

## COVID-19 reference page | Financial aid put in place for businesses affected by the pandemic

**By:** France Camille De Mers, Charles Ceelen-Brasseur, Laurence A. Clavet and Stéphanie Dubois

Due to the economic consequences of the COVID-19 pandemic, various financial aid measures have been established by key players in the Quebec economy to try to accommodate businesses in these uncertain times. In this article, we gather and explain various economic measures implemented by governments and others to give you an overview of the financial alternatives that are available to businesses and certain individuals.

### MEASURES FOR BUSINESSES

FEDERAL INITIATIVES			
Measures	Description	Eligible Companies	Links
<i>Canada Emergency Business Account</i>	Loans (interest-free for the first year) of up to \$40,000 to cover operating costs during a period where revenues have been temporarily reduced. Repaying the balance of the loan on or before December 31, 2022, will result in loan forgiveness of 25% (up to \$10,000).	Small businesses and not-for-profit organizations that paid between \$20,000 and \$1.5 million in total payroll in 2019.	<a href="#">Emergency account - Government of Canada</a> <a href="#">CEBA - Government of Canada</a>
<i>Canada Emergency Wage Subsidy</i>	A 75% wage subsidy for employees who worked during the COVID-19 pandemic, regardless of the number of employees, for a maximum of \$847 per week based on a maximum annual salary of \$58,000.  Applicable retroactively to <b>March 15, 2020</b> , for a maximum period of 12 weeks.	Employers who (i) are individuals, taxable corporations, partnerships consisting of eligible employers, non-profit organizations or registered charities; and (ii) see a drop of at least 15% of their revenue in March 2020 and 30% for the following months (compared to 2019 revenue).	<a href="#">Canada Emergency Wage Subsidy - Government of Canada</a>
<i>Temporary Wage Subsidy for Employers</i>	A 10% reduction in the amount of payroll deductions required to be remitted to the CRA on the total of wages paid during the period from <b>March 18, 2020</b> , to <b>June 19, 2020</b> , up to a maximum of \$1,375 for each eligible employee (person who	Individuals (excluding trusts), partnerships, non-profit organizations, registered charities, and Canadian-controlled private corporations eligible for the small business deduction.	<a href="#">Temporary Wage Subsidy - Government of Canada</a>

	is employed in Canada) and \$25,000 per employer.		
<i>Canada Emergency Commercial Rent Assistance</i>	<p>Reduction of rent for small businesses by 75% for April, May and June through loans and grants to qualifying owners of mortgaged commercial property.</p> <p>More details will be available in the coming weeks.</p>	<p>Small businesses with a monthly rent of less than \$50,000;</p> <p>Charities;</p> <p>Non-profit organizations; who have temporarily suspended their activities or whose pre-COVID-19 revenues have decreased by at least 70%.</p> <p>*Note that building owners also have eligibility criteria to meet.</p>	<p>CECRA - Government of Canada</p> <p>CECRA - Canada Mortgage and Housing Corporation</p>
<i>Business Credit Availability Program (“BCAP”)</i>	<p>Loans provided by Export Development Canada (“EDC”) and the Business Development Bank of Canada (“BDC”), reaching up to \$6.25 million. EDC and the BDC will intervene when the needs of businesses exceed the capacity of the financial institutions with whom they do business.</p> <p>Available <b>since March 13, 2020</b>, and programs rolled out towards <b>mid-April 2020</b>.</p>	<p>Businesses in compliance with the law.</p>	<p><a href="#">Business Credit Availability Program (BCAP) - Government of Canada</a></p> <p><a href="#">Statement regarding eligibility criteria - BDC</a></p>
<i>Work-Sharing Program extended</i>	<p>(A) The maximum duration of Work-Sharing agreements has been extended by 38 weeks (total: 76 weeks)</p> <p>(B) The waiting period has been waived</p> <p>(C) Recovery Plan requirements have been eased</p> <p>In effect from <b>March 15, 2020, to March 14, 2021</b>.</p>	<p>Private businesses, publicly-held companies and not-for-profit organizations that already have Work-Sharing agreements and have experienced a slowdown of approximately 10% recently due to the COVID-19 pandemic, directly or indirectly.</p> <p>*Special measures for the forestry and steel and aluminum sector</p>	<p><a href="#">Work-Sharing Program - Government of Canada</a></p> <p><a href="#">Work-Sharing Applicant guide - Government of Canada</a></p>
<i>Amendments to mortgage insurance eligibility criteria</i>	<p>Amendments to mortgage insurance eligibility criteria through the Canadian Mortgage and Housing Corporation and the Insured Mortgage Purchase Program.</p>	<p>Companies with low loan-to-value mortgages funded before March 20, 2020, (i) with a maximum amortization term up to 30 years commencing from when the loan was funded</p>	<p><a href="#">Additional measures - Department of Finance Canada</a></p>

