

# COVID 19: Financial Resources Available for Businesses and Individuals across Canada

We have compiled the following summary of the federal resources and financial assistance that is presently available, which you may wish to consider as you prepare to mitigate the impact of COVID-19 on your organization.

## Federal Resources

A federal economic aid package worth \$82 billion was unveiled on March 18, 2020 to help Canadian workers and businesses weather the COVID-19 storm. Additional information about the measures that are included can be found below. Information about the entire aid package can be found via the [Department of Finance news release](#).

The following resources are available to businesses across Canada:

- [Canada's Plan to Mobilize Industry](#) was announced by the Federal Government on March 20, 2020. The plan will redirect many streams of government funding to fighting the pandemic. Canadian manufacturers or businesses with equipment or facilities that can be rapidly re-tooled to meet medical needs can respond through a portal on the [Government's website](#).
- [Business Credit Availability Program \(BCAP\)](#) will allow the Business Development Bank of Canada (BDC) and Export Development Canada (EDC) to provide more than \$65 billion of additional support, largely targeted to small and medium-sized businesses. BDC and EDC are co-operating with private sector lenders to co-ordinate on credit solutions for individual businesses, including in sectors such as oil and gas, air transportation and tourism. The program includes:
  - [Canada Emergency Business Account \(CEBA\)](#): The new CEBA will provide interest-free, government guaranteed loans of up to \$40,000 to help businesses and non-profits pay for operating costs that they are not able to defer. \$10,000 (or 25%) of the loan is eligible for complete forgiveness if fully repaid on or before December 31, 2022. To qualify, organizations will need to demonstrate they paid between \$50,000 to \$1 million in total payroll in 2019. Apply through your financial institution today.
- [Small and Medium-Sized Enterprises \(SME\) Loan and Guarantee Program](#):
  - EDC is working with financial institutions to co-lend term loans to businesses for operating cash flow. Eligible businesses may obtain incremental credit amounts of up to \$6.5 million, 80% of which would be provided by BDC. issue new operating credit and cash flow term loans of up to \$6.25 million to SMEs.
  - EDC will also provide funding to financial institutions so that they can issue new operating credit and cash flow term loans of up to \$6.25 million to small and medium-sized businesses. These loans will be 80 per cent guaranteed by EDC, to be repaid within one year.

- Eligible companies could obtain up to \$12.5 million through these two lending streams.
  - Apply through your financial institution in the coming weeks.
- Export Development Canada (EDC): EDC provides insurance and financial services, bonding products and small business solutions to Canadian exporters and investors and their international buyers.
  - Learn more about [EDC's financial and insurance solutions](#).
  - Learn more about [managing business risk through the COVID-19 crisis](#).
- Business Development Canada (BDC): [Learn more about additional financing through BDC](#), including small business loans, working capital loans and purchase order financing. BDC also has free template business continuity plans and templates for entrepreneurs to use to help mitigate the impacts of COVID-19. For more information and to view available plans, see [BDC's Business Continuity Guide](#).
- Farm Credit Canada: The near-term credit available to farmers and the agri-food sector will also be increased through Farm Credit Canada due to an additional \$5 [billion in funding from the Federal Government](#). [Learn more about applying for financing through FCC](#).
- Bank of Canada: The Bank of Canada is announcing its intention to launch the Bankers' Acceptance Purchase Facility (BAPF). The Bankers' Acceptance market is one of Canada's core funding markets and a key source of financing for small and medium-size corporate borrowers. Starting the week of March 23, the Bank will conduct secondary market purchases of one-month Bankers' Acceptances issued and guaranteed by any Canadian bank and of sufficiently high quality, broadly equivalent to a minimum short-term credit rating of R-1 (low). [Additional details to follow](#).
- Flexibility for Taxpayers: Several measures have been implemented by the Canada Revenue Agency (CRA) to assist taxpayers. Most of these measures are applicable to individuals only, but the following measures are applicable to businesses as well:
  - the due date for any payments owed to the CRA by all taxpayers is deferred to August 31, 2020, with no interest or penalties;
  - the CRA will not contact any small or medium businesses to initiate any post assessment GST/HST or Income Tax audits for the next four weeks;
  - effective immediately the CRA will recognize electronic signatures as having met the signature requirements of the *Income Tax Act*, as a temporary administrative measure; and
  - the Liaison Officer service offers help to owners of small businesses to understand their tax obligations. Traditionally available in-person, this service is now available over the phone.
- Work-Sharing Program: The Work-Sharing Program is implementing temporary special measures to support employers and employees affected by the downturn in business caused by COVID-19. The maximum duration of the Work-Sharing program has been extended from 38 weeks to 76 weeks. [Learn more about the Work-Sharing Program and its requirements](#). [Learn more about temporary special measures for the downturn in business due to COVID-19 and for the forestry and steel and aluminum sector](#).
- Wage Subsidy: Employers may qualify for one of two federal COVID-19 wage subsidy programs. The previously announced 10% subsidy for smaller employers remains in place while all employers who have

experienced a 30% decline in revenue from the same period in 2019 will receive a 75% wage subsidy. More information about the two [programs may be found in our Federal Government Announces COVID-19 Wage Subsidy](#) blog.

