

Frequently Asked Questions

Federal Government Support for SMEs Impacted by COVID-19

For the most update-to-date information from the Government of Canada regarding COVID-19, please refer to: www.Canada.ca/COVID19

For information during these difficult times, download the [Canadian Business App](#) or visit our newly-launched [Resources for Businesses website](#) in the face of COVID-19.

Financial Measures

1. What should businesses do when faced with liquidity issues?

As a first step, businesses should contact their financial institution for additional liquidity.

Our government recently announced a coordinated approach with the financial sector. The Office of the Superintendent of Financial Institutions (OSFI) is lowering the Domestic Stability Buffer requirement for domestic systemically important banks by 1.25% of risk weighted assets, effective immediately. This action will increase the lending capacity of Canada's large banks and support the supply of credit to the economy during the period of disruption related to COVID-19. The release of the buffer will support in excess of \$300 billion of additional lending capacity.

We have worked with Canada's six largest banks (Bank of Montreal, CIBC, National Bank of Canada, RBC, Scotiabank and TD Bank) which led to their commitment to work with entrepreneurs and small business banking customers on a case-by-case basis to provide flexible solutions to help them manage through challenges such as pay disruption due to COVID-19.

Other banks across the country have also announced specific measures, please reach out to your local bank institution to learn more about the available measures.

2. What is the Business Credit Availability Program?

To support businesses during this extraordinary time, the government is establishing a Business Credit Availability Program (BCAP). The program will further support financing in the private

sector through the Business Development Bank of Canada (BDC) and Export Development Canada (EDC). Under this program, BDC and EDC will enhance their cooperation with private sector lenders to coordinate financing and credit insurance solutions for Canadian businesses.

This will allow BDC and EDC to provide more than \$10 billion of additional support to businesses.

3. How do small businesses access BDC resources?

Businesses can find the newest BDC measures to support businesses impacted by COVID-19 here: [Support for entrepreneurs impacted by the coronavirus](#)

Effective March 18, 2020, new relief measures for qualified businesses include:

- Working capital loans of up to \$2 million with flexible terms and payment postponements for up to 6 months for qualifying businesses;
- Postponement of payments for up to 6 months, free of charge, for existing BDC clients with total BDC loan commitment of \$1 million or less;
- Reduced rates on new eligible loans;
- Additional details regarding Business Credit Availability Program (BCAP) measures, including industry specific support, to be announced in the coming days.

Businesses who are not a BDC client yet can also call BDC's Toll Free number to access more information: 1-877-232-2269

If you are already a BDC client, please reach out to your account manager.

4. How do small businesses access EDC resources?

Businesses can find the newest EDC business-supporting measures here: [EDC stands ready to support Canadian exporters impacted by COVID-19 | EDC](#)

For all inquiries, please connect with EDC at 1-800-229-0575 or tradeadvisor-conseiller@edc.ca.

5. What is the interest rate charged for EDC/BDC loans?

For BDC, there is no one interest rate. Rates are determined based on each proposal and associated risk.

EDC has not and will not set specific, dedicated interest rates. EDC still price to risk, but with the exception that EDC will have an expanded appetite for risk at this time.

6. Who is eligible for BDC/EDC resources?

As a reminder, businesses should contact their financial institutions as the primary source of support/additional credit.

- BDC does not offer assistance to businesses operating fewer than 24 months and not to entrepreneurs who have owned their businesses for less than 12 months.
- EDC - eligibility criteria will be announced shortly

7. What compensation is available for small business owners whose events are cancelled because of COVID-19?

Depending on the particular circumstances, companies dealing with event cancellations should contact their insurance providers. Finance Canada has been in regular contact with insurance companies and financial institutions. They understand the impact COVID-19 is having on their customers. The additional credit available through Minister Morneau's announcement is meant to support companies finding themselves in a short term cash crunch.

If you are a business operating in the arts/entertainment sector and have received funding from Canadian Heritage, please note:

- Canadian Heritage will keep disbursing grants and contributions to arts, culture and sport organizations, even in the cases of cancelled events.
- The disbursed funds should be used to cover costs incurred and reasonable costs of cancellations up to the total amount of the grant or contribution. This includes lost income for affected artists and technicians.

8. I am a non-profit/social enterprise/charity, what funding and resources are available?

Nonprofits and charities are not supported under the current BCAP mechanisms enabled by BDC and EDC. However, it is encouraged that nonprofits, like businesses, reach out to their financial institutions to access additional liquidity.

Additional Business Support Measures

1. I don't want to lay off my employees. How can the government help?

To support businesses that are facing revenue losses and to help prevent lay-offs, the government is proposing to provide eligible small employers a temporary wage subsidy for a period of three months. The subsidy will be equal to 10% of remuneration paid during that period, up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer. Businesses will be able to benefit immediately from this support by reducing their remittances of income tax withheld on their employees' remuneration. Employers benefiting from this measure will include corporations eligible for the small business deduction, as well as non-profit organizations and charities.

2. Will the tax deadline for businesses be extended?

The Canada Revenue Agency will allow all businesses to defer, until after August 31, 2020, the payment of any income tax amounts that become owing on or after March 18 and before September 2020. This relief would apply to tax balances due, as well as instalments, under Part I of the Income Tax Act. No interest or penalties will accumulate on these amounts during this period.

The Canada Revenue Agency will not contact any small or medium (SME) businesses to initiate any post assessment GST/HST or Income Tax audits for the next four weeks. For the vast majority of businesses, the Canada Revenue Agency will temporarily suspend audit interaction with taxpayers and representatives.

Currently, this measure does not apply to charities/non-profits. The Government is actively looking into additional measures to support the non-profit sector.

