

GUERNSEY BANKS WORK WITH STATES ON LOAN GUARANTEE SCHEME

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All Guernsey banks are participating in a loan guarantee scheme organised by the States of Guernsey to enable financial support for businesses through the COVID-19 pandemic.

The governments of Guernsey, Jersey and the Isle of Man have each agreed to provide schemes. A coordinated approach has been taken between the Governments of the Crown Dependencies and the schemes are broadly aligned.

Guarantees will be provided to the participating banks – Barclays, HSBC, Lloyds, NatWest and RBSI are all involved in Guernsey – of 80% of lending, providing in aggregate £140 million of new lending across the Crown Dependencies. The schemes are designed to provide increased access to liquidity for viable businesses that may suffer solvency issues as a result of the COVID-19 pandemic.

All three governments were advised by government lawyers and teams from [Carey Olsen](#) on the establishment of the schemes, including agreeing the heads of terms, drafting the scheme documentation and its launch, while Appleby advised the banks.

Carey Olsen Jersey partner Robin Smith, who led the firm's pan-island team, said: "We have seen that a key strategy for many governments around the world is to relieve the liquidity pressures on individuals and businesses whilst social distancing measures are temporarily in place so we were very pleased to assist the Governments of the Crown Dependencies in the set-up and launch of their loan guarantee schemes. It is important for local business and industry groups to support our local governments and we are happy to have played our part."

Further information on the loan guarantee schemes is available from the [States of Guernsey](#).

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