- Financial Relief programs being offered by lenders:

- Bank of Montreal, CIBC, TD Canada, National Bank of Canada, RBC Royal Bank and Scotiabank have announced new plans which will help those effected by the financial consequences of COVID-19. Each of the 6 banks have announced that they will be allowing the deferral of mortgage payments for up to six months. Details on the specific plans of each of the banks can be found below.
- BMO: To help alleviate some of the financial pressures that Canadians may be facing, BMO has introduced a financial relief program for clients impacted by COVID-19. The financial relief program is tailored to each individual's circumstances and needs and could include: deferral of payments on mortgages for up to six months as well as deferral of payments on loans and credit cards. The program also includes accommodations for BMO Small Business and Business Banking clients. Please contact BMO at 1 -877-788-1923 to speak with a BMO representative.
- CIBC: CIBC is introducing assistance for clients impacted by job loss or other circumstances and urges those that need help to contact the bank to review options. Clients in financial hardship can contact their CIBC Advisor or call 1 -877454-9030 to discuss options to improve their cash flow over the short term by reviewing their payment obligations.
- TD Canada: If you are directly impacted by COVID-19 and as a result are facing financial challenges, you can contact TD to review your options at 1 -888-7200075.
- National Bank of Canada: Business clients who find themselves in difficulty due to current events will be able to benefit from flexible solutions tailored to their specific situation and industry. The experts at National Bank will assess each situation and account managers will find solutions based on the client's individual situation. Clients wishing to take advantage of the relief measures are invited to get in touch with their usual point of contact. Learn more about [National Bank's financial relief plan](#).
- RBC: Details on RBC's relief plan have not yet been announced, but is expected in the days to come. Updates are anticipated to be posted on [RBC's COVID-19 page](#).
- Scotiabank: Scotiabank has announced additional measures to reduce and delay the transmission of COVID-19 and to provide financial relief to those who need it most. Please contact your Advisor or Relationship Manager or call 1 -800-4- SCOTIA and Scotiabank will work with you to find a solution that will hopefully [meet your unique needs. Learn more about Scotiabank's relief and support measures](#).

- The following resources are also available to individuals:

- Canada Emergency Response Benefit (CERB): announced on March 25, 2020, the [Canada Emergency Response Benefit](#) replaces the previously announced Emergency Care Benefit and the

Emergency Support Benefit. The CERB is a taxable government payment meant to help those grappling with job loss or other circumstances that have resulted in sudden loss of income due to the COVID-19 pandemic. It offers \$2,000 per month for up to four months.

- Employment Insurance Sickness Benefit: For Canadians without paid sick leave (or similar workplace accommodation) who are sick, quarantined or forced to stay home to care for children, the one-week waiting period for Employment Insurance (EI) sickness benefits is waived for those individuals in imposed quarantine that claim, and the requirement to provide a medical certificate to access EI sickness benefits is also waived. [Learn more about the benefits.](#)
- Flexibility for Taxpayers: in addition to the measures listed above, which are available to businesses and individuals, the due date for 2019 tax returns for individuals is deferred to June 1, 2020 (effective immediately).
- GST Credit: the Federal Government is proposing to provide a one-time special payment by early May 2020 through the Goods and Services Tax credit (GSTC). This will double the maximum annual GSTC payment amounts for the 2019-2020 benefit year. The average boost to income for those benefitting from this measure will be close to \$400 for single individuals and close to \$600 for couples (effective May, subject to Royal Assent).
- Child Tax Benefit Top Up: the Federal Government is proposing to increase the maximum annual Canada Child Benefit (CCB) payment amounts, only for the 2019-2020 benefit year, by \$300 per child. The overall increase for families receiving CCB will be approximately \$550 on average; these families will receive an extra \$300 per child as part of their May payment (effective May, subject to Royal Assent).
- Deferral of Student Loan Payments: the government is proposing placing a six-month interest-free moratorium on the repayment of Canada Student Loans for all individuals currently in the process of repaying these loans (effective early April, subject to Royal Assent).