



Covid Corporate Financing Facility (CCFF): information for those seeking to participate in the scheme

This page is designed for companies, and banks acting on behalf of companies, that would like to participate in the HM Treasury and the Bank of England's CCFF.



The Covid Corporate Financing Facility (CCFF)

On March 17, HM Treasury announced a number of measures designed to support businesses. The Chancellor set out a package of temporary, timely and targeted measures to support public services, people and businesses through this period of disruption caused by Covid-19. This page is designed for businesses who wish to use one of the major measures announced: the joint HM Treasury and Bank of England lending facility, named the Covid Corporate Financing Facility (CCFF). The facility is designed to support liquidity among larger firms, helping them to bridge coronavirus disruption to their cash flows through the purchase of short-term debt in the form of commercial paper.

At a summary level, to be eligible for the scheme, applicants currently need to:

- Make a material UK contribution
- Be investment grade rated (or equivalent) as at 1 March 2020
- Not be PRA- or FCA-regulated
- Not be a public undertaking
(NB: there is additional guidance for some specific types of entities – please see below for more details).
- There is no requirement to have previously issued Commercial Paper.

This page sets out in detail the practical steps that your firm needs to take in order to access the CCFF, as well as other frequently asked questions.

If you have any questions or concerns about processing time for your application or would like to talk through any stage of the application process please do not hesitate to contact us. If you have not yet applied, the best email address to use is CCFFeligibleissuers@bankofengland.co.uk. If you have already applied the best address to use is CCFF-Applications@bankofengland.co.uk.

Q&A

A: Eligibility

A1. Who can use the CCFF?

Companies - and their finance subsidiaries - that make a material contribution to the UK economy are able to participate in the facility. Companies must do this via a bank – there is more detail on this in the relevant questions on this page.

In practice, firms that meet this requirement would normally be: UK incorporated companies, including those with foreign-incorporated parents and with a genuine business in the UK; companies with significant employment in the UK; firms with their headquarters in the UK. We will also consider whether the company generates significant revenues in the UK, serves a large number of customers in the UK or has a number of operating sites in the UK.

The facility is open to firms that can demonstrate they were in sound financial health prior to the shock, allowing us to look through temporary impacts on firms' balance sheets and cash flows from the shock itself. This means companies that had a short or long-term rating of investment grade, as at 1 March 2020, or equivalent. There is more information with regards to what steps you need to take at detailed under the question "**B2: What do I do if my company does not have a credit rating?**".



A2. Is this open to all firms and sectors?

All non-financial companies that meet the eligibility criteria as set out on this page can use the facility.

A3: What about Financial Companies?

Commercial paper issued by banks, building societies, insurance companies and other financial sector entities regulated by the Bank of England or the Financial Conduct Authority will not be eligible. Commercial paper will also not be eligible if issued by leveraged investment vehicles or from companies within groups which are predominantly active in businesses subject to financial sector regulation.

A4: What about Housing Associations?

The facility is open to large housing associations that continue to be assessed as V1 grade for viability from the Regulator for Social Housing. We will also assess housing associations' revenue streams. Housing associations are also expected to meet the existing eligibility requirements as set out in this Q&A and Market Notice, including holding an investment grade credit rating, or be deemed to have equivalent financial strength by their banks. These criteria reflect the underlying differences between corporates and housing associations, and associated risks, including the fact that housing associations typically rely on secured bank funding. The CP funding limit for eligible housing associations will be set at a maximum limit of £300m.

A5: What about public bodies or authorities?

Commercial paper issued by public bodies or authorities, entities governed by public law or public undertakings will not be eligible. For these purposes, a 'public undertaking' refers to an undertaking over which the State or other regional or local authorities may directly or indirectly exercise a dominant influence by virtue of their ownership of it, their financial participation therein or the rules which govern it. There is presumption of 'dominant influence' when the UK, an EU Member State or a foreign state (or regional or local authorities of any of the foregoing) either directly or indirectly: (a) holds the majority of an undertaking's subscribed capital; (b) controls the majority of the votes attaching to shares issued by the undertaking; or (c) can appoint more than half of the members of the undertaking's administrative, managerial or supervisory body.

