



Smart decisions. Lasting value.

# Financial Relief Measures

Available to businesses affected by COVID-19

updated April 27, 2020

# Financial Relief Measures

Institution/program	Program Description	Ressources
<p><b>Chartered banks</b></p>	<p>Businesses seeking financial relief who currently have existing facilities with a financial institution should consult their account representative for an assessment of their situation.</p> <p><b>Relief measure:</b></p> <ul style="list-style-type: none"> <li>• Most financial institutions are offering a moratorium on mortgages for up to 6 months and the opportunity for relief on other credit facilities for businesses impacted by COVID-19.               <ul style="list-style-type: none"> <li>- Determined on case-by-case basis.</li> <li>- Information required:                   <ul style="list-style-type: none"> <li>• Year-end external financial statements for the last 3 years.</li> <li>• Latest available interim statements.</li> <li>• Action/contingency plan.</li> <li>• Additional questionnaires &amp; documents may be required.</li> </ul> </li> </ul> </li> </ul> <p><i>Reliable up to date financial statements, a well formulated contingency plan and updated cash flow projections will be essential in the credit approval process. You are encouraged to contact Crowe BGK for assistance with the preparation and review of the information required.</i></p> <p>Businesses whose needs extend beyond what is available through their bank will be referred to EDC, the BDC and IQ for the various available programs which were established by the Federal and Quebec governments over the past weeks.</p>	<p><b>Account representative</b></p>

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<p><b>Canada Emergency Commercial Rent Assistance (CECRA)</b></p> <p><i>Updated on April 27, 2020</i></p>	<p>The federal government has reached an agreement in principle with all provinces and territories to implement CECRA for small businesses.</p> <p><b>Relief measure:</b></p> <ul style="list-style-type: none"> <li>• Program will lower rent by 75% for small businesses affected by COVID-19.               <ul style="list-style-type: none"> <li>- Forgivable loans to qualifying commercial property owners to cover 50% of three monthly rent payments payable by eligible small business tenants experiencing financial hardship during April, May and June.</li> <li>- Loans will be forgiven if the mortgaged property owners agree to reduce the eligible small business tenants' rent by at least 75% under a rent forgiveness agreement, which will include a term not to evict the tenant while the agreement is in place.</li> <li>- Small business tenant would cover the remaining balance, up to 25% of the rent.</li> <li>- Eligible small business tenants must pay less than \$50,000 per month in rent and have temporarily ceased operations or experienced at least a 70% drop in pre-COVID revenues.</li> <li>- Support we also be available to non-profit and charitable organizations.</li> <li>- It is expected that CECRA will be operational by mid-May.</li> </ul> </li> </ul> <p style="text-align: center;"><i>We will provide an update as details become available.</i></p>	<p><a href="https://www.canada.ca/en/department-finance/economic-response-plan.html">https://www.canada.ca/en/department-finance/economic-response-plan.html</a></p>

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<b>Business Credit Availability Program (BCAP)</b>	The federal government established the BCAP through which the BDC and the EDC will deploy over \$65 billion in additional support to qualifying businesses affected by COVID-19.	<a href="https://www.canada.ca/en/department-finance/economic-response-plan.html">https://www.canada.ca/en/department-finance/economic-response-plan.html</a>
<b>EDC - Canada Emergency Business Account (CEBA)</b>  <i>Part of the BCAP</i>	<p>The new \$25 billion Canada Emergency Business Account will be <b>implemented by eligible financial institutions in cooperation with the EDC.</b></p> <p><b>Relief measure:</b></p> <ul style="list-style-type: none"> <li>• Interest-free loans of up to \$40,000.             <ul style="list-style-type: none"> <li>- Available as of April 9<sup>th</sup>, 2020.</li> <li>- For small businesses and not-for-profits whose revenues have been temporarily reduced due to COVID-19.</li> <li>- Must be a Canadian operating business which is registered and operational on or before March 1, 2020.</li> <li>- Excludes sole proprietors.</li> <li>- Until December 31, 2020, the Canada Emergency Business Account will be funded as a revolving line of credit of \$40,000.</li> <li>- No interest applies until January 1, 2023.</li> <li>- After December 31, 2020, any outstanding balance on the revolving \$40,000 line of credit will be converted into a non-revolving 5-year term loan maturing on December 31, 2025, at which time the balance must be paid in full.</li> <li>- Commencing on January 1, 2023, interest will accrue on the balance of the term loan at a rate of 5% per annum, payable monthly on the last day of each month.</li> <li>- If 75% of the balance of the term loan (as at January 1, 2021) is reimbursed on or before December 31, 2022, the remaining balance of the term loan will be forgiven.                 <ul style="list-style-type: none"> <li>• For example, if the balance is \$40,000 on January 1, 2021 and \$30,000 is repaid on or before December 31, 2022, the remaining \$10,000 will be forgiven.</li> </ul> </li> <li>- Must demonstrate that payroll expenses paid in 2019 were between \$20,000 and \$1.5 million.</li> <li>- Every entity of a group may enroll as long as each business individually meets the eligibility criteria.</li> <li>- <b>Enrollments will only be possible online through chartered banks.</b> <ul style="list-style-type: none"> <li>• 2019 T4 Summary of Remuneration Paid statements will be required for the application process.</li> </ul> </li> </ul> </li> </ul> <p style="color: red; text-align: center;">We will provide an update as details become available.</p>	<a href="https://www.canada.ca/en/department-finance/economic-response-plan.html">https://www.canada.ca/en/department-finance/economic-response-plan.html</a>