	In effect from <b>March 24, 2020, to December 31, 2020.</b>	or (ii) whose purpose includes the purchase of a property, subsequent renewal of such a loan, or refinancing.	
<i>Support for farmers and agri-food businesses</i>	Enhancing the financial assistance offered by Farm Credit Canada, which will allow for an additional lending capacity of \$5 billion.	Farmers, food processors and agri-food businesses that are already eligible for loans offered by Farm Credit Canada.	<a href="#">Support for farmers and agri-food businesses: News release from the Prime Minister</a> <a href="#">Lending capacity increase - Farm Credit Canada</a>
<i>Support for cultural, heritage and sport organizations</i>	Injection of \$500,000,000 through the establishment of the COVID-19 Emergency Support Fund administered by Canadian Heritage.  More details to follow.	Canadian cultural, heritage and sport organizations.	<a href="#">New Support to Protect Canadian Jobs - Department of Finance Canada</a>
<i>Support for entrepreneurs, innovators and pre-revenue companies</i>	(A) Injection of \$20,100,000 for loans through Futurpreneur.  (B) Investment of \$250,000,000 under the Industrial Research Assistance Program (IRAP).  More details to follow.	Innovative companies that do not yet have revenue or are in the early stages of development.	<a href="#">New Support to Protect Canadian Jobs - Department of Finance Canada</a>
<i>Canadian Seafood Stabilization Fund</i>	\$6,250,000 in financial assistance, particularly in the form of short-term financing.  More details to follow.	Fish and seafood processing industry.	<a href="#">Canadian Seafood Stabilization Fund - Fisheries and Oceans Canada</a>
<i>Increased flexibility for filing and paying income taxes</i>	The Canada Revenue Agency has deferred the deadline for paying taxes and instalment payments from March 18, 2020, to <b>September 1, 2020.</b>	Applies to all businesses in Canada.	<a href="#">Flexibility for filing taxes - Government of Canada</a>
<i>Canada Economic Development (“CED”) defers payments and offers more flexible</i>	Three-month deferral of all payments to CED and the possibility of more flexible arrangements.  In effect <b>starting April</b>	Quebec companies that are already CED clients and are affected by the COVID-19 situation.	<a href="#">CED support for affected Quebec businesses - Government of Canada</a>

<i>arrangements</i>	1, 2020.		
<i>Deferral of sales tax remittance and customs duty payments</i>	GST/HST payments and customs duties due by the end of May deferred to <b>June 30, 2020</b> .	Applies to all companies required to pay GST/HST or customs duties in March, April or May.	<a href="#">Deferral of GST/HST payments and customs duties - Government of Canada</a>

## PROVINCIAL INITIATIVES

Measures	Description	Eligible Companies	Links
<i>Emergency aid for small and medium-sized businesses</i>	<p>Loan or loan guarantee of up to \$50,000 in order to mitigate the lack of liquidity caused by:</p> <p>(a) A substantial reduction or cessation of the ability to deliver products (goods or services) or merchandise; or</p> <p>(b) a problem with the supply of raw materials or products (goods or services).</p>	Companies that (i) have been operating in Quebec for at least one year; (ii) are temporarily closed, in danger of closing or showing early signs of being in danger of closing; (iii) are trying to maintain, consolidate or relaunch their operations; (iv) have demonstrated a cause and effect relationship between their financial or operating problems and the COVID-19 pandemic.	<a href="#">Emergency aid for SMEs - Government of Quebec</a>
<i>More flexible measures for loans granted by the Fonds locaux d'investissement</i>	A three-month deferral of capital and interest repayment on loans granted by the Fonds locaux d'investissement. The interest accumulated during this deferral will be added to the balance of the loan.	Companies that have secured a loan through a Fonds local d'investissement.	<a href="#">Fonds locaux d'investissement - Ministère de l'Économie et de l'Innovation</a>
Credit for employers for contributions to the Health Services Fund in respect of employees on paid leave	<p>Credit equivalent to the Health Services Fund contributions paid by an employer in respect of wages paid to certain employees on paid leave.</p> <p>Applicable retroactively to March 15, 2020, for a maximum period of 12 weeks.</p>	Businesses benefiting from the Canada Emergency Wage Subsidy (CEWS)	Information Bulletin 2020-7 - Finances Québec
<i>Emergency aid for private institutions for the elderly</i>	\$40 million for certified private residences and \$20 million for private unfunded CHSLDs.	Certified private residences and private unfunded CHSLDs.	<a href="#">Emergency financial aid for institutions for vulnerable individuals and the elderly - Services Québec</a>

