**COVID RESTRICTIONS SUPPORT SCHEME (CRSS)**

**What is CRSS?**

It is a cash support for companies and self-employed individuals in the form of advance credit for trading expenses (ACTE) payable in certain conditions related to Covid and the claimant’s circumstances.

**What are the criteria for qualification?**

* Generally the Covid restrictions need to be at Level 3, 4 or 5.
* The company or self-employed business must be forced to temporarily close or the business must be operating at a level no more than 25% of the average weekly 2019 turnover for the relevant claim period
* The claimant must have an up to date tax clearance cert and have complied with VAT obligations
* The scheme operates from October 13 2020 until March 31st 2021
* There are other eligibility criteria around the type of business that qualifies but suffice to say none of these restrictions apply to pubs or hotels
* The claimant must intend to resume trading after the Covid restrictions are lifted

**How do I apply?**

**Registration**

The claimant must first register for CRSS on the Revenue Online System (ROS). The following will be required for registration

* Business / Premises Name (required for each business premises in which a relevant business activity is carried on and for which a claim will be made)
* •Address including Eircode (required for each business premises in which a relevant business activity is carried on and for which a claim will be made)
* •Business Sector,
* •Average weekly turnover in respect of 2019 (required for each business premises in which a relevant business activity is carried on and for which a claim will be made)for business established before 26 December 2019,
* •Average actual weekly turnover for 2020(required for each business premises in which a relevant business activity is carried on and for which a claim will be made)for businesses established on or after 26 December 2019 and before 13 October 2020
* •Date of commencement for new business,
* •VAT in respect of T1 on VAT3 (i.e. VAT on sales of goods and service),
* •Other Income in respect of which VAT was charged.

**Claiming**

* The claim must be made to Revenue through ROS. It is currently anticipated that ROS will be in a position to accept claims in mid-November
* It is a self-assessment scheme
* A claim must be made in respect of each claim period
* The claim can be made on the first day of a claim period after the initial mid-November date. Supporting documentation does not need to be included with a claim but must be maintained to substantiate a claim in the event of a subsequent audit
* Claims must be made no later than 8 weeks from the date on which the claim period commences
* Claimants must declare that they meet the eligibility criteria

**What is a business entitled to by way of ACTE?**

# A claimant will be able to claim up to 10% of the average weekly turnover of 2019 for each claim period subject to a maximum of €5k per week. The calculation is based on 10% of the first €1m of turnover and 5% on the remainder up to the maximum of €5k

Example: The claimant had a turnover nett of VAT in 2019 of €300,000 and the claim period is for 4 weeks. The claim is €300,000 / 52 = €5,769 x 10% = €577 x 4 (weeks) = €2,308.

**How is this treated for tax purposes?**

An ACTE will be taken into account when calculating the taxable trading profits of a claimant by reducing the amount of deductible expenditure –expenditure which is revenue in nature, and incurred wholly and exclusively for the purpose of the trade –which would include all common business fixed costs such as rent, insurance, light & heat and wages.

Whilst an ACTE will reduce the amount of trading expenses that are deductible in computing the taxable income of a business, it will not result in an additional tax liability unless that business has trading profits for the year. Where a business is in a loss-making position, an ACTE will have the effect of reducing the amount of trading losses available for offset against future or previous profits of the business.

**First Claim**

The first claim can be made as soon as the ROS is updated to allow same and this is scheduled for mid-November. This claim can be for the period October 13th to December 1st.

**Are there penalties for false or exaggerated claims?**

Yes, there are significant penalties for false and exaggerated claims

**OTHER**

Many of our members have businesses where there is a shop or other business attached to the pub. Does this stop the pub from claiming CRSS? No is the answer.

If the pub meets the criteria and all of the other conditions are met then the ACTE can be claimed for the pub. If both businesses were to meet the criteria the ACTE can be claimed for both but only to a maximum of €5k per week on the total premises. There is a very good example of this given on page 12 of the full Revenue document