

Trudeau Announcement – March 27, 2020

What we know so far – More details coming Monday

- **Wage subsidy for SMEs will go up to 75%**
 - will be backdated to March 15 (more details to come)
 - Qualifying measures will be required. This previously was the Small business deduction (more details to come)
 - Are Non profits eligible? no answers at this time
- **Deferral of (GST/HST) remittances** and customs duty payments to June 30, 2020.
 - Is this interest free? Not sure at this time
- Creation of the **Canada Emergency Business Account** to provide funding to eligible financial institutions so that they can provide (for the first year) interest-free loans in the form of a line of credit of up to \$40,000 to employers with \$50,000 to \$1 million in total payroll in 2019 and \$10,000 can be forgivable if the business meets some criteria (more details to come)

From government:

- **A New Loan Guarantee for Small and Medium Enterprises** - to support their operations, EDC will guarantee 80% of new operating credit and cash flow term loans that financial institutions extend to SMEs, up to \$6.25 million. The program cap for this new loan program will be a total of \$[5] billion for export sector and domestic companies.
- **A New Co-Lending Program for Small and Medium Enterprises** - To provide additional liquidity support for Canadian businesses, the Co-Lending Program will bring the Business Development Bank of Canada (BDC) together with financial institutions to co-lend term loans to SMEs for their operational cash flow requirements. Eligible businesses may obtain incremental credit amounts up to \$6.25 million, 80 per cent of which would be provided by BDC, with the remaining 20% by a financial institution. BDC's portion of this program is up to \$5 million maximum per loan. Eligible financial institutions will conduct the underwriting and manage the interface with their customers. The potential for lending for this program will be \$15 billion.

Canada Revenue Agency's Additional Measures for Individuals and Businesses

- **Administrative tax measures** - In addition to the income tax filing and payment deadline extensions, unless otherwise noted, delays to administrative income tax actions required by the CRA that are due after March 18, 2020, can be deferred to June 1, 2020. These administrative income tax actions include returns, elections, designations and information requests. Payroll deductions payments and all related activities are excluded.
- The deadline for trusts and partnership returns is extended to May 1, 2020.

Program	Questions	Answers
CERB	When is CERB aimed to be implemented?	April 6 th

CERB	How is government going to track 0 income for CERB?	Purely on attestations: May ask to look at bank statements. Be aware that post-mortem audits may occur
Workshare	If you have multiple work-sharing units or locations, will you need multiple workshare agreements?	Yes, the people, location and agreement will all be different. Therefore you will need to negotiate multiple agreements.
CERB	Should employers should look into cutting benefits at this time for their employees if CERB exists?	We do not recommend cutting benefits.
EI/CERB	How will EI claims work during March?	Any EI claims submitted before march 15 will continue to be same. After march 15 is a emergency response benefit.
CERB	How do we deal with employees asking to be laid off for CERB?	If you quit your job, you are not eligible for CERB. People will have to self attest multiple times during the CERB. Post -mortem audits may occur.
CERB	Can you be eligible for CERB if you are an independent contractor?	Yes, if you meet the 0 income criteria
Essential services	Will a federal essential service list come out this week?	Not at liberty to share.
Rent	Can the Finance minister speak to all heads of banks about stopping all profits during this time?	The Finance minister is speaking with the CEOs of banks on the daily and is also working with EDC and BDC to make improvements.