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Wellington-Halton Hills

News Release

FOR IMMEDIATE RELEASE

June 16th, 2020

Government of Canada's COVID-19 Economic Support for Small Businesses

The federal government has implemented programs for small businesses in need of financial support.

OTTAWA – There are programs in place for small businesses in response to the economic impacts associated with the COVID-19 pandemic. Information on several of these programs are outlined below. All programs can be found on Canada's COVID-19 Economic Response Plan's webpage.

Canada Emergency Wage Subsidy (CEWS)

- The CEWS covers 75 per cent of an employee's wages – up to \$847 per week – for up to 24 weeks, retroactive from March 15, 2020, to August 29, 2020.
- Employers of all sizes and across all sectors who have suffered a drop in gross revenues of at least 15 per cent in March, and 30 per cent in April and May will be eligible to apply, except for public sector entities.
- Eligible employers can apply for the CEWS through the CRA's My Business Account portal: <https://www.canada.ca/en/revenue-agency/services/e-services/e-services-businesses/business-account.html>

Temporary 10% Wage Subsidy

- This three-month measure will allow eligible employers to reduce the amount of payroll deduction required to be remitted to the CRA.
- You are an eligible employer if you:
 - Are a(n): individual (excluding trusts), partnership, non-profit organization, registered charity, or a Canadian-controlled private corporation (including a cooperative corporation) eligible for the small business deduction;
 - Have an existing business number and payroll program account with the CRA on March 18, 2020; and
 - Pay salary, wages, bonuses, or other remuneration to an eligible employee.
- To learn more visit: <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html>

Extending the Work-Sharing Program

- The government is extending the maximum duration of the Work-Sharing program from 38 weeks to 76 weeks for employers affected by COVID-19. This measure will provide income support to employees eligible for Employment Insurance who agree to reduce their normal working hours because of developments beyond the control of their employers.
- Employers are now requested to submit their applications 10 business days prior to the requested start date. The streamlined measures undertaken by Service Canada will aim to reduce the processing time to 10 business days.

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- For more information, visit <https://www.canada.ca/en/employment-social-development/services/work-sharing/notice-covid-19.html> or call (800) 367-5693.

Business Credit Availability Program (BCAP)

- The government has established a Business Credit Availability Program (BCAP) to provide additional support through the Business Development Bank of Canada (BDC) and Export Development Canada (EDC).
- Loan Guarantee for Small and Medium-Sized Enterprises (SMEs): EDC is working with financial institutions to guarantee 80 per cent of new operating credit and cash flow term loans of up to \$6.25 million to SMEs. For more information visit: <https://www.edc.ca/en/covid-19-business-resources.html>
- Co-Lending Program for SMEs: BDC is working with financial institutions to co-lend term loans to SMEs for their operational cash flow requirements. For more information, visit: <https://www.bdc.ca/en/pages/special-support.aspx?special-initiative=covid19>

Canada Emergency Business Account (CEBA)

- Qualifying small businesses and not-for-profits can receive interest-free loans of up to \$40,000 to help cover operating costs during a period where their revenues have been temporarily reduced.
- To qualify, these organizations will need to demonstrate they paid between \$20,000 to \$1,500,000 in total payroll in 2019.
- The government has expanded the eligibility criteria to applicants with a payroll lower than \$20,000. In order to qualify, applicants need: a business operating account at a participating financial institution; a Canada Revenue Agency business number, and to have filed a 2018 or 2019 tax return; and eligible non-deferrable expenses between \$40,000 and \$1.5 million (eligible non-deferrable expenses could include costs such as rent, property taxes, utilities, and insurance).
- For more information visit: <https://ceba-cuec.ca/>

Canada Emergency Commercial Rent Assistance (CECRA)

- Canada Emergency Commercial Rent Assistance (CECRA) for small businesses provides relief for small businesses experiencing financial hardship due to COVID-19. This program will lower rent by 75 per cent for small businesses that have been affected by COVID-19.
- The program provides forgivable loans to qualifying commercial property owners to cover 50 per cent of three monthly rent payments that are payable by eligible small business tenants who are experiencing financial hardship during April, May, and June.
- The loans will be forgiven if the mortgaged property owner agrees to reduce the small business tenants' rent by at least 75 per cent under a rent forgiveness agreement, which will include a term not to evict the tenant while the agreement is in place. The small business tenant would cover the remainder, up to 25 per cent of the rent.
- To apply for the CECRA visit: <https://www.cmhc-schl.gc.ca/en/finance-and-investing/covid19-cecra-small-business>

To learn more about the COVID-19 Economic Response Plan and for all supports available to businesses, visit: canada.ca/en/departement-finance/economic-response-plan.html