If a firm is listed as a public sector body in the Office for National Statistics' Public Sector Classification Guide and has certified in its Issuer Eligibility Form (Primary Market) that it is not (i) a public body or authority; (ii) an entity governed by public law; or (iii) a public undertaking then that firm may need to provide additional information or evidence to support its certification.

A6. How long will the CCFF be in operation?

We will operate the facility for at least 12 months and for as long as steps are needed to relieve cash flow pressures on firms that make a material contribution to the UK economy.

→ A7: Are there any conditions on capital distributions and on senior pay placed on CCFF eligible issuers?

On 19 May 2020, HM Treasury announced that issuers participating in the CCFF **may be required to commit to restraint on their capital distributions and on senior pay.**

Issuers will be required to provide a letter of commitment in relation to this if:

- an increase in an issuer's CCFF limit, over and above that suggested by the issuer's investment rating, is requested and approved; and/or
- a CCFF transaction is entered which involves CP maturing on or after 19 May 2021.

HM Treasury reserves the right to publish this letter, should HM Treasury become aware that the terms of the letter have not been complied with. A template for this letter of commitment is available [here](#).

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A8. Where do I find more technical detail?

It is important that participants read the accompanying [Market Notice](#).

B: Ratings

B1: What does it mean to be in sound financial health?

The clearest way to demonstrate this test is to have, or acquire, a rating. For such firms, investment grade means a short-term rating of A3/P3/F3/R3 or above, or a long-term rating of BBB-/Baa3/BBB-/BBB low or above by at least one of the major credit ratings agencies: [S&P](#), [Moody's](#), [Fitch](#) or [DBRS Morningstar](#).

If firms have different ratings from different agencies, and one of those is below investment grade then the commercial paper will not be eligible.

B2: What do I do if my company does not have a credit rating?

If you do not have a public investment grade rating there are two further options for applicants to consider. We are happy to discuss these with you ahead of applying – please contact us at CCFFeligibleissuers@bankofengland.co.uk if you wish to do so.

1. The Bank will accept **banks' internal ratings of corporates** to assess credit status. For this purpose, and following a request confirmed by HM Treasury, Credit Benchmark has provided a credit assessment file to the Bank, which consolidates in aggregate form the corporate credit estimates of a number of the largest UK banks.

To be considered as having investment grade status based on banks' internal ratings, and so deemed eligible for the scheme, firms will ordinarily be required to have at least three investment grade bank ratings and no speculative grade bank ratings as at 1 March 2020. To avoid a single bank's credit view unduly affecting the overall assessment, we will generally not exclude firms with speculative grade ratings provided the average of bank ratings available is at least BBB/Baa2/BBB/BBB. And we will only accept two bank ratings as sufficient proof of investment grade status where both view the firm as strongly investment grade i.e. BBB+/Baa1/BBB+/BBB(High) or above.

We may additionally ask you to **submit confirmations of your banks' ratings to the Bank directly**, in a form that clearly evidences that they derive from the bank rather than the applicant. You would also be asked to attest that you have disclosed all bank ratings related to your principal direct on-balance sheet borrowings, for example across syndicated loans, bilateral loans and revolving credit facilities.

2. A second route is to **seek an assessment of credit quality from one of the major credit rating agencies**. This would remain an option if we have not been able to deem you IG-equivalent under option (1) above due to insufficient evidence, so you may wish to pursue option (1) first. The credit assessment should be as at 1 March 2020 in a form that can be shared privately with the Bank of England and HM Treasury, noting that you are doing so because you wish to use the CCFF. The largest credit rating agencies are prepared to do this and the standard rating agency products we are prepared to view as suitable evidence of credit status are listed below. We reserve the right to make use of other products.

HM Treasury and the Bank reserve the right, in their sole discretion, to deem any issuer ineligible after taking into account all available information.

Standard rating agency products viewed as suitable evidence of credit status:

Moody's Investor Services



- Long and short term public corporate credit ratings
- (Private) 'Indicative ratings' at a recent point-in-time (for those approaching CRAs for the first time)

Standard & Poor's Ratings Services

- Long and short term public corporate credit ratings
- 'Private Credit Assessments' (PCAs) at a recent point-in-time (for those approaching CRAs for the first time)

Fitch

- Long and short term public corporate credit ratings
- (Private) Credit opinion at a recent point-in-time (for those approaching CRAs for the first time). A form of Fitch 'credit opinion' incorporating a rating rationale would be preferred, if available.

