

Goodwin Alerts

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UK Government Expands Eligibility for Future Fund Benefits

by Adrian Rainey

More start-ups and growth companies will be able to apply for investment from the UK government's Future Fund, beginning today (Tuesday 30 June).

Changes to the scheme's eligibility criteria mean that UK companies that have participated in highly selective accelerator programmes and were required, as part of that programme, to have parent companies outside of the UK, will now be able to apply for investment. This change covers accelerator programmes, such as TechStars or Y-Combinator.

To date, more than 320 companies have benefitted from £320 million of Future Fund support. Under the scheme, early-stage, high-growth businesses from a diverse range of sectors can apply for a convertible loan of between £125,000 and £5 million to help them through the Coronavirus outbreak.

Initially, £250 million was made available by the government under the Fund, to be matched by private investors, with the Treasury making clear the amount could be increased if needed.

Due to the popularity of the Fund, more funding has been made available, with around £320 million having now been awarded. The scale of the scheme will be kept under review.

Accelerator programmes, such as TechStars or Y-Combinator, give businesses access to finance, mentorship and expert networks. Participants in accelerator programmes are often required to set up a non-UK parent company in order to participate, which means some did not meet the Future Fund criteria of having a UK parent company when it opened for applications in May.

ADDITIONAL INFORMATION

The change announced today covers accelerator alumni only.

Companies will still be required to meet the 'substantive economic presence' tests (that half or more employees are UK-based and/or half or more revenues are from UK sales).

Further information can be found here: <https://www.gov.uk/government/news/more-firms-can-now-benefit-from-the-future-fund>.

If you have any questions, please contact a Goodwin representative.

Please visit Goodwin's [Coronavirus Knowledge Center](#), where firm lawyers from across the globe are issuing new guidance and insights to help clients fully understand and assess the ramifications of COVID-19 and navigate the potential effects of the outbreak on their businesses.

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