

**GUIDANCE NOTE  
PPG No. 001/2020**

**VAT LOAN FUND**

The \$40 million VAT loan fund is established to assist companies whose cash flow has been disrupted by the measures taken to contain the outbreak of the Coronavirus pandemic. The loan fund will be capitalized by the Catastrophe Fund in an effort to avoid insolvency, bankruptcy and further unemployment.

**Who is eligible for the VAT Loan?**

1. The VAT Loan is for businesses which are VAT registered with an annual turnover of \$200,000 or more.
2. The loan is offered to businesses whose cash flow has been severely disrupted by the COVID-19 pandemic.
3. The loan is offered to businesses which are tax compliant (VAT, CIT, PIT, PAYE).

**Conditions:**

1. Applications for the loan must be made to the Barbados Revenue Authority.
2. The application form can be obtained from the Barbados Revenue Authority's website: [www.bra.gov.bb](http://www.bra.gov.bb).
3. The completed application form must be sent to [loanfund@bra.gov.bb](mailto:loanfund@bra.gov.bb).
4. Applicants must provide the relevant Financial Statements for income year 2018/2019 inclusive of cash flow statements.
5. Applicants must maintain at least 75% of staff employed prior to March 21, 2020.

6. Applicants must make a declaration stating the number of persons employed prior to March 21, 2020 and the number employed at the time of application. Employee lists with accompanying NIS numbers must be submitted.
7. The loan is interest-free and repayable over a 12-month period, in equal monthly installments, commencing no later than November 29, 2020.
8. Businesses are eligible to borrow an amount not exceeding 50% of their last VAT payment, made on or before the filing and payment deadlines in March 2020.
9. Applicants whose last submitted VAT return (made on or before the filing and payment deadlines in March 2020) resulted in a claim for a refund are not eligible for the loan.
10. The loan will be available during the period June 1 to October 31, 2020.

**Administration:**

- The VAT Loan Fund will be administered by the Barbados Revenue Authority.
- On approval of the loan, persons will be required to sign a written agreement regarding the terms and conditions of the loan.

**Policy & Planning Unit**  
**Barbados Revenue Authority**  
**May, 2020**