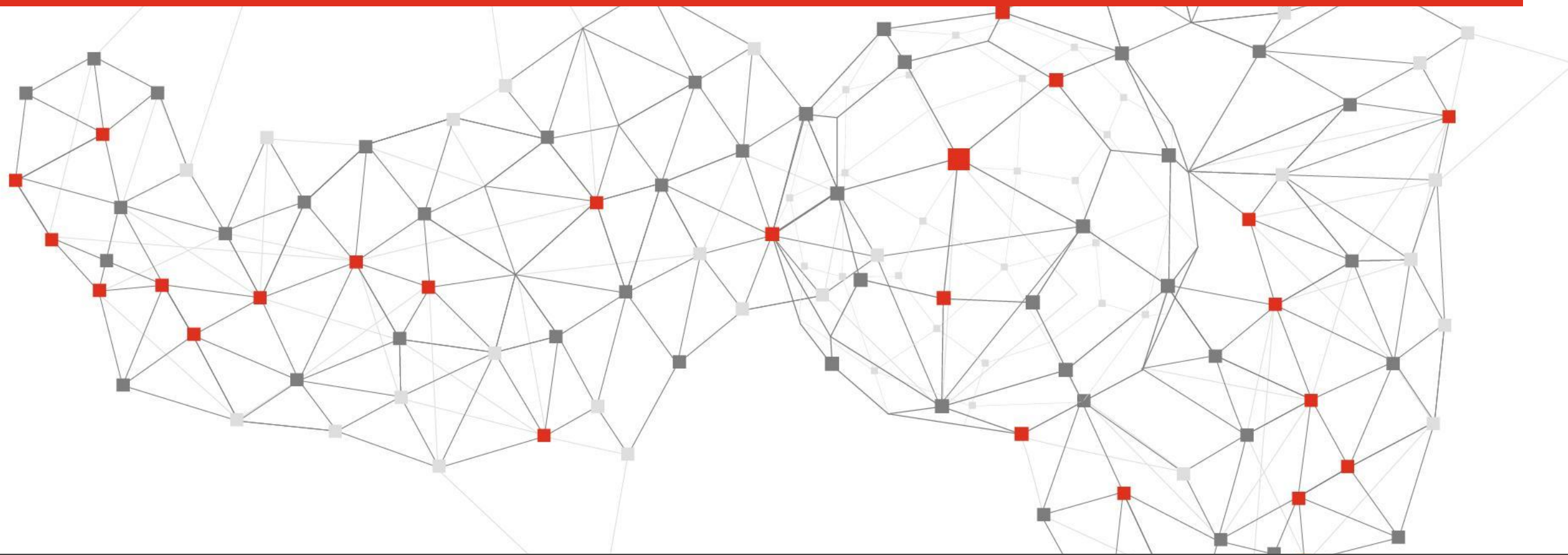


# COVID-19

Stimulus measures as announced by the Government of The Commonwealth of The Bahamas



# Introduction

**On Monday, March 30, 2020, K. Peter Turnquest, Deputy Prime Minister (“DPM”) and Minister of Finance of The Commonwealth of The Bahamas presented to the Honorable House of Assembly the updates on the Government’s stimulus measures in response to COVID-19.**

The DPM’s contribution explained the social and economic support programmes introduced by the Department of Social Services, National Insurance Board (“NIB”), and the Small Business Development Centre (“SBDC”).

He further explained that the Government has expanded the social assistance programme to include a broader category of self-employed persons, while also introducing another programme aimed to protect current employment levels.

These programmes will provide the Bahamian people with food assistance and financial support to lessen the impact of the economic fall-out due to COVID-19.

**In this document we have highlighted the key informational points from the DPM’s contribution.**

This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

# Social assistance for workers on reduced weeks

# \$4M

Has been allocated for disbursement through the Department of Social Services for food assistance and social support for displaced workers, primarily in the hospitality industry directly impacted by COVID-19.

## Important to Note:

- Advisement for food coupon collection began on Wednesday, 1 April 2020 from 9:30 a.m. to 4:00 p.m. at the Department of Social Service, Sunshine Plaza, Baillou Hill Road.
- Food assistance vouchers are valued at \$100, and will be disbursed every two weeks.
- Benefit payments are up to 8 weeks.