DBRS Morningstar

- Point in time private credit assessment (for those approaching CRAs for the first time)

Details for the credit ratings agencies are available under related links.

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B3: What happens if I get downgraded after 1 March 2020, or my financial health deteriorates?

Provided you can demonstrate good financial health prior to 1 March 2020, your company will remain eligible to participate in this facility. This is subject to HM Treasury approval.

C: CP programmes

C1: What is commercial paper?

Commercial paper is an unsecured, short-term debt instrument issued by a company.

The Facility will purchase sterling-denominated commercial paper, with the following characteristics:


- Maturity of one week to twelve months
- Where available, a credit rating of A-3 / P-3 / F-3 / R3 from at least one of Standard & Poor's, Moody's, Fitch and DBRS Morningstar as at 1 March 2020.
- Issued directly into Euroclear and/or Clearstream
- Governed by English law and subject to the jurisdiction of the English courts

We do not accept commercial paper with non-standard features such as extendibility or subordination, for example.

C2: Do I need to have issued commercial paper before to use the facility? How do I set up a commercial paper programme?

No. You do not need to have issued commercial paper prior to using the CCFF.

If you would like to use the facility and have not issued commercial paper before, you should contact your bank. It is important to note that not all banks issue commercial paper. If your bank does not issue commercial paper, UK Finance has provided a list of those banks that are able to assist.






 [UK Finance: COVID-19 Corporate Financing Facility](#)

If your commercial paper is eligible for the scheme, your bank will help you to issue it to the CCFF.

C3: What CP programme documentation is eligible?

The Bank will accept CP with standard features that is issued using ICMA market standard documentation and is governed by English law and subject to the jurisdiction of the English courts. ICMA is making the Euro Commercial Paper materials from the ICMA Primary Market Handbook, previously only available only to ICMA members, available to non-ICMA members. This is available from the [ICMA website](#).

To support companies seeking to set up CP programmes quickly, the Bank will accept simplified versions of the commercial paper documentation, based on the ICMA standard, which are available below (for ease of review, these are provided in clean and blackline to the ICMA recommended templates where appropriate).

-  Standard Form Global Note (DOCX)
-  Standard Form Dealer Agreement (DOCX)
-  Standard Form Information Summary (DOCX)
-  Blacklines of the Bank version of the Global Note to the ICMA recommended template (DOCX)
-  Blacklines of the Bank version of the Dealer Agreement to the ICMA recommended template (DOCX)



The Bank encourages companies to use these pre-approved versions wherever possible, but the Bank may also consider accepting other simplified versions, based on the ICMA standard (although it will not accept certain non-standard features, such as extendibility, subordination etc.). Dealers considering this approach should contact the Bank before developing such documentation: CCFF-Applications@bankofengland.co.uk.

C4: How to take part: Information for companies (thinking of issuing Commercial Paper)

If you have spoken to your finance provider, this section is for you. If you have not spoken to your finance provider, please read the information in **questions C1-C3** above and contact your finance provider to discuss your CP programme.

After speaking with your bank, if you are unsure whether you are eligible, please contact us on CCFFeligibleissuers@bankofengland.co.uk.

If, after speaking with your bank, you believe you are eligible then you will need to complete the following documents.



-  Issuer Eligibility Form (primary market) (XLS)
-  Issuer Undertaking and Confidentiality Agreement (DOCX)

You may need to provide a guarantee if:

- your commercial paper will be issued by an entity other than the primary entity in your group; and
- the issuer is not rated as investment grade by Fitch Ratings, Moody's or S&P.

If a guarantee has been provided as part of the CP programme, it will need to be English law governed and on market standard terms, accompanied by a legal opinion.


If a guarantee is required (but has not been provided as part of the CP programme), the Bank will accept an English law governed market standard guarantee and an accompanying legal opinion. The Bank has made available a pro forma guarantee and pro forma legal opinion to simplify the process for issuers:

-  Standard form guarantee (DOCX)
-  Associated legal opinion from the primary entity in your group (DOCX)



You will also need to provide evidence of authority to sign on behalf of your company.