<i>Flexibility measures for businesses established by Revenu Québec</i>	Revenu Québec has deferred the deadline for paying taxes and instalment payments from <b>March 17, 2020, to August 31, 2020.</b>	Applies to all businesses in Quebec.	<a href="#">Flexibility measures - Revenu Québec</a> <a href="#">Information Bulletin 2020-4</a>
<i>Extension of deadline for remitting the tax on lodging</i>	Extension of deadline for remitting the tax on lodging for the first quarter of 2020, from April 30, 2020, to July 31, 2020.	Blanket application for all businesses registered for the tax on lodging.	<a href="#">Extension of deadline for remitting the tax on lodging - Finances Québec</a>
<i>Concerted action to maintain employment program (PACME-COVID-19)</i>	Reimbursement of <u>eligible expenses</u> for companies' training projects, up to: - 100% of expenses costing \$100,000 or less; - 50% of expenses costing between \$100,000 and \$500,000.  Eligible expenses are (a) the reimbursement of salaries, which will vary depending on the other aid the company is receiving, and (b), the reimbursement of 100% of training expenses and human resources management costs.  Projects accepted until <b>September 30, 2020.</b>	Employers, self-employed workers, employer and employee associations, professional and workers' associations, collective promoters, cooperatives, social economy enterprises, non-profit organizations and community organizations.	<a href="#">PACME-COVID-19 - Government of Quebec</a>
<i>Festivals and Tourism Events Financial Assistance Program</i>	Funding for festivals and tourism events will be maintained for the 2020-2021 summer/fall period, in accordance with the Festivals and Tourism Events Financial Assistance Program, whether or not their activities are maintained.	Businesses benefiting from the Festivals and Tourism Events Financial Assistance Program.	<a href="#">Tenue de festivals et d'événements - Ministère du Tourisme (French only)</a>

## VILLE DE MONTRÉAL INITIATIVES

Measures	Descriptions	Eligible Companies	Links
<i>Additional emergency aid</i>	<p>\$5 million in emergency aid with the goal of supporting the most fragile sectors in the short term.</p> <p>In effect <b>since March 19, 2020</b>.</p>	Companies working in retail, the social economy sector, and the creative, cultural and tourism industries.	<p><a href="#">Support measures for Montréal businesses - Ville de Montréal</a></p> <p><a href="#">Details regarding support measures for Montréal businesses - Ville de Montréal</a></p>
<i>Deferral of municipal tax payments</i>	<p>Deferral of the second municipal tax instalment payment to <b>July 2, 2020</b>.</p>	Property owners in Montréal.	<a href="#">Tax payment deferral - Ville de Montréal</a>
<i>Six-month moratorium on capital and interest repayment by PME MTL</i>	<p>Automatic six-month moratorium on capital and interest repayment of loans from the Fonds PME MTL, the Fonds Locaux de Solidarité and the Fonds de commercialisation des innovations.</p> <p>The Ville de Montréal has committed to paying the interest incurred during the moratorium, which will total \$1.3 million.</p>	Private companies and social economy enterprises that have loans from the Fonds PME MTL, the Fonds Locaux de Solidarité or the Fonds de commercialisation des innovations.	<p><a href="#">Moratorium - PME MTL</a></p> <p><a href="#">Support measures for Montréal businesses - Ville de Montréal</a></p>

## OTHER INITIATIVES

Measures	Descriptions	Eligible Companies	Links
<i>Additional BCAP measures - BDC</i>	<p>(A) Working capital loans of up to \$2 million with flexible terms and payment postponements for up to six months</p> <p>(B) Reduced rates on new eligible loans</p> <p>(C) Postponement of principal payments for up to six months, free of charge, for existing clients with a total loan commitment of \$1 million or less</p> <p>Available <b>since March 18, 2020</b>.</p>	Solvent Canadian companies whose business models were viable before the effects of COVID-19 and whose activities fall within the mandate of EDC or the BDC.	<a href="#">Additional measures - Business Development Bank of Canada</a>

