




# Covid Corporate Financing Facility (CCFF)

 Information about HM Treasury and the Bank of England's Covid Corporate Financing Facility.



On 17 March 2020, HM Treasury announced a number of measures designed to support companies. The Chancellor set out a package of temporary, timely and targeted measures to support public services, people and companies through this period of disruption caused by Covid-19. One of the major measures announced was the joint HM Treasury and Bank of England lending facility, named the Covid Corporate Financing Facility (CCFF). The facility was 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 (CP).

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

- Make a material UK contribution
- Be investment grade rated (or equivalent) as at 1 March 2020 (as supplemented by the ongoing credit quality review described below)
- Not be PRA- or FCA-regulated
- Not be a public undertaking
- Not be a leveraged investment vehicle

**The CCFF closed to new purchases on 23 March 2021 as planned.** Over its lifetime, the CCFF successfully met its objective of alleviating pressures on companies' cash flows created by the economic disruption caused by the Covid-19 pandemic. The CCFF did this by purchasing CP from companies which were of investment grade standing before the Covid disruption which commenced in March 2020. By lending to large companies directly, the CCFF protected the space for banks to lend to the wider population of companies, complementing other Bank of England and Government schemes such as the TFSME and CLBILS.

Overall, the CCFF lent over £37 billion to 107 different companies between March 2020 and March 2021, with a peak issuance in the scheme of over £20 billion in May 2020. Furthermore, the CCFF had approved over £85 billion of borrowing limits to over 230 companies. Eligible CCFF companies accounted for almost 2.5 million jobs.. Although closed for new purchases, the CCFF will continue to hold companies' commercial paper until the final maturities in March 2022.

This page sets out details of the scheme, and practical information for issuers that still have outstanding CP in the CCFF, as well as other frequently asked questions.

If you have any questions please email [✉ CCFF-Applications@bankofengland.co.uk](mailto:CCFF-Applications@bankofengland.co.uk).

## Q&A

### What is commercial paper?

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

The CCFF purchased sterling-denominated CP from eligible issuers, with the following characteristics:

- Maturity of one week to twelve months
- Issued directly into Euroclear and/or Clearstream
- Governed by English law and subject to the jurisdiction of the English courts

We did not accept CP with non-standard features such as extendibility or subordination, for example.

### How was the facility priced?



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

We purchased securities at a spread above a reference rate, based on the current sterling overnight index swap (OIS) rate. The respective reference OIS rate was determined by the Bank of England at 09:45 on each operational day.


The respective spreads were:

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

### Can participants repay early?

The CCFF continues to allow early repayment of funds borrowed via a sell-back window between 10:00-11:00am on the first business day of each week.

Bank counterparties should submit requests to repay early by buying back existing CP, using the transaction template provided. Completed templates should be emailed to [✉ CCFFTransactions@bankofengland.co.uk](mailto:CCFFTransactions@bankofengland.co.uk) (or as advised on the Bank of England's wire services page).

 [CCFF Transaction Template \(XLSX\)](#)

Such requests should be made with sufficient notice in advance of the requested re-sale date and, in any event, must be received by at least 11am on the business day prior to the requested re-sale date.

We will offer to sell CP at the higher of either (a) the amortised cost from the price at which the CCFF 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. Since 1 July 2020, we have applied an additional fee of 5 basis points (to be kept under review), which will be deducted from the yield offered in the re-sale transaction before calculating the final price and cash proceeds.

We reserve the right to trade outside of the above times, for any reason.

### What happens if I fail to pay the nominal borrowing amount on the day of maturity, e.g. if I am a day late in repaying?

We may charge a late payment charge of: valuation equivalent to the extended maturity plus a flat fee of 0.2basis points on the nominal size of the transaction.

### Can a company terminate their access to the CCFF?

Yes, any CCFF issuer can contact the Bank of England at [✉ CCFF-Applications@bankofengland.co.uk](mailto:CCFF-Applications@bankofengland.co.uk) for more information on the termination process.

### Conditions on capital distributions and senior pay

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 were 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, was requested and approved; and/or
- a CCFF transaction was entered which involved 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.

Where a letter of commitment was required from an LLP, in order to allow for LLP partners to be remunerated in a manner which HM Treasury considered broadly consistent with pay restraint for applicable companies, distributions to partners were allowed but set at a level which HM Treasury considered appropriate when compared to distributions in the 2019-20 financial year.

The conditions outlined in the letter of commitment applied from when the issuer entered into a CCFF transaction which involved CP maturing on or after 19 May 2021, and remain in place whilst this CP is outstanding.

## Can a company with outstanding CP in the CCFF also access other UK government support schemes?

Companies and LLPs, and other entities in their groups, can only access one of the following UK support schemes: the CCFF, the Coronavirus Large Business Interruption Loan Scheme (CLBILS), the Coronavirus Business Interruption Loan Scheme (CBILS) and the Bounce Back Loan Scheme (BBLs). This restriction does not apply to other government schemes, such as the Coronavirus Job Retention Scheme.

## For what purposes do you use personal data provided in the CCFF applications process?

Within the CCFF, the Bank of England and HM Treasury sometimes need to use personal data that was supplied to us as part of the application process. This is mainly, but not necessarily limited to, contact information for applicants/issuers.. In relation to GDPR guidelines, the CCFF process utilises such personal data in line with the overall privacy policies published by the [Bank of England](#) and [HM Treasury](#).

## Do you make public who has outstanding CP in the CCFF?

On 19 May 2020, the Bank of England and HM Treasury 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 was published and we now continue to publish weekly data showing the sum of CP purchased less any redemptions and sales (reported on a settlement date basis), since the CCFF began in March 2020.

The following additional firm-level data will also be published each Thursday at 15:00:






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

Please visit [CCFF Results and usage data](#) for more information.


## Summary of relevant CCFF documentation


- [Information on the package announced by HM Treasury](#)
- [CCFF 3 August 2020 Market Notice, updated 9 October 2020](#)
- [CCFF 22 September Market Notice](#)




-  CCFF 9 October 2020 Market Notice
-  CCFF 11 March 2021 Market Notice
-  CCFF accompanying Operational Procedures (PDF)
-  CCFF terms and conditions for banks acting on behalf of companies (PDF)
-  Issuer Undertaking and Confidentiality Agreement (DOCX)

### Summary of who to contact for further information

For any general queries about the scheme then please contact the team at  [CCFF-Applications@bankofengland.co.uk](mailto:CCFF-Applications@bankofengland.co.uk).

For any queries regarding repayment at maturity then please contact the team at  [CCFFtransactions@bankofengland.co.uk](mailto:CCFFtransactions@bankofengland.co.uk).

If you wish to make an early repayment your dealer bank should complete the CCFF transaction form and send to  [CCFFtransactions@bankofengland.co.uk](mailto:CCFFtransactions@bankofengland.co.uk).



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