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**Update to the Covid Corporate Financing Facility - 19 May 2020**

Bank of England/Central Bank of the United Kingdom

United Kingdom: Her Majesty's Treasury

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Update to the Covid Corporate Financing Facility

HM Treasury has today published details of an update to the terms of the Covid Corporate Financing Facility (CCFF).
Published on 19 May 2020

News release

Over 230 businesses are currently approved as eligible to access the CCFF. The facility has supported £18.8bn of lending to 55 businesses and authorised a further £38.8bn of potential lending including to another 68 businesses that make a significant contribution to the UK economy. The CCFF will continue to allow businesses that can demonstrate that they were in sound financial health as at 1 March 2020 to borrow from the Bank of England by issuing short-term commercial paper.

The update announced today is the result of continued close cooperation between HM Treasury and the Bank. It aims to promote the ability of companies to repay their borrowings from the facility in an orderly way after the Scheme closes to new drawings in March 2021. The update has two main components:

First, all businesses that wish to draw from the CCFF for a term extending beyond 19 May 2021 will be expected to provide a letter addressed to HM Treasury that commits to showing restraint on the payment of dividends and other capital distributions and on senior pay during the period in which their commercial paper is outstanding. These commitments are intended to create incentives for, and promote the ability of, businesses to repay their borrowings from the CCFF where they mature after the Facility is expected to close.

Second, businesses that have drawn under the CCFF are now able to repay their drawings early if they choose to do so. This gives businesses greater flexibility to exit the Facility in an orderly way where they are able to access alternative sources of funding, for example in capital markets.

In addition, following detailed consideration, HM Treasury and the Bank have decided to publish the names of businesses that have drawings under the CCFF, as well as the amounts borrowed. This change will make the scheme more transparent and enable participating businesses to demonstrate their access to the Scheme. These details will be published by the Bank every Thursday, beginning on 4 June at 15:00hrs (GMT).

The Bank will continue to work closely with HM Treasury on the economic response to the outbreak of covid-19, to ensure that households and businesses are supported throughout this difficult time.

Notes to editors

1. See further information with regards to the CCFF.

2. Disclosures are published on the Results and usage data page.