

**The Coronavirus Act 2020 Functions of Her Majesty's Revenue and Customs (Self-Employment Income Support Scheme Extension 4) Direction**

The Treasury, in exercise of the powers conferred by 76 of the Coronavirus Act 2020, give the following direction:

1. This direction applies to Her Majesty's Revenue and Customs.
2. This direction modifies and extends the effect of the Self-Employment Income Support Scheme (as modified and extended by the Self-Employment Income Support Scheme Extension and the Self-Employment Income Support Scheme Grant Extension 3) which confers responsibility on Her Majesty's Revenue and Customs for the payment and management of amounts to be paid under that scheme which is set out in the Schedules to the SEISS direction, the SEISS Extension direction and the SEISS 3 direction.
3. The SEISS direction, SEISS Extension direction and SEISS 3 direction continue to have effect but are modified and extended so that the scheme to which they relate takes effect as modified and extended as set out in the Schedule to this direction.
4. This direction has effect for the duration of the scheme.
5. In this direction-
  - (a) "the SEISS direction" is the Coronavirus Act 2020 Functions of Her Majesty's Revenue and Customs (Self-Employment Income Support Scheme) Direction given on 30 April 2020 in exercise of the powers conferred by sections 71 and 76 of the Coronavirus Act 2020;
  - (b) "the SEISS Extension direction" is the Coronavirus Act 2020 Functions of Her Majesty's Revenue and Customs (Self-Employment Income Support Scheme Extension) Direction given on 1 July 2020 in exercise of those powers;
  - (c) "the SEISS 3 direction" is the Coronavirus Act 2020 Functions of Her Majesty's Revenue and Customs (Self-Employment Income Support Scheme Grant Extension 3) Direction given on 21 November 2020 in exercise of those powers.

Signed by Two of the Lords Commissioners of Her Majesty's Treasury



Her Majesty's Treasury

06 April 2021



Scott Mann

Her Majesty's Treasury

07 April 2021

# **SCHEDULE**

## **THE SELF-EMPLOYMENT INCOME SUPPORT SCHEME EXTENSION 4**

### ***PART 1***

#### ***INTRODUCTORY PROVISIONS***

##### ***Introduction***

1. This Schedule modifies and extends the Self-Employment Income Support Scheme (“SEISS”) (as modified and extended by SEISS Extension and SEISS 3) and is to be known as the Self-Employment Income Support Scheme Extension 4 (“SEISS 4”).

##### ***Purpose of scheme modification and extension***

2. The purpose of this modification and extension to SEISS is to provide for payments to be made to persons and relevant persons carrying on a trade the business activity or capacity of which, or demand for which, has been reduced, or cannot be carried on, due to the health, social and economic emergency in the United Kingdom resulting from coronavirus and coronavirus disease in the period beginning on 1 February 2021 and ending on 30 April 2021.

##### ***Application of SEISS, SEISS Extension and SEISS 3***

3. SEISS 4 is a modification and extension of SEISS and accordingly all the provisions of SEISS, SEISS Extension and SEISS 3 apply to this extension as they apply in relation to SEISS, SEISS Extension and SEISS 3 and payments under SEISS, SEISS Extension and SEISS 3 except where the context otherwise provides.

### ***PART 2***

#### ***ELIGIBILITY***

##### ***Qualifying person for SEISS 4***

- 4.1 A person is a qualifying person for the purposes of SEISS 4 if the following conditions are met.
- 4.2 The person must-
  - (a) carry on a trade the business of which has been adversely affected by reason of circumstances arising as a result of coronavirus or coronavirus disease,
  - (b) have delivered a tax return for a relevant tax year on or before 2 March 2021,
  - (c) have carried on a trade in the tax years 2019-20 and 2020-21,
  - (d) intend to continue to carry on a trade in the tax year 2021-22,
  - (e) if that person is a non-UK resident or has made a claim under section 809B of ITA 2007 (claim for remittance basis to apply), certify that the person’s trading

profits are equal to or more than the person's relevant income for any relevant tax year or years,

- (f) be an individual, and
- (g) meet the profits condition in paragraph 5.

4.3 For the purposes of SEISS 4, "relevant tax year" means all or any of the tax years 2016-17, 2017-18, 2018-19 and 2019-20, as the case may be, for which a person's trading profit and relevant income must be determined for the purposes of SEISS and, in the case of a person subject to the loan charge includes the tax year 2019-20.

#### ***The profits condition for SEISS 4***

5.1 The profits condition for the purposes of SEISS 4 is met if-

- (a) where the person is not subject to the loan charge and is not a relevant person for the purposes of SEISS 4, the person meets condition A, B, C or D (see paragraph 5.2),
- (b) where the person is a relevant reservist for the purposes of SEISS 4 and did not carry on a trade in the tax year 2018-19, the person meets condition A (see paragraph 5.2.1),
- (c) where the person is subject to the loan charge, the person meets condition E or F (see paragraph 5.3), or
- (d) where the person is a relevant person for the purposes of SEISS 4, the person meets condition G, H or I (see paragraph 5.4).