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<p><b>EDC - New Loan Guarantee for Small and Medium Enterprises</b></p> <p><i>Part of the BCAP</i></p>	<p>Through the \$20 billion loan guarantee program <b>EDC will guarantee loans extended by eligible financial institutions</b> to SMEs affected by COVID-19.</p> <p><b>Relief measure:</b></p> <ul style="list-style-type: none"> <li>• EDC will guarantee operating credit and cash flow term loans that financial institutions extend to SMEs, up to \$6.25 million.               <ul style="list-style-type: none"> <li>- These loans will be guaranteed up to 80% by EDC and must be reimbursed within 1 year.</li> <li>- <b>Eligible financial institutions will conduct the underwriting and manage the interface with their customers.</b></li> <li>- The program cap for this new loan program will be a total of \$20 billion for export sector and domestic companies.</li> </ul> </li> </ul> <p style="text-align: center; color: red;">We will provide an update as details become available.</p>	<p><a href="https://www.canada.ca/en/department-finance/economic-response-plan.html">https://www.canada.ca/en/department-finance/economic-response-plan.html</a></p>
<p><b>BDC - Co-Lending Program for Small and Medium Enterprises</b></p> <p><i>Part of the BCAP</i></p>	<p>Through the \$20 billion co-lending program the <b>BDC together with financial institutions</b> will co-lend term loans to SMEs.</p> <p><b>Relief measure:</b></p> <ul style="list-style-type: none"> <li>• Eligible businesses may obtain incremental credit amounts up to \$6.25 million;               <ul style="list-style-type: none"> <li>- The BDC's portion of this program will represent 80% of the total balance of the loan for a maximum is up to \$5 million maximum per loan.</li> <li>- <b>Eligible financial institutions will conduct the underwriting and manage the interface with their customers.</b></li> </ul> </li> </ul> <p style="text-align: center; color: red;">We will provide an update as details become available.</p>	<p><a href="https://www.canada.ca/en/department-finance/economic-response-plan.html">https://www.canada.ca/en/department-finance/economic-response-plan.html</a></p>

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<b>Industrial Research Assistance Program (IRAP)</b>	<p>Through IRAP, the federal government will be investing \$250 million to assist innovative, early-stage companies that are unable to access other COVID-19 business supports.</p> <p><b>Relief measures:</b></p> <ul style="list-style-type: none"> <li>• The COVID-19 Challenges Procurement Program: NRC Industrial Research Assistance Program and Innovative Solutions Canada.</li> <li>• The Pandemic Response Challenge Program: National Research Council of Canada.</li> <li>• Biomanufacturing capacity at Royalmount: NRC Human Health Therapeutics Research Centre.</li> </ul> <p style="text-align: center; color: red;">Consult the IRAP website for additional details.</p>	<p><a href="https://nrc.canada.ca/en/research-development/research-collaboration/nrc-covid-19-programs">https://nrc.canada.ca/en/research-development/research-collaboration/nrc-covid-19-programs</a></p>
<b>Futurpreneur Canada</b>	<p>The federal government will be providing \$20.1 million in support for Futurpreneur Canada to continue supporting young entrepreneurs across Canada who are facing challenges due to COVID-19.</p> <p><b>Relief measure:</b></p> <ul style="list-style-type: none"> <li>• Funding will allow Futurpreneur Canada to provide payment relief for its clients for up to 12 months.</li> </ul> <p style="text-align: center; color: red;">Consult the Futurpreneur Canada website for additional details.</p>	<p><a href="https://www.futurpreneur.ca/en/">https://www.futurpreneur.ca/en/</a></p>