BDC Capital Bridge Financing Program	Investments in the form of convertible notes matching those made by qualified existing and/or new investors as part of current financing rounds, made in companies eligible for the program.	Canadian companies backed by qualified venture capital firms that have raised at least \$500,000 in external capital and are specifically impacted by COVID-19.	BDC Capital Bridge Financing Program
<i>Concerted temporary action program for businesses (PACTE)</i>	Emergency funding of at least \$50,000 through a loan guarantee or a loan from Investissement Québec.	Companies operating in Quebec, <u>with the exception of certain sectors.</u>	PACTE - Investissement Québec
<i>CNESST flexibility measures</i>	(A) Payment of the <i>Statement of Account</i> for CNESST contributions deferred to <b>August 31, 2020.</b>  (B) Deadline for filing the <i>2019 Statement of Wages</i> deferred to June <b>1, 2020.</b>  (C) Enforcement of orders has been suspended, is being limited to cases of force majeure or has been interrupted.	Employers subject to the CNESST.	Flexibility measures - CNESST
<i>Envelope for Quebec companies from the Caisse de dépôt et placement du Québec</i>	\$4 billion to support Quebec companies temporarily affected by COVID-19.  Available <b>since March 30, 2020.</b>	Companies that (i) were profitable before the crisis, (ii) have a promising growth outlook in their sector and (iii) are seeking \$5 million or more in financing.	News Release COVID-19 - Caisse de dépôt et placement du Québec
<i>Support for businesses from the Fonds de solidarité FTQ</i>	Deferral of capital and interest payments for current loans <b>for a period of six months.</b>	Businesses that are part of the Fonds de solidarité FTQ portfolio.	Support for businesses - Fonds de solidarité FTQ
<i>Support for agricultural producers from La Financière agricole du Québec</i>	(A) Six-month moratorium on loan repayments - upon request  (B) Interim AgriStability payments are available  (C) Notices of assessment for the Farm Income Stabilization Insurance Program are deferred to July 1, 2020  (D) Deadline to enrol in the Crop Insurance Program is extended from April 30, 2020, to May 21, 2020  (E) Notices of assessment for the Crop Insurance Program	Quebec agricultural producers	New measures to support agricultural producers - La Financière agricole du Québec  New measures to support agricultural producers - La Financière agricole du Québec

	<p>are deferred <b>from June 1, 2020, to July 1, 2020</b></p> <p>(F) Loan of up to \$50,000 to support cash flow needs for agricultural businesses</p> <p>(G) Earlier investment grant payments, moved from June 1, 2020, to May 1, 2020</p> <p>(H) Deadline to apply for the Agristability Program extended from April 30, 2020, to <b>July 3, 2020</b></p>		
<i>COVID-19 Loan from the Développement économique de l'agglomération de Longueuil ("DEL")</i>	Financial aid for working capital in the form of a 12-month term loan with the possibility of refinancing, \$25,000 minimum and \$100,000 maximum.	Companies that (i) are legally constituted, (ii) operate or intend to operate on DEL territory, and (iii) operate in an eligible sector and offer value-added products or services aimed at companies (B2B).  *Other conditions apply.	<a href="#">COVID-19 Loan - DEL</a>
<i>Fondaction allocates \$40 million to SMEs in the agri-food industry</i>	Fondaction will allocate \$40 million to Quebec SMEs in the agri-food industry. Furthermore, Fondaction is making its funding more flexible for companies in the industry that need development capital for projects of \$500,000 and more.	Quebec companies in the agri-food industry that (i) were profitable before the crisis, (ii) have a promising growth outlook and (iii) have a solid management team.	<a href="#">\$40 million for SMEs - Fondaction</a>
<i>Three-month deferral for Fondaction payments</i>	Payment of loans, capital and interest deferred for three months for all companies directly funded by Fondaction.	Companies that currently have a Fondaction loan.	<a href="#">Payment deferral - Fondaction</a>