# Expanded unemployment assistance for self-employed workers

- The **Special Unemployment Assistance Programme** for self-employed persons in the Tourism Industry covers:
  - Sole proprietors
  - Agents without employees
  - Tourism workers
    - Straw Vendors
    - Hair Braiders
    - Taxi Drivers
    - Jet Ski Operators
- The Initiatives will provide **weekly payments of \$200 to eligible individuals** for a period up to 8 weeks (a total of \$1,600 over the 8 week period).
- **NIB has launched a new online application process** for the Government Funded Unemployment Assistance, which enables applicants to apply online and submit the necessary documents.
- **The Unemployment Assistance is expanded to other licensed Self-employed persons** impacted by COVID-19 Emergency Orders meeting the following requirements:
  - Valid Business License issued by the Department of Inland Revenue.
  - No additional employees (A sole proprietor can apply for the government's Small Business Continuity Loan Programme).
  - A Copy of National Insurance Board (NIB) card or other government ID with NIB number.
  - Must not be in full time employment and eligible for other NIB employment benefit.
  - Demonstrate active income from related business in either January or February 2020.
  - Must either be registered as Self-employed with NIB or become registered at application.
- **Benefit payment of \$200 weekly for the length of the quarantine period**
- The Ministry of Finance has budgeted \$5.9 million to cover the additional self-employed persons. There are 7,000 self-employed persons across The Bahamas who meet the criteria.

# SBDC support for micro, small and medium sized businesses (MSMES)

## Who is Eligible?

Small businesses i.e. Companies operating with a valid business license for one year or more

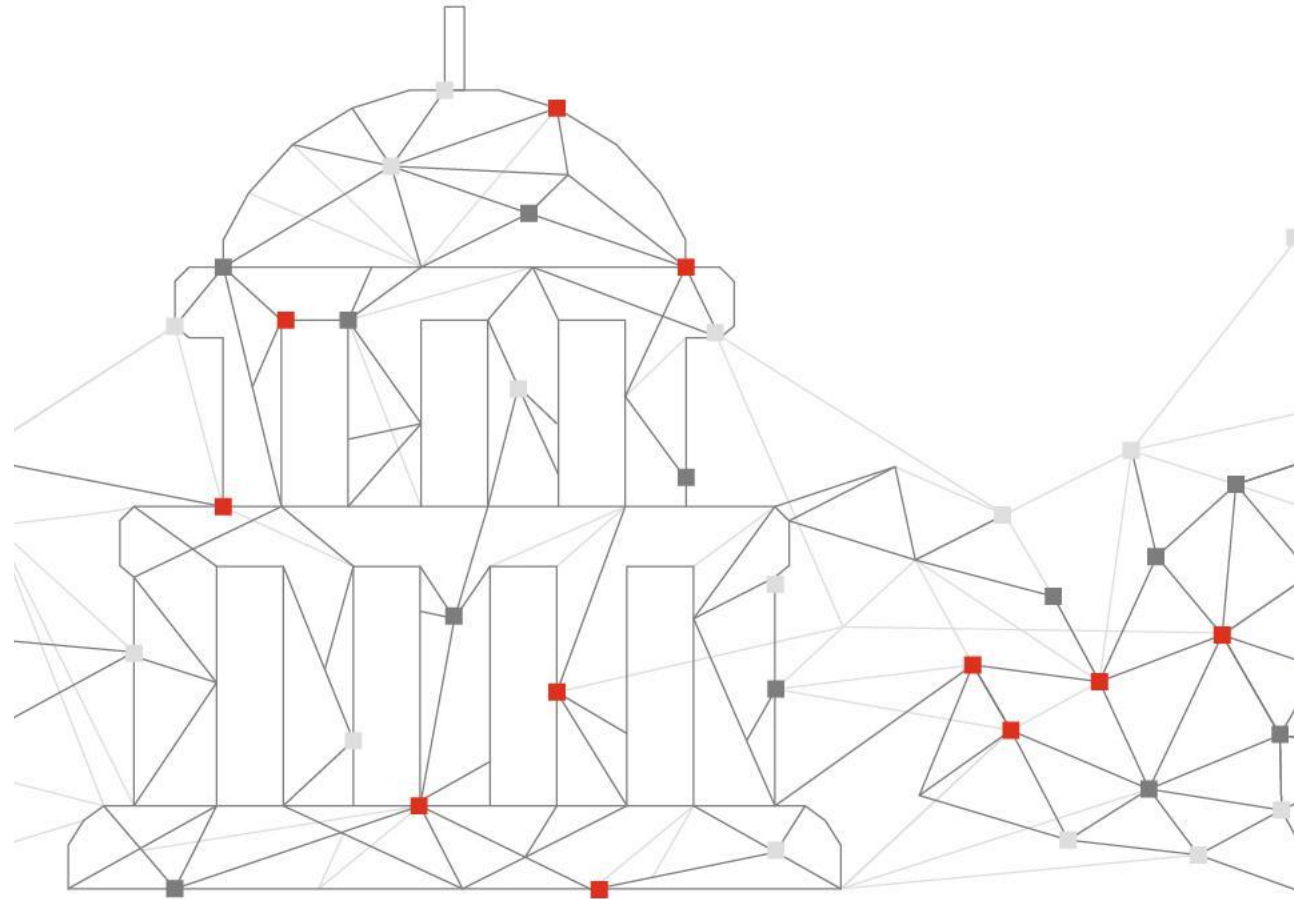
- **Business Continuity Loan Program** offered through SBDC to help businesses cope during this period by providing **loans to small businesses** ranging from **\$5,000 to \$300,000**.
  - Approved loans will have a payment grace period of four (4) months.
- Additionally, the Government is offering a grant between **\$2,000 to \$20,000** for MSMESs who qualify for Business Continuity Loan to specifically assist with **payroll**.
- Financial Institutions participating in the loan process are:
  - The Bahamas Development Bank
  - The Bahamas Entrepreneurial Venture Fund
  - Cash N Go Ltd
  - Leno Corporate Services Ltd
  - Omni Financial Group Ltd
  - Simplified Lending Ltd
  - Fidelity Bank Bahamas
- The loans are intended to support businesses with operating costs such as:
  - Salaries
  - Rent
  - Insurance
  - Utilities
  - Inventory/Supplies
- To be part of the initiative the companies must agree to:
  - Retain **51%** of their staff
  - Have credit information shared with the Credit Bureau and other banking and financial institutions in the future.
- The following banks have publicly pledged to defer loan payments for business clients:
  - The Bahamas Development Bank
  - Royal Bank of Canada (RBC)
  - CIBC First Caribbean
  - Scotiabank

