

Bank of England Covid Corporate Financing Facility (CCFF) – 1 page Summary at 26 March 2020

The Bank of England and HM Treasury have launched the **Covid Corporate Financing Facility (CCFF)**, which is being run by the Bank of England on behalf of HM Treasury. This is now open for operations and the Bank is taking applications from issuers and their representative dealer banks. The ACT has published a [slide pack](#) to help treasurers navigate the CCFF

The Bank of England has published more details on their CCFF website [here](#), which provides links to key documentation, and the market notice that set out the terms and conditions of the CCFF. This website will continue to be updated regularly and we encourage interested businesses to check it regularly.

The CCFF will purchase sterling-denominated commercial paper (CP) of eligible, non-financial, issuers with a minimum short-term investment grade credit rating of A-3 / P-3 / F-3 / R-3 from at least one of Standard & Poor's, and Moody's, Fitch; DBRS Morningstar, or of equivalent financial strength as at 1 March 2020. This reference point is deliberately set prior to the possible impact of Covid-19 on firms' short-term credit ratings. These conditions are set under the agency agreements with HM Treasury, which is responsible for setting the terms of access to the CCFF.

Businesses that do not currently issue CP, but are capable of doing so, will in principle be eligible to utilise the CCFF. The necessary documentation and further detail on this is available on the Bank of England's website and Q&A. Banks will help companies set up a commercial paper programme and UKFI have published a list of banks that can do this [here](#).

If a business does not have an existing investment grade credit rating from the major credit ratings agencies, the Bank of England encourages them to speak to their own bank in the first instance. If that bank's advice is that the firm was viewed internally as equivalent to investment grade as at 1 March 2020, we suggest contacting the Bank of England on CCFFeligibleissuers@bankofengland.co.uk to discuss their potential eligibility for the facility. The Bank of England will then make an assessment of whether the business's financial strength can be deemed as equivalent to having had an investment grade rating. This assessment will draw on a range of information, including the range of banks' internal ratings across all of a firm's commercial bank counterparties. A firm will need to be rated consistently by its banks as investment grade in order to be deemed equivalent to having a public investment grade rating.

A business could also evidence credit status by seeking an assessment from one of the major credit rating agencies in a form that can be shared with the Bank of England and HM Treasury, noting that it is interested in participating in the CCFF.

The CCFF complements a number of other measures announced recently by authorities. Companies that are not eligible for the CCFF may benefit from the increased incentives for banks to lend to businesses from the Bank of England's Term Funding Scheme (TFSME). And the Government has also announced a number of measures, on which you can find further detail [here](#).