3. How can Canada's Regional Development Agencies help?

If you are a tourism operator or a small- or medium-sized business or organization and have received RDA funding and COVID-19 is affecting your operations, you are encouraged to contact your local RDA office. Your local RDA office can review your situation and provide guidance.

- You may be eligible to receive additional funding and/or flexible arrangements.
- Further support will be determined on a case-by-case basis as the situation evolves.

If you are a tourism operator or a small- or medium-sized business or organization impacted by the sudden shifts in the economy and need pressing assistance, the RDAs could assist you with:

- Access to federal funding to help you stay in business.
- Advice and pathfinding services to other federal programs and services available.

Canada's Regional Development Agencies

[Atlantic Canada Opportunities Agency \(ACOA\)](#) - 1-800-561-7862

[Western Economic Diversification Canada \(WD\)](#) - 1-888-338-WEST (9378)

[FedNor](#) - 1-877-333-6673

[Canadian Northern Economic Development Agency \(CanNor\)](#) - 1-855-897-2667

[FedDevOntario](#) - 1-866-593-5505

[Canadian Economic Development for Quebec Regions \(CED\)](#) - 1-866-385-6412

EI and workers' support

1. How can my employees access EI? Who is eligible for EI benefits?

For Canadians without paid sick leave (or similar workplace accommodation) who are sick, quarantined or forced to stay home to care for children, the Government is:

- Waiving the one-week waiting period for those individuals in imposed quarantine that claim Employment Insurance (EI) sickness benefits. This temporary measure is in effect as of March 15, 2020.
- Waiving the requirement to provide a medical certificate to access EI sickness benefits.

Service Canada Employer Contact Centre

Canada and the United States:

- Toll-free: 1-800-367-5693
- TTY: 1-855-881-9874

Outside Canada and the United States: 506-546-7569 (collect calls accepted)

Hours of operation: 7:00 am to 8:00 pm, Eastern Time, Monday to Friday.

For employees:

If you have already completed the [application for EI sickness benefits](#) whether you are sick or quarantined and would like to have the one-week waiting period waived, call the new toll-free phone number below. It is important to note that no other request will be actioned on this phone line. Service Canada will take action only for sick or quarantined clients affected by the COVID-19 for which the application for sickness benefits has been filed.

Telephone: 1-833-381-2725 (toll-free)

Teletypewriter (TTY): 1-800-529-3742

2. What about people who don't qualify for EI, including sole-proprietors/self-employed workers?

Introducing the Emergency Care Benefit providing up to \$900 bi-weekly, for up to 15 weeks. This flat-payment Benefit would be administered through the Canada Revenue Agency (CRA) and provide income support to:

- Workers, including the self-employed, who are quarantined or sick with COVID-19 but do not qualify for EI sickness benefits.
- Workers, including the self-employed, who are taking care of a family member who is sick with COVID-19, such as an elderly parent, but do not qualify for EI sickness benefits.
- Parents with children who require care or supervision due to school closures, and are unable to earn employment income, irrespective of whether they qualify for EI or not.

Application for the Benefit will be available in April 2020, and require Canadians to attest that they meet the eligibility requirements. They will need to re-attest every two weeks to re-confirm their eligibility. Canadians will select one of three channels to apply for the Benefit:

1. by accessing it on their CRA MyAccount secure portal;
2. by accessing it from their secure My Service Canada Account; or
3. by calling a toll free number equipped with an automated application process.

Whether you are self-employed, an independent contractor or a sole proprietor, if you do not qualify for EI, you will have access to the Emergency Care Benefit.

3. I have to close down my business because of COVID-19. What supports do my employees have?

For Canadians who lose their jobs or face reduced hours as a result of COVID's impact, the Government is:

- Introducing an **Emergency Support Benefit** delivered through the CRA to provide up to \$5.0 billion in support to workers who are not eligible for EI and who are facing unemployment.
- Implementing the **EI Work Sharing Program**, which provides EI benefits to workers who agree to reduce their normal working hour as a result of developments beyond the control of their employers, by extending the eligibility of such agreements to 76 weeks, easing eligibility requirements, and streamlining the application process.

4. Will tax-filing deadlines for individuals be extended?

The Canada Revenue Agency will defer the filing due date for the 2019 tax returns of individuals, including certain trusts:

- For individuals (other than trusts), the return filing due date will be deferred until June 1, 2020. However, the Agency encourages individuals who expect to receive benefits

under the GSTC or the Canada Child Benefit not to delay the filing of their return to ensure their entitlements for the 2020-21 benefit year are properly determined.

- For trusts having a taxation year ending on December 31, 2019, the return filing due date will be deferred until May 1, 2020.

Procurement

My company can supply goods and services related to the COVID-19 pandemic. Where do I go?

Potential suppliers that seek to provide products and services can go to this website: [Calling all suppliers – Help Canada combat Coronavirus disease \(COVID-19\)](#).

As this website will continue to be updated, please encourage suppliers to check back for new information that may be posted.

Provincial Resources

British Columbia

[COVID-19 Provincial Support and Information - Province of British Columbia](#)

Alberta

[Support for employers and employees](#)

Saskatchewan

[COVID-19 | Emerging Public Health Issues](#)

Manitoba

[Coronavirus](#)

Ontario

[The 2019 Novel Coronavirus \(COVID-19\)](#)

Quebec

[COVID-19 | Instructions and Directives](#)

Nova Scotia

[Novel coronavirus \(COVID-19\)](#)

Newfoundland and Labrador

[COVID-19 Information - COVID-19](#)

New Brunswick

[Coronavirus](#)

Prince Edward Island

[COVID-19](#)

Yukon

[Information about Coronavirus Disease \(COVID-19\) for Yukoners](#)

Northwest Territories

[Coronavirus Disease \(COVID-19\)](#)

Nunavut

[COVID-19 Daily Update - March 18, 2020](#)