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<p><b>BDC</b></p>	<p>Relief measures are to complement services offered by other financial institutions with whom the BDC will continue to collaborate. Applicants must demonstrate that their business was viable prior to the impacts of COVID-19.</p> <p><b>Relief measures:</b></p> <ol style="list-style-type: none"> <li>1. Postponement of payments for up to 6 months for <b>existing BDC clients</b> with a total BDC loan commitment of \$1,000,000 or less.               <ul style="list-style-type: none"> <li>- Consult account representative.</li> </ul> </li> <li>2. For facilities exceeding \$1,000,000, consult account representative for available solutions.</li> <li>3. Small business loan of up to \$100,000.               <ul style="list-style-type: none"> <li>- Capital repayments can be postponed for the first 6 months.</li> <li>- Up to 5 year terms.</li> <li>- Must have revenue history of 24 months or more, with good credit history, and have reached the age of majority.</li> <li>- Online application: <a href="https://www.bdc.ca/en/financing/business-loans/pages/small-business-loan.aspx">https://www.bdc.ca/en/financing/business-loans/pages/small-business-loan.aspx</a></li> </ul> </li> <li>4. Working capital loan.               <ul style="list-style-type: none"> <li>- Up to \$ 2,000,000 (\$100,000 or more).</li> <li>- 3 year term.</li> <li>- Effective variable rate of approx. 3.30% (base less 1.75%).</li> <li>- No capital repayment for the first 12 months.                   <ul style="list-style-type: none"> <li>• 40% of loan payable over 24 months following the first 12-month period.</li> <li>• 60% balloon payment at the end of the 36-month period.</li> </ul> </li> <li>- Standard fees apply (loan processing, legal fees, etc.).</li> <li>- Guarantees apply (determined on a case-by-case basis).</li> <li>- Additional questionnaires &amp; documents will be required for the application process.</li> </ul> </li> </ol> <p><b><i>Reliable up to date financial statements, a well formulated contingency plan and updated cash flow projections will be essential in the approval process. You are encouraged to contact Crowe BGK for assistance with the preparation and review of the information required.</i></b></p>	<p><a href="https://www.bdc.ca/en/pages/special-support.aspx?special-initiative=covid19">https://www.bdc.ca/en/pages/special-support.aspx?special-initiative=covid19</a></p>



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<p><b>Concerted Temporary Action Program for Businesses</b> (PACTE program)</p>	<p>Via IQ, the Quebec government put together an action plan for Quebec-based businesses whose liquidities have been impacted due to COVID-19. Applicants must demonstrate that their business was viable prior to the impact of COVID-19.</p> <p>Proposed relief measures are to complement services offered by other financial institutions with whom IQ will continue working.</p> <p><b>Relief measure:</b></p> <ul style="list-style-type: none"> <li>• Loan guarantees on lines of credit or other business financing extended by chartered banks.               <ul style="list-style-type: none"> <li>- Intended for working capital.</li> <li>- Minimum intervention of \$50,000.</li> <li>- Must demonstrate that liquidity problems or shortfalls are due to supply chain issues or inability to deliver good &amp; services.</li> <li>- Excludes refinancing.</li> <li>- Files will be reviewed on a case-by-case basis.</li> <li>- Excludes businesses in the following industries:                   <ul style="list-style-type: none"> <li>• Arms manufacturing or distribution;</li> <li>• Gambling;</li> <li>• Tobacco or drugs other than pharmaceuticals;</li> <li>• Activity whose main purpose is protected by the Canadian Charter of Rights and Freedoms (religion, politics, advocacy, etc.); and</li> <li>• any other activity that would be likely to offend public morality.</li> </ul> </li> <li>- Additional questionnaires &amp; documents could be required for the application process.</li> </ul> </li> </ul> <p><i>Reliable up to date financial statements, a well formulated contingency plan and updated cash flow projections will be essential in the approval process. You are encouraged to contact Crowe BGK for assistance with the preparation and review of the information required.</i></p>	<p><a href="https://www.investquebec.com/quebec/en/financial-products/all-our-solutions/Concerted-temporary-action-program-for-businesses.html">https://www.investquebec.com/quebec/en/financial-products/all-our-solutions/Concerted-temporary-action-program-for-businesses.html</a></p>
<p><b>Investissement Québec</b></p>	<p>Relief measures with respect to the terms of loans already granted by Investissement Québec may be implemented.</p> <p><b>Relief measure:</b></p> <ul style="list-style-type: none"> <li>• 3 month moratorium on interest and capital for loans already granted through local investment funds.               <ul style="list-style-type: none"> <li>- Interest accumulated during this period will be added to the loan balance.</li> <li>- Consult with local fund manager.</li> </ul> </li> </ul>	<p><a href="https://www.investquebec.com/quebec/en/financial-products/all-our-solutions/Concerted-temporary-action-program-for-businesses.html">https://www.investquebec.com/quebec/en/financial-products/all-our-solutions/Concerted-temporary-action-program-for-businesses.html</a></p>