#### **5.2 *Main conditions***

5.2.1 Condition A is met if-

- (a) the person's trading profits of the tax year 2019-20 were £50,000 or less but were more than nil, and
- (b) those profits are equal to or more than the person's relevant income in that tax year.

5.2.2 Condition B is met if-

- (a) the person carried on a trade in the tax years 2016-17, 2017-18, 2018-19 and 2019-20,
- (b) the average amount of the person's trading profits of those tax years was £50,000 or less but was more than nil, and
- (c) the sum of those profits is equal to or more than the sum of the person's relevant income for those tax years.

5.2.3 Condition C is met if-

- (a) the person carried on a trade in the tax years 2017-18, 2018-19 and 2019-20 but did not carry on a trade in the tax year 2016-17,
- (b) the average amount of the person's trading profits of the tax years 2017-18, 2018-19 and 2019-20 was £50,000 or less but was more than nil, and
- (c) the sum of those profits is equal to or more than the sum of the person's relevant income for those tax years.

5.2.4 Condition D is met if-

- (a) the person carried on a trade in the tax years 2018-19 and 2019-20 and but did not carry on a trade in the tax year 2017-18,
- (b) the average amount of the person's trading profits of the tax years 2018-19 and 2019-20 was £50,000 or less but was more than nil, and
- (c) the sum of those profits is equal to or more than the sum of the person's relevant income for those tax years.

5.3 ***Loan charge conditions***

5.3.1 Condition E is met if-

- (a) the person carried on a trade in the tax years 2016-17 and 2017-18,
- (b) the average amount of the person's trading profits of those tax years was £50,000 or less but was more than nil, and
- (c) the sum of those profits is equal to or more than the sum of the person's relevant income for those tax years.

5.3.2 Condition F is met if-

- (a) the person carried on a trade in the tax year 2017-18 but did not carry on a trade in the tax year 2016-17,
- (b) the person's trading profits of the tax year 2017-18 were £50,000 or less but were more than nil, and
- (c) those profits are equal to or more than the person's relevant income for that tax year.

5.4 ***Relevant person conditions***

5.4.1 Condition G is met if-

- (a) the person carried on a trade in the tax years 2016-17, 2017-18 and 2018-19,

(b) the average amount of the person's trading profits of the tax years 2016-17, 2017-18 and 2018-19 was £50,000 or less but was more than nil, and

(c) the sum of those profits is equal to or more than the sum of the person's relevant income for those tax years.

5.4.2 Condition H is met if-

(a) the person carried on a trade in the tax years 2017-18 and 2018-19 but did not carry on a trade in the tax year 2016-17,

(b) the average amount of the person's trading profits of the tax years 2017-18 and 2018-19 was £50,000 or less but was more than nil, and

(c) the sum of those profits is equal to or more than the sum of the person's relevant income for those tax years.

5.4.3 Condition I is met if-

(a) the person carried on a trade in the tax year 2018-19 but did not carry on a trade in the tax year 2017-18,

(b) the person's trading profits of the tax year 2018-19 were £50,000 or less but were more than nil, and

(c) those profits are equal to or more than the person's relevant income for that tax year.

#### ***Relevant person for SEISS 4***

6.1 Subject to paragraph 6.2, a relevant person for the purposes of SEISS 4 is a person who would not meet conditions A, B, C or D of the profits condition because of the effect of-

(a) a specified activity or event on that person's trading profits or total income for the tax year 2019-20, or

(b) where the person is a relevant reservist, service pay or a specified reservist activity on that person's trading profits or total income for the tax year 2019-20.

6.2 A person is not a relevant person if the person's trading profits of the tax year 2019-20 exceeded £50,000.

6.3 On a claim by a relevant person, paragraph 9 (relevant income for relevant reservists) of SEISS Extension applies in determining whether the person is a qualifying person for the purposes of SEISS 4.

6.4 The definitions and interpretation in paragraphs 5.4 to 5.7 of SEISS Extension apply for the purposes of this paragraph, except that the reference in paragraph 5.5(a) to the tax year 2018-19 is to be read as a reference to the tax year 2019-20.

### **PART 3**

#### **SEISS 4 PAYMENTS**

##### ***Claims for SEISS 4 payment***

7.1 Subject to paragraph 7.2, a claim for a payment under SEISS 4 (a “SEISS 4 payment”) must be made in accordance with paragraph 3 of SEISS on or before 1 June 2021.

7.2 Paragraph 3.2 of SEISS does not apply and a claim must be made by a person who is a qualifying person for the purposes of SEISS 4 (see paragraph 4).

7.3 Subject to paragraph 7.4, a claim may only be made for a SEISS 4 payment in respect of the period beginning with 1 February 2021 and ending with 31 April 2021 (“the qualifying period”) in relation to a trade-

- (a) the business of which has suffered reduced activity, capacity or demand in the qualifying period from that which could reasonably have been expected but for the adverse effect on the business of coronavirus or coronavirus disease, and
- (b) which the claimant reasonably believes will suffer a significant reduction in trading profits for a relevant basis period from that which would otherwise have reasonably been expected as a result of that reduced activity, capacity or demand.

