



COVID-19 Economic Response Plan – Key Points for Businesses

Further to the COVID-19 Economic Response Plan introduced last week, we wanted to emphasize a few key measures that will have the greatest impact to our business owner clients and provide links to the Canada Revenue Agency (CRA) website for additional information.

Temporary Wage Subsidy

To support businesses and help prevent layoffs, the government is proposing to provide employers a temporary wage subsidy for a period of three months, retroactive to March 15, 2020. The subsidy will be available to all employers that can show their revenues have fallen by at least 30% due to COVID-19, including all corporations, charities and not-for-profit organizations. The subsidy will be equal to 75% of remuneration paid during that period up to a maximum of \$847 per employee per week.

For Quebec businesses, they will only be able to reduce their federal remittances on income tax withheld from their employees' remuneration.

Income Tax Payment Deadlines

The deadline for businesses to pay any income tax amounts that become owing or due after March 18, 2020 and before September 1, 2020 has been [extended](#) to September 1, 2020. This relief applies to tax balances due, as well as instalments. This means you will not be assessed any penalties or interest if your balance due is paid by September 1, 2020.

Deferral of Sales Tax Remittance and Customs Duty Payments

Businesses, including self-employed individuals, will be permitted to defer payments of the Goods and Services Tax/Harmonized Sales Tax (GST/HST), as well as customs duties owing on their imports until June 30, 2020.

The deferral will apply to GST/HST remittances for the February, March and April 2020 reporting periods for monthly filers; the January 1, 2020 to March 31, 2020 reporting period for quarterly filers; and for annual filers, the amounts collected and owing for their previous fiscal year and instalments of GST/HST in respect of the filer's current year.



For GST and customs duty payments for imported goods, deferral will include amounts owing for March, April and May.

The Province of Quebec announced that it will also postpone the deadline for filing QST returns and the attendant payments to June 30, 2020 to harmonize with the government.

Ensuring Businesses Have Access to Credit

The Business Credit Availability Program (BCAP) will allow the Business Development Bank of Canada (BDC) and Export Development Canada (EDC) to provide more than \$10 billion of additional support, largely targeted to small and medium-sized businesses. BDC and EDC are cooperating with private sector lenders to coordinate on credit solutions for individual businesses.

This program includes:

Canada Emergency Business Account

The new Canada Emergency Business Account will provide interest-free loans of up to \$40,000 to small businesses and not-for-profit organizations, to help cover their operating costs during a period where their 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).

To qualify, these organizations will have to demonstrate they paid between \$50,000 to \$1 million in total payroll in 2019.

Loan Guarantee for Small and Medium-Sized Enterprises (SMEs)

EDC is working with financial institutions to issue new operating credit and cash flow term loans of up to \$6.25 million to SMEs.

Co-Lending Program for Small and Medium-Sized Enterprises

BDC is working with financial institutions to co-lend term loans to SMEs for their operational cash flow requirements. Eligible businesses may obtain incremental credit amounts of up to \$6.25 million through the program.

These programs will roll out in the three weeks after March 27 and interested businesses should work with their current financial institutions.



WE CAN HELP

Your Assante advisor can help you assess the impact of these proposals on your personal finances or business affairs and show you ways to take advantage of their benefits or ease their impact. The resources available to you and your advisor include Assante Private Client's Wealth Planning Group, a multi-disciplinary team of accountants, lawyers and financial planners.

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