

Accountants want ‘Action Plan for SMEs’ and wage subsidy extended

Accountancy body CPA Ireland wants more Government initiatives and extension of Wage Subsidy Scheme to September.

One of Ireland’s largest accountancy bodies [CPA Ireland](#), whose members include 100,000 SMEs, has called for the Irish Government to devise an ‘Action Plan for SMEs’.

More than three-quarters (78pc) of CPA Ireland’s members believe further intervention from Government is needed as businesses face a devastating summer as Covid-19 lockdown measures are slowly raised.

Only 50pc of CPA Ireland members feel the current supports being provided are sufficient to support SMEs’ current needs.

“We need to get out of the bunker and focus all of our economic efforts on enabling businesses to recover,” urged Gearóid O’Driscoll, President of CPA Ireland. “The initial response was swift and positive. However, many difficulties have been identified in accessing state supports, particularly by SMEs.

“There is a sense that the ever-increasing array of initiatives is causing confusion and more attention needs to be given to ensuring existing schemes are fit for purpose. While the intention is laudable it is creating confusion, an Action Plan for SMEs would address this and send a powerful message to the population of over 1 million people who work in SMEs that the government is behind them.”

Lack of awareness of supports

While almost 95pc of CPA accountants surveyed have clients accessing the state schemes, they have identified various challenges in doing so.

“Lack of awareness among SMEs is one of the key challenges and reinforces the need for a concerted plan” O’Driscoll stated. “For example, 42pc of respondents said that the majority of clients were unaware of the Enterprise Ireland Sustaining Enterprise Fund. Meanwhile approximately one in five said that both the Credit Guarantee Scheme and SBCI Working Capital loan were too complex for SMEs to access. Limiting the burden of the bureaucracy and red tape must be addressed.”

O’Driscoll welcomed the extension to October of the deadline for filing of annual returns with the

Companies Registration Office and is requesting the Revenue Commissioners also to consider similar measures.

An extension to the Pay and File Deadline beyond October was identified by survey respondents as the most important support that could be put in place by the Revenue Commissioners to assist SMEs.

“The upcoming Pay and File deadline in October of this year will result in tax liabilities for many taxpayers as they are required to pay tax on profits for 2019,” O’Driscoll explained. “This will in turn place further pressure on already tight cashflows for many businesses.

“At a time when most SME owners should be focussed on keeping the lights on, they do not need the distraction of arbitrary deadlines. We are therefore asking the Revenue Commissioners to continue to show solidarity with SMEs, through providing an extension to the Pay and File deadline until at least December 2020 together with measures to assist taxpayers with payment of any Income Tax liability that arises. This will allow businesses more opportunity to recover and time to focus on the immediate challenges at hand. The earlier extensions are communicated the more it will ease the pressure off business owners.”

Extension of Temporary Wage Subsidy Scheme

O’Driscoll also identified the extension of the Temporary Wage Subsidy Scheme to September as an urgent action.

“The Temporary Wage Subsidy Scheme was a welcome measure when it was introduced by Government. However, the speed with which it was introduced has meant that it too is not without frustrations, with 45pc of respondents saying that their clients had encountered administrative difficulties in accessing the scheme.

“Extending the Wage Subsidy Scheme was identified as one of the important measures the Government must undertake to support SMEs. There is a recognition that this cannot go on for ever, with the COVID-19 restrictions in place for several more months, an extension to September would provide comfort to businesses and empower them to focus on returning to stability.”

O’Driscoll concluded: “There are many measures that have been put in place, all of them well intended. What we need now though is a clear short, medium- and long-term plan that will deliver an all of Government and all of society approach to getting our SMEs back to stability. We hope the new Government will heed this call and as the advisers to the 100,000 SMEs that CPAs support, our membership will actively work with Government to aid the recovery of the economy.’

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