Guidance on the type of evidence we need:

 [Guidance on authorised signatory evidence required for the IUCA \(PDF\)](#)

Please send the completed documentation to CCFF-Applications@bankofengland.co.uk.

D: What happens after I apply?

D1: How fast will an application be processed? When can I expect to hear back?

We will acknowledge receipt of your application shortly after you submit. You should contact us at CCFF-Applications@bankofengland.co.uk if you have not heard from us within 24 hours.

We will start assessing your eligibility as soon as you submit an Issuer Eligibility Form. If you are deemed eligible we will contact you as soon as that assessment is completed, even if you are still awaiting your CP programme. Similarly if you are deemed ineligible we will let you know as soon as that assessment is made.

There are several steps in the eligibility assessment process. If you are concerned about the processing time for your application, please get in touch. The following tips will also help to ensure that your application is processed as quickly as possible:

- Submit the other required documentation alongside your Issuer Eligibility Form (the Issuer Undertaking and Confidentiality Agreement, and if required a standard form guarantee and associated legal opinion). These documents often require us to contact you for further information in order to process them. By submitting them early, and completing them fully, we can start that process sooner.
- Applications are often slowed down because of insufficient information to prove to the Bank that the person signing the documentation on behalf of your company is authorised to do so. Please read the detailed Guidance for signing the CCFF Issuer Undertaking and Confidentiality Agreement, which explains who is able to sign on behalf of a company, and what evidence is required to confirm their identity and authority.
- A common reason for ineligibility is that we have insufficient evidence to assess a company as IG-equivalent. Please read **B2: What do I do if my company does not have a credit rating?** and contact us at CCFFeligibleissuers@bankofengland.co.uk if you are still uncertain or have further questions.
- Issuing Entities that are (i) public bodies or authorities, (ii) governed by public law or are (iii) public undertakings of the UK, an EU Member State or a foreign state are ineligible for the scheme. All applicants must declare if they are subject to (i)-(iii) in the Issuer Eligibility Form. Please note that if you are quasi-public or government-affiliated we may require further details from you to support your declaration.

E: What happens once I can trade?

E1: When will you hold the purchase operations?

Every working day between 10:00 – 11:00am.

If we confirm your eligibility before 16:00 on a working day, you will be able to sell commercial paper to the Bank the next working day, via your bank.

E2: How much will I be able to sell to you?

The minimum size of an individual security that the Fund will purchase from an individual participant is £1 million nominal. We require offers to be rounded to the closest £0.1 million.

E3: How is the facility priced?

The facility offers financing on terms comparable to those prevailing in markets in the period before the Covid-19 economic shock.

For primary market purchases the Bank will purchase securities at a spread above a reference rate, based on the current sterling overnight index swap (OIS) rate. The respective reference OIS rate will be determined by the Bank at 09:45 on the day of the operation.

For secondary market purchases the Bank will purchase CP at the lower of (a) amortised cost from the issue price and (b) the price as given by the method used for primary market purchases as set out above. The Bank will apply an additional fee for use of the secondary facility, as published on the Bank's [website](#). The fee is currently set at the equivalent of an additional 5bps on the yield on the transaction and will be kept under review.

The respective spreads are subject to review, as at 19 May 2020 these are:

Rating (or equivalence to rating)	Spread to OIS
A1/P1/F1/R1	20 bps
A2/P2/F2/R2	40 bps
A3/P3/F3/R3	60 bps

For re-sale transactions for the purpose of early repayment, the Bank will sell CP at the higher of either (a) the amortised cost from the price at which the Fund purchased the CP, or (b) the current price as given by the method used for primary market purchases of equivalent maturity from the same firm. From 1 July, the Bank will apply an additional fee to be set at 5 basis points and kept under review, which will be deducted from the yield offered in the re-sale transaction before calculating the final price and cash proceeds.

Last updated 19 May 2020

E4: How much can be issued?