# Government Tax Credit & Tax Deferral Employment Retention Programme

- The Government is budgeting \$60M in revenue foregone over the next 3 months to facilitate this initiative, with \$30M of which will be provided by the government to pay the full salaries of Bahamians over the period.
- This programme will:
  - Provide businesses with **payroll support** in an effort to retain up to 10,000 jobs.
  - Allow businesses to **defer payment of certain taxes** and benefit from a **tax credit** up to **\$300,000**.
- Qualifying businesses will apply to the Ministry of Finance and will be able to **withhold outstanding business licenses or VAT receipts collected** – up to \$200,000 per month for 3 months.
- If businesses qualify at the maximum funding level, one half (1/2) of the monthly sum or \$100,000 will be in the form of non-reimbursable tax credit.
  - The other \$100,000 will be deferred until January 2021, to be paid back in equal monthly installments over 12 months.
- **To qualify, businesses must:**
  - Have a minimum of 25 employees, with the qualifying amount not to exceed its non-executive payroll for the relevant period.
  - Commit to retaining 80 percent of their staff count as at February 2020.
  - Be in good standing with the government agencies responsible for collection of taxes and fees.
- Businesses **NOT** eligible for the programme:
  - Retail or Wholesale Grocery
  - Hotel and Resorts
  - Regulated Financial and Insurance Entities
  - Regulated Telecommunications Businesses
  - Gaming Businesses
- Applications for the programme were made available on Wednesday, 8 April 2020.