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<p><b>Emergency Assistance to Small and Medium-Sized Businesses</b></p>	<p>Through the Québec government, the program aims to provide temporary aid to eligible businesses affected by COVID-19.</p> <p><b>Relief measure:</b></p> <ul style="list-style-type: none"> <li>• Loan or loan guarantee of up to \$50,000, at an interest rate of 3%. <ul style="list-style-type: none"> <li>- 3-month moratorium on principal and interest will automatically apply to all loans.</li> <li>- Additional moratorium of up to 12 months on principal may be granted.</li> <li>- 3 to 5-year terms, excluding the payment moratorium.</li> <li>- <b>May not be combined with assistance obtained under the Québec government's temporary concerted action program for businesses (PACTE program).</b></li> <li>- Excludes businesses in the following industries: <ul style="list-style-type: none"> <li>• Arms manufacturing or distribution;</li> <li>• Gambling;</li> <li>• Tobacco or drugs other than pharmaceuticals;</li> <li>• Activity whose main purpose is protected by the Canadian Charter of Rights and Freedoms (religion, politics, advocacy, etc.); and</li> <li>• any other activity that would be likely to offend public morality.</li> </ul> </li> <li>- Must have been in business in Quebec for at least one year.</li> <li>- Must be temporarily closed for business, likely to be closed or displaying warning signs of probable closure.</li> <li>- Must be in the context of maintaining, consolidating or reviving its activities.</li> <li>- Must demonstrate that liquidity issues are temporary and caused by a supply chain problems and/or the inability to deliver goods or services due to COVID-19.</li> <li>- Excludes applicants who have filed for protection under the Companies' Creditors Arrangement Act (R.S.C., 1985, chapter 36) or the Bankruptcy and Insolvency Act (R.S.C., 1985, chapter B-3).</li> <li>- Information required: <ul style="list-style-type: none"> <li>• Application form;</li> <li>• Balance sheet and income statement for latest 12-month period ending no earlier than December 31, 2019;</li> <li>• Summary of the expenses to be covered by the financial assistance over a 3-month period;</li> <li>• Evidence of the impact of the crisis on the company's business through one of the following documents;</li> <li>• Declaration to the Registraire des Entreprises du Québec (REQ).</li> <li>• Proof of payment (GST/QST, DAS, Taxes) as of December 31, 2019 for both levels of government.</li> </ul> </li> <li>- To make a request, contact your RCM, your municipality office or the body responsible for managing the local investment fund in your MRC. Applications for Montreal businesses shall be done through PME MTL.</li> </ul> </li> </ul>	<p><a href="https://www.quebec.ca/entreprises-et-travailleurs-autonomes/aide-urgence-pme-covid-19/">https://www.quebec.ca/entreprises-et-travailleurs-autonomes/aide-urgence-pme-covid-19/</a></p> <p>(French only)</p> <p><a href="https://pmemtl.com/en/services/financing/loans-and-subsidies/emergency-assistance-sme-covid-19/">https://pmemtl.com/en/services/financing/loans-and-subsidies/emergency-assistance-sme-covid-19/</a></p>