For primary market purchases, the Bank will purchase commercial paper subject to individual issuer limits. These limits will reflect a range of factors, including an issuer's credit rating. An indicative guide to the maximum limit pre-approved by HM Treasury for issuers at different ratings is set out in the table below, although applicants should note that the limits set will be adjusted down at the Bank/HMT's discretion in some cases (for example where they exceed 50% of the applicants' average revenues over recent years).



Rating (or equivalence to rating)	Initial issuer limit
A1/P1/F1/R1	Up to £1bn
A2/P2/F2/R2	Up to £600m
A3/P3/F3/R3	Up to £300m

These limits will be kept under constant review. The UK Government is the ultimate owner of the CCFF, and HM Treasury and the Bank of England set the eligibility criteria and limits in order to manage risk to the taxpayer.

Issuers are encouraged to disclose to the Bank the total amount that they wish to borrow. If a company would like to increase its named limit, it should indicate the desired limit in its application.

For a limit extension request to be considered, the company will need to demonstrate that the increased limit will be used to support them through the Covid-19 crisis.

Due to the nature of the increased risk to the taxpayer, for such an increase to be considered there would be detailed engagement between the company and HM Government to understand, for example, if the company has sought alternative sources of financing, and to discuss repayment strategies.

The cost of borrowing is higher for drawings above your original limit. Given the ultimate cost of the scheme rests with the taxpayer, as a result of the HM Treasury indemnity, limit extensions also come with conditions, including the suspension of dividends and agreeing voluntary conditions on senior pay. These conditions would apply for all of your CCFF transactions, while for CCFF participants within their original limits these conditions apply only on CCFF transactions that involve CP maturing on or after 19 May 2021. If your limit extension request is granted, you will need to provide a letter of commitment to any agreed conditions.

Last updated 19 May 2020

E5: Will I be able to repay early?

Yes. The Bank will provide a standing offer, on request, to sell back CP held by the Fund to the original issuer in advance of its agreed maturity date.

Sales are offered at a price calculated in accordance with the details set out in the Market Notice and subject to such terms and conditions as the Bank may specify in its absolute discretion. Please refer to the [Market Notice](#) and [CCFF Operating Procedures](#) for more information, including details of how to make a request for early repayment.

The Bank will usually apply a fee to the price offered for early repayment. In light of the changes to the CCFF outlined on 19 May, re-sale transactions entered into on or before 30 June 2020 will not be subject to this additional spread.

Last updated 19 May 2020

→ E6: Will you make public who is using the scheme and what you have purchased?

On 19 May 2020, the Bank and HMT updated a number of the terms and conditions of the CCFF. As part of these changes, certain additional information on users and usage of the scheme will be published from 4 June 2020 as described below.



Each Thursday at 15:00, the Bank will publish (in aggregate):

- (i) the total amount of CP purchased that week (reported on a settlement date basis) up until the previous day, in terms of the amount paid to the sellers;
- (ii) the sum of CP purchased less any redemptions and sales (reported on a settlement date basis), since the CCFF began in March 2020;
- (iii) the nominal sum of drawing capacity of all CCFF approved businesses on the date shown
- (iv) the number of businesses approved for CCFF issuance on the date shown;
- (v) the number of businesses approved for CCFF issuance that have outstanding CP issued to the CCFF;
- (vi) the number of businesses approved for CCFF issuance that have not issued CP to the CCFF; and
- (vii) in addition to the businesses approved for CCFF issuance, the number of businesses that have applied to the CCFF and have been approved as eligible in principle but have yet to be fully approved for CCFF issuance, since the CCFF began in March 2020.

In addition, with effect from Thursday 4 June 2020, the Bank and HM Treasury have agreed that **the Bank will publish additional firm-level data each Thursday at 15:00**. This will consist of:

- (i) the names of those businesses who have outstanding CP issued into the CCFF (reported on a settlement date basis); and**
- (ii) the amount of CP each business has outstanding under the CCFF (reported on a settlement date basis).**

Last updated 19 May 2020

F: Information for banks/CP Dealers

F1: I am a bank, helping to issue commercial paper, who do I get in touch with to discuss eligibility?

To discuss eligibility, please contact CCFFeligibleissuers@bankofengland.co.uk.