FEDERAL INITIATIVES			
Measures	Descriptions	Individuals targeted	Links
<i>Elimination of the waiting period - Employment Insurance</i>	<p>Elimination of the mandatory one-week waiting period for people who apply for Employment Insurance sickness benefits due to COVID-19.</p> <p>In effect <b>since March 15, 2020</b>, with a maximum duration of 15 weeks.</p>	Canadian workers who do not have paid sick leave and are sick, quarantined or forced to stay home to care for their children.	<a href="#">Employment Insurance - Government of Canada</a>
<i>Canada Emergency Response Benefit (CERB)</i>	<p>Taxable benefit of \$2,000 per month for a period of four months. Taxes are not deducted at the source. This benefit replaces the previously announced Emergency Care Benefit and Emergency Support Benefit.</p> <p>In effect from <b>March 15, 2020, to October 3, 2020</b>.</p> <p><i>*Similar assistance is also available for students.</i></p>	Canadians who (i) are at least 15 years old; (ii) have stopped working due to COVID-19 and did not quit their job voluntarily, or are eligible for regular or sickness benefits; (iii) earned at least \$5,000 in 2019 or in the 12 months preceding the application; and (iv) are or expect to be without income from employment or self-employment for 14 consecutive days during the initial four-week period.	<a href="#">Canada Emergency Response Benefit - Department of Finance Canada</a>
<i>Amendments to mortgage insurance eligibility criteria</i>	<p>Amendments to mortgage insurance eligibility criteria through the Canadian Mortgage and Housing Corporation and the Insured Mortgage Purchase Program.</p> <p>In effect from <b>March 24, 2020, to December 31, 2020</b>.</p>	Individuals with low loan-to-value mortgages funded before March 20, 2020, (i) with a maximum amortization term up to 30 years commencing from when the loan was funded or (ii) whose purpose includes the purchase of a property, subsequent renewal of such a loan, or refinancing.	<a href="#">Additional measures - Department of Finance Canada</a>
<i>Flexibility for individuals filing and paying income taxes</i>	<p>The Canada Revenue Agency has deferred the deadline for filing income taxes <b>to June 1, 2020</b>, and tax payments are deferred to <b>after August 31, 2020</b> (without interest or penalties).</p>	Applies to all Canadian taxpayers.	<a href="#">Flexibility for taxpayers - Government of Canada</a>
<i>Increasing the Canada Child</i>	<p>The CCB is being increased by up to \$300 per child for <b>2019-</b></p>	Eligible Canadian families with at least one child.	<a href="#">Increasing the CCB - Government of Canada</a>

<i>Benefit (“CCB”)</i>	<b>2020.</b>		
<i>Special Goods and Services Tax credit payment</i>	A one-time special payment of almost \$400 for single individuals and \$600 for couples through the Goods and Services Tax credit, <b>starting April 9, 2020.</b>	Applies to all low- and modest-income families.	<a href="#">Special GST credit - Government of Canada</a>
<i>Suspension of Canadian student loan and apprentice loan repayment and applicable interest</i>	Student loan and interest repayment will be suspended until <b>September 30, 2020.</b>	Canadian students who have student loans.	<a href="#">National Student Loans Service Centre - Government of Canada</a>
<i>Minimum withdrawals from Registered Retirement Income Funds reduced</i>	Required minimum withdrawals from Registered Retirement Income Funds (“RRIF”) reduced by 25% for <b>2020.</b>	RRIF holders.	<a href="#">Minimum withdrawals from RRIFs reduced - Government of Canada</a>

## PROVINCIAL INITIATIVES

Measures	Descriptions	Eligible Individuals	Links
<i>Incentive program to retain essential workers (IPREW)</i>	<p><i>Taxable financial assistance of \$100 per eligible work week provided to essential workers during the pandemic for a maximum of 16 weeks that aims to make up the difference between their wages and the CERB.</i></p> <p><i>This program will be available starting May 19, 2020, and will be retroactive to March 15, 2020. The first payment is scheduled for May 27, 2020.</i></p>	<p><i>Those eligible are essential services workers who (i) are at least 15 years old, (ii) receive gross wages of \$550 or less per week, (iii) have an annual employment income of at least \$5,000 and a total annual income of no more than \$28,600 for 2020, and (iv) resided in Quebec on December 31, 2019, and will reside in Quebec throughout 2020.</i></p> <p><i>In order to be eligible for the IPREW, workers must not be receiving the CERB.</i></p>	<a href="#">IPREW - Revenu Québec</a>
<i>Flexibility measures for individuals established by Revenu Québec</i>	<p>Revenu Québec has deferred the deadline for filing income taxes <b>to June 1, 2020</b>, and tax payments are deferred to <b>August 31, 2020.</b></p> <p>Suspension of instalment payments <b>from June 15, 2020, to August 31, 2020</b>, if necessary.</p>	Applies to all Quebec taxpayers.	<a href="#">Flexibility measures - Revenu Québec</a> <a href="#">Information bulletin - Ministère des Finances</a>
<i>Suspension of student debt repayment</i>	Suspension of student debt and interest repayment for a <b>period of six months.</b>	Applies to all Aide financière aux études clients.	<a href="#">Repayment of a student loan - Government of Quebec</a>

\*The information in this publication does not in any way constitute a legal opinion, and is provided for reference purposes only. The information is simply a summary of the measures presented, and certain details and conditions may have been omitted in order to simplify the text. Although this publication is updated regularly, the information and links it contains may no longer be accurate when you visit our website. If the information contained in this publication on the subject of a measure conflicts with information on the official website of the organization involved, the official website of the organization in question prevails. The links to third-party websites are not the responsibility of Lavery Lawyers.