

# Isle of Man Disruption Guarantee Scheme (DGS)

The Coronavirus Disruption Guarantee Loan Scheme is a government backed scheme which secures bank loans for viable businesses who may need to respond to cash flow pressures during the COVID-19 outbreak. HSBC, alongside other banks in the island, are a participating bank in the Scheme.

## **This could be the right solution for you**

If you are an existing HSBC Isle of Man business customer:

- looking for financial support through the short-term uncertainty due to COVID-19.
- looking to increase your working capital funding.

The Government of the island has their own separate Scheme which is not intended to replace normal credit assessment processes or to refinance existing facilities but to fund new working capital facilities for existing HSBC business customers. In IOM the scheme can also be used to fund the payment of business debts accumulated since the 20th March 2020.

## **Key features and benefits**

- A Government guarantee which secures 80% of bank loans to any viable & eligible business with a sound borrowing proposal, but which may lack adequate security.
- There is a cap on the amount of support available under Scheme. The Scheme cap for Isle of Man is £60m.
- Small Business Loans, Flexible Business Loans & Overdrafts are available under the scheme.
- No fee required for the Government guarantee.
- No loan arrangement fees.
- No early repayment charges, should you wish to repay early.
- Available for sums of £5,000 to £500,000.
- Subject to agreement, loans can be repaid over a period up to 6 years from the date of initial drawdown. Overdrafts are limited to 3 years.
- Personal Guarantees will not be requested for loans under £250,000
- Interest rate will depend on individual circumstances, up to a maximum rate of 4.5%. Small Business Loans offer Fixed Rate interest; Flexible Business Loans & Overdrafts offer Variable Rate Interest with the pricing set over Bank of England Base Rate.

## **An Isle of Man DGS loan may be available to you if you:**

- Are an existing HSBC Isle of Man business customer.
- Are incorporated in the Isle of Man with a group annual turnover of no more than £10m
- Operate in a sector that is eligible for the Isle of Man DGS.\*1
- Have a sound borrowing proposal and are a viable applicant but may lack adequate security to meet our standard commercial lending criteria.
- The purpose of the loan must be appropriate for the nature of the scheme, for example:
  - Short term cash flow concerns;
  - Recommence trading;
  - Purchase of new equipment
  - Existing (COVID) business debts, utilities for suppliers and similar debts accumulated since the 20th March 2020 (Director's loans/unregulated lending/other bank debts not covered)
- You are responsible for ensuring that you have not received more than £100,000 of government support in the past two fiscal years, from any Crown Dependency.
- You cannot have been party to the Coronavirus Business Interruption Loan Scheme (CBILS) in the United Kingdom.
- You are liable for 100% of the loan and HSBC will always seek to recover the outstanding balance from you and the proceeds of any security provided by you or any security provided on your behalf.\*2



**Please note:** customers should be aware of an increased fraud risk at this time. Fraudsters may attempt to gain your personal details through offering fraudulent DGS loans. HSBC will not be emailing or calling customers offering this scheme and you should contact us through your existing HSBC contact or via our normal channels below.

#### Next steps

- Visit the relevant website below
  - Isle of Man: <https://www.iomdfenterprise.im/coronavirus/>
- For any enquiries please contact your relationship manager or by emailing [ciom.business.banking@hsbc.com](mailto:ciom.business.banking@hsbc.com).

#### See our other factsheets:

- **Small Business Loan** – finance for sums of £25,000 or less.
- **Flexible Business Loan** – individually tailored loans to fit your needs.
- **Business Overdraft** – to help with cash flow flexibility.

At HSBC, we are committed to providing you with the best customer experience we can. We encourage you to let us know, whenever something has gone wrong, or our products or services do not meet your expectations. Should you need to raise a complaint, you can contact us at:

#### By Phone:

+44 (0) 1534 606997

Lines are open 9am to 5pm Monday to Friday

#### Online:

Email us at [CIOM.Customer.Relations@hsbc.com](mailto:CIOM.Customer.Relations@hsbc.com)

#### Or write to us:

HSBC Bank Plc - CMB Customer Experience Team  
PO Box 14, St Helier, Jersey, JE4 8NJ

#### Important notes

All loans are subject to status. Terms and conditions apply. The provision of the Scheme should not be construed as an endorsement or a warranty of HSBC Bank plc by the Government of Isle of Man.

\*1 Excluded sectors in the Isle of Man: Financial and Insurance Activities; Head office & management consultancy activities (where a firm has more than 30 employees), Real Estate Activities (with the exception of working capital needs of Estate Agents, Property Management Companies and Construction firms); Property Development; Public Sector; Utilities; Agriculture and Fishing. Business regulated by the IOM Gambling Supervision Commission are also excluded.

\*2 If HSBC cannot recover all funds, the Government provides an 80% guarantee to HSBC.

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