F2: How to take part: Information for banks acting on behalf of companies


In order to be able to take part in the CCFF, in either the primary or secondary market, dealers will need to be appropriately authorised for the purposes of the Financial Services and Markets Act 2000 (FSMA).

In order to apply, dealers must complete the CCFF Application Form. The form includes a section for Authorised Signatory Evidence (on page 6); guidance on completing this part of the form is provided below.


 [CCFF Application form \(DOCX\)](#)

 [Guidance for completing the Authorised Signatory Evidence form \(PDF\)](#)

If you are admitted into the CCFF you will be asked to sign an Admission Letter agreeing to the CCFF Terms & Conditions. A copy of the CCFF terms and conditions can be found below.


 [CCFF terms and conditions \(PDF\)](#)

If you wish to offer the bank commercial paper on the secondary market, you will also be required to complete an Issuer Eligibility Form for this commercial paper.

 [Issuer Eligibility Form \(secondary market\) \(XLS\)](#)






If you wish to offer commercial paper, in either the primary or secondary market, you can complete the CCFF transaction form and send to CCFFtransactions@bankofengland.co.uk.

 [CCFF transaction form \(XLSX\)](#)

G: Summary of relevant CCFF documentation (last updated 7 May)

The below provides a checklist of all relevant documentation:






General information

-  [Information on the package announced by HMT](#)
-  [CCFF accompanying Market Notice](#)
-  [CCFF accompanying Operational Procedures \(PDF\)](#)

CP programmes



If your bank does not issue commercial paper, UK Finance has provided a [list of those banks that are able to assist](#)

Bank acceptable simplified CP programme documentation (if required):



-  [Standard Form Global Note \(DOCX\)](#)
-  [Standard Form Dealer Agreement \(DOCX\)](#)
-  [Standard Form Information Summary \(DOCX\)](#)
-  [Blacklines of the Bank version of the Global Note to the ICMA recommended template \(DOCX\)](#)
-  [Blacklines of the Bank version of the Dealer Agreement to the ICMA recommended template \(DOCX\)](#)

The Bank encourages companies to use these pre-approved versions wherever possible, but the Bank may also consider accepting other simplified versions, based on the ICMA standard.


Key application documents for companies thinking of issuing commercial paper

-  [Issuer Eligibility Form \(primary market\) \(XLS\)](#)
-  [Issuer Undertaking and Confidentiality Agreement \(DOCX\)](#)

You may need to provide a guarantee if your commercial paper will be issued by an entity other than the primary entity in your group and the issuer is not rated as investment grade by Fitch Ratings, Moody's or S&P. If a guarantee has been provided as part of the CP programme, it will need to be English law governed and on market standard terms, accompanied by a legal opinion. Pro forma guarantee document and pro forma legal opinion:

-  [Standard form guarantee \(DOCX\)](#)
-  [Associated legal opinion from the primary entity in your group \(DOCX\)](#)

Guidance on signatory authority for the application:

-  [Guidance on authorised signatory evidence required for the IUCA \(PDF\)](#)

Key documentation for banks acting on behalf of companies:



 [CCFF Application form \(DOCX\)](#)

 [Guidance for completing the Authorised Signatory Evidence form \(PDF\)](#)

- Once admitted into the CCFF, you will be asked to sign an Admission Letter agreeing to the [CCFF terms and conditions](#)
- If you wish to offer the Bank commercial paper on the secondary market, you will also be required to complete the [Issuer Eligibility Form \(secondary market\)](#)
- If you wish to offer commercial paper, in either the primary or secondary market, you can complete the [CCFF transaction form](#)

H: Summary of who to contact for further information (last updated 7 May)

A list of key CCFF contacts is provided below:

General questions

If you have not yet applied and wish to discuss your eligibility or wish to know more information about your options if you do not have a relevant public credit rating(s) - CCFFeligibleissuers@bankofengland.co.uk.

If you have already applied or wish to ask questions about an application or the documentation you must submit - CCFF-Applications@bankofengland.co.uk.

Information for banks acting on behalf of companies

If you wish to offer commercial paper, in either the primary or secondary market, you can complete the [CCFF transaction form](#) and send to CCFFtransactions@bankofengland.co.uk.



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