# Updates on other measures

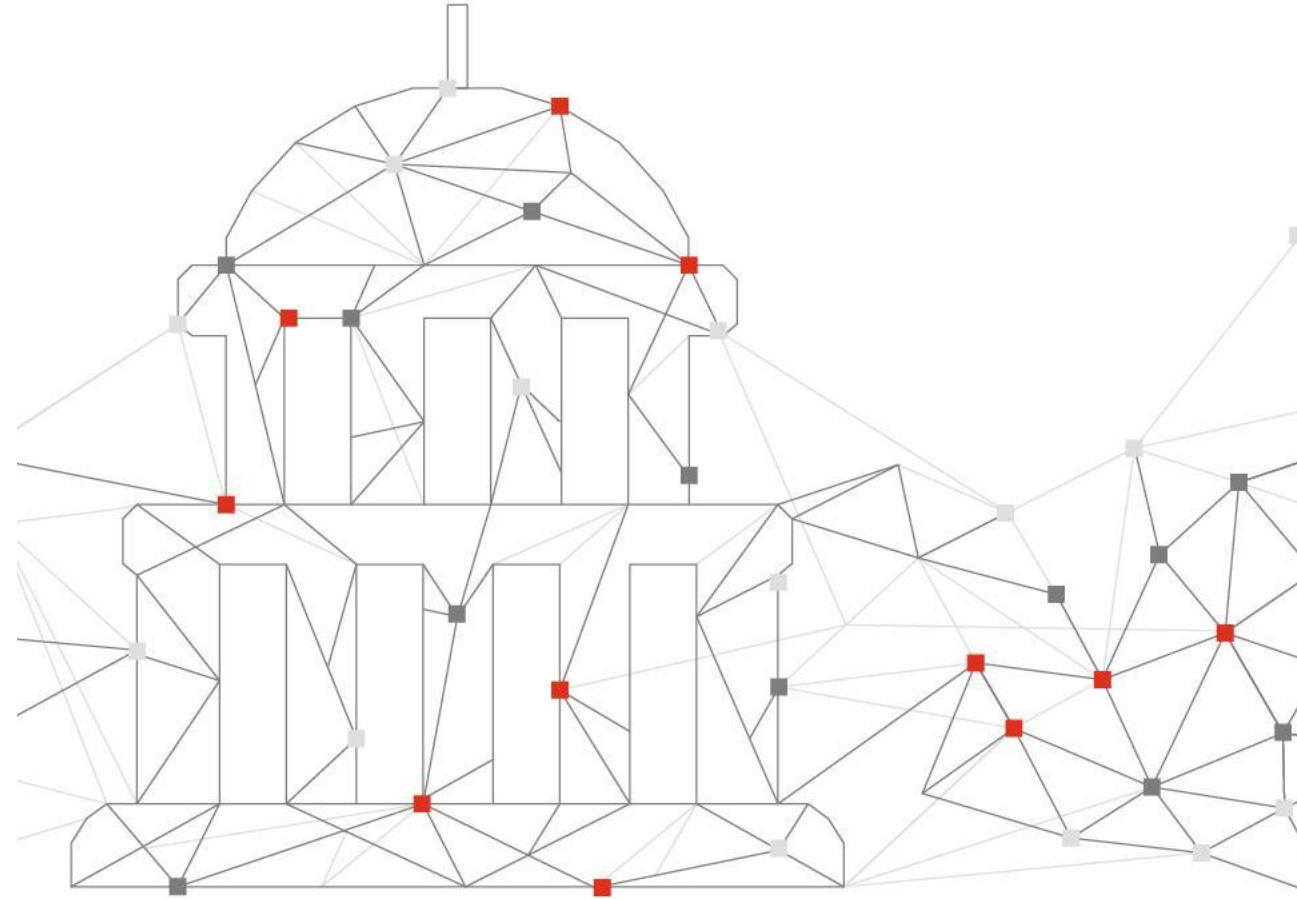
- Expansion of the Accelerate Youth Apprenticeship Programme, which includes training opportunities in the construction trade to support rebuilding efforts nationally.
- Reprioritizing capital projects at the Ministry of Works to increase the number of quickly deployable small-scale capital works to boost small business activity.
- Accelerating approval process for all domestic and foreign capital investment projects currently in the pipeline.
- Restricting all non-essential expenses including but not limited to travel, and the scale down or postponement of planned events.
- Bahamas Power and Light (BPL) and Water and Sewerage Corporation (WSC) are implementing the new policy of payment deferrals and reconnections.





# Assistance for Family Island Administrators

- The Ministry of Finance has allocated \$1.8M to support the Family Islands specifically to be used for any COVID-19 related expenditure.
- Allocations for the different Islands range from \$10,000 to \$325,000 with the average allocation of approximately \$76,000.
- Under NO circumstances are the COVID-19 Emergency Order Budgetary Allocations allowed to be utilized for the normal, routine Family Island Local and Central Government expenditures.





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# Thank you



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