7.4 A claim cannot be made under paragraph 7.3 in relation to any reduced activity, capacity or demand caused solely because the person is required to self-isolate, or care for a person required to self-isolate, as a result of travelling to the United Kingdom.

7.5 For the purposes of paragraph 7.3-

“relevant basis period” means a basis period or basis periods in which the qualifying period falls;

“basis period” has the same meaning as in Chapter 15 of Part 2 of ITTOIA 2005.

##### ***SEISS 4 payment***

8.1 The amount of the SEISS 4 payment is the lower of-

- (a) £7,500, and
- (b)  $3 \times \left(\frac{TP}{12} \times 80\%\right)$ .

8.2 In paragraph 8.1, TP is-

- (a) except where the person is subject to the loan charge or is a relevant person for the purposes of SEISS 4, determined by the first to apply of the following paragraphs-
  - (i) if the person carried on a trade in the tax years 2016-17, 2017-18, 2018-19 and 2019-20, the average trading profits of those tax years,
  - (ii) if the person did not carry on a trade in the tax year 2016-17, the average trading profits of the tax years 2017-18, 2018-19 and 2019-20,

- (iii) if the person did not carry on a trade in the tax year 2017-18, the average trading profits of the tax years 2018-19 and 2019-20,
  - (iv) if the person did not carry on a trade in the tax year 2018-19, the trading profits of the tax year 2019-20,
- (b) where the person is subject to the loan charge-
- (i) the average trading profits of the tax years 2016-17 and 2017-18, or
  - (ii) if the person did not carry on a trade in the tax year 2016-17, the trading profits of the tax year 2017-18, or
- (c) where the person is a relevant person for the purposes of SEISS 4, determined by the first to apply of the following paragraphs-
- (i) if the person carried on a trade in the tax years 2016-17, 2017-18 and 2018-19, the average trading profits of those tax years,
  - (ii) if the person did not carry on a trade in the tax year 2016-17, the average trading profits of the tax years 2017-18 and 2018-19,
  - (iii) if the person did not carry on a trade in the tax year 2017-18, the trading profits of the tax year 2018-19, and
  - (iv) if the person is a relevant reservist and did not carry on a trade in the tax year 2018-19, the trading profits of the tax year 2019-20.

## **PART 4**

### **GENERAL**

#### ***Trading profits and relevant income***

9.1 For the purposes of SEISS 4, paragraph 10 of SEISS does not apply and amounts of trading profits and relevant income are determined by reference to a person's tax returns for any relevant tax years as at 2 March 2021.

9.2 Subject to paragraph 10 below, no account will be taken of any amendment made to a tax return for a relevant tax year on or after 3 March or any contract settlement.

#### ***Ceasing to be entitled to SEISS 4 payment***

10.1 Subject to paragraph 10.2, where an amendment made on or after 3 March 2021 to a person's tax return would change the amount of trading profits or relevant income taken into account for the purposes of SEISS 4, if on the basis of those amounts-

- (a) the person would not meet the profits condition, the person ceases to be entitled to retain any SEISS 4 payment received and it must be returned to HMRC immediately, or

- (b) the amount of the SEISS 4 payment would be lower, the person ceases to be entitled to retain the excess amount of SEISS 4 payment received and it must be returned to HMRC immediately.

10.2 Paragraph 10.1 does not apply if-

- (a) the amount of the SEISS 4 payment received was £100 or less, or
- (b) the amount of the excess to which the person ceases to be entitled is £100 or less.

#### ***Loan charge cases for SEISS 4***

11. For the purposes of SEISS 4-

- (a) paragraph 9 of SEISS does not apply, and
- (b) a person is subject to the loan charge if the person is chargeable to income tax on any amount by reason of Schedule 11 or 12 to the Finance (No. 2) Act 2017 (loan charge).

#### ***HMRC's accounts***

12. Paragraph 12 of SEISS does not apply to SEISS 4 payments.

#### ***Interpretation***

13.1 Terms used in this Schedule have the same meaning as in SEISS, SEISS Extension and SEISS 3.

13.2 For the purposes of SEISS 4-

“relevant tax year” has the meaning given in paragraph 4.3;

“relevant person” has the meaning given in paragraph 6;

“SEISS” means the Self-Employment Income Support Scheme set out in the Schedule to the direction given by the Treasury to HMRC on 30 April 2020 in exercise of the powers conferred by sections 71 and 76 of the Coronavirus Act 2020 as modified and extended by the SEISS Extension and SEISS 3;

“SEISS Extension” means the Self-Employment Income Support Scheme Extension set out in the Schedule to the direction given by the Treasury to HMRC on 1 July 2020 in exercise of the powers conferred by sections 71 and 76 of the Coronavirus Act 2020;

“SEISS 3” means the Self-Employment Income Support Scheme Grant Extension 3 set out in the Schedule to direction given on 21 November 2020 in exercise of the powers conferred by sections 71 and 76 of the Coronavirus Act 2020;

“SEISS 4 payment” has the meaning given in paragraph 7.