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Caisse de Dépôt et de Placement du Québec	<p>Program for a total amount of \$4 billion to support Québec companies temporarily impacted by COVID-19.</p> <p><b>Relief measure:</b></p> <ul style="list-style-type: none"> <li>• Financing of \$5 million or more. <ul style="list-style-type: none"> <li>- For companies of all sizes and in all industries from across Québec.</li> <li>- Must show profitability prior to the start of COVID-19 and demonstrate a promising growth outlook in their sector.</li> <li>- Online application : <a href="https://www.cdpq.com/en/form-covid-19">https://www.cdpq.com/en/form-covid-19</a></li> </ul> </li> </ul>	<p><a href="https://www.cdpq.com/en/form-covid-19">https://www.cdpq.com/en/form-covid-19</a></p>
Fonds de Solidarité FTQ	<p><b>Relief measure:</b></p> <ul style="list-style-type: none"> <li>• 6 month moratorium on capital and interests for eligible businesses affected by COVID-19. <ul style="list-style-type: none"> <li>- Consult account manager.</li> </ul> </li> </ul>	<p><a href="https://www.fondsftq.com/en/salle-de-presse/liste-communiques-de-presse/communiquer.aspx?nom=20200319-mesures-financieres-covid19">https://www.fondsftq.com/en/salle-de-presse/liste-communiques-de-presse/communiquer.aspx?nom=20200319-mesures-financieres-covid19</a></p>
La Financière agricole du Québec	<p>The Québec government has put in place special measures to support agricultural producers.</p> <p><b>Relief measures:</b></p> <ol style="list-style-type: none"> <li>1. 6 month moratorium on loan repayments is available to all La Financière agricole customers who request it.</li> <li>2. The April 30th Farm Insurance Program enrolment date has been deferred to May 21, 2020 and June 1st notices of assessment are postponed until July 1, 2020.</li> <li>3. AgriStability interim payments are available. Producers in financial difficulty can apply to receive these payments quickly.</li> <li>4. No notices of assessment for the Farm Income Stabilization Insurance (ASRA) program will be sent before July 1st.</li> <li>5. Final payments for the 2019 insurance year will be paid in April for the beef and pork sectors, as scheduled, and in May for the sheep sector, as scheduled. The second compensation advance for cereals and canola will be paid in April.</li> </ol>	<p><a href="https://www.fadq.qc.ca/en/news-room/news/details/la-financiere-agricole-du-quebec-implements-new-measures-to-support-agricultural-producers/">https://www.fadq.qc.ca/en/news-room/news/details/la-financiere-agricole-du-quebec-implements-new-measures-to-support-agricultural-producers/</a></p>
Fondation	<p><b>Relief measure:</b></p> <ul style="list-style-type: none"> <li>• 3 month moratorium on capital and interests for portfolio businesses affected by COVID-19. <ul style="list-style-type: none"> <li>- Consult account manager.</li> </ul> </li> </ul>	<p><a href="https://www.fondation.com/nouvelles/fondation-annonce-un-repit-de-trois-mois-pour-les-entreprises-de-son-portefeuille/">https://www.fondation.com/nouvelles/fondation-annonce-un-repit-de-trois-mois-pour-les-entreprises-de-son-portefeuille/</a> (in French only)</p>

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<b>Canada's Regional Development Agencies (RDA)</b>	<p>For tourism operators or small/medium-sized businesses/organizations who have received RDA funding and are impacted by COVID-19.</p> <p><b>Relief measures:</b></p> <ol style="list-style-type: none"> <li>1. Additional funding and/or flexible arrangements.               <ul style="list-style-type: none"> <li>- Determined on a case-by-case basis.</li> <li>- Contact your local RDA office.</li> </ul> </li> <li>2. Advice and pathfinding services to other federal programs and services are available.</li> </ol>	<a href="http://www.ic.gc.ca/eic/site/icgc.nsf/eng/07677.html">http://www.ic.gc.ca/eic/site/icgc.nsf/eng/07677.html</a>
<b>City of Montreal</b>	<p><b>Relief measures:</b></p> <ol style="list-style-type: none"> <li>1. Postponement of 2nd municipal tax account payment to July 2nd, 2020 vs. June 1st, 2020 for businesses and individuals.</li> <li>2. Business support hotline - Monday to Friday from 8 a.m. to 5 p.m. (514 394-1793).</li> <li>3. 6 month moratorium on interest and capital for PME MTL loans.               <ul style="list-style-type: none"> <li>- Consult account representative.</li> </ul> </li> </ol>	<a href="https://montreal.ca/en/articles/covid-19-support-measures-montreal-businesses">https://montreal.ca/en/articles/covid-19-support-measures-montreal-businesses</a>  <a href="https://pmemtl.com/en/actualities/covid-19-our-services-are-maintained">https://pmemtl.com/en/actualities/covid-19-our-services-are-maintained</a>
<b>Hydro-Québec</b>	<p><b>Relief measures:</b></p> <ol style="list-style-type: none"> <li>1. No service interruption for non-payment.</li> <li>2. As of March 23rd, 2020, administrative fees applicable to unpaid invoices will be suspended until further notice.</li> <li>3. Possibility of making payment arrangements.</li> </ol>	<a href="https://www.hydroquebec.com/covid-19-en.html">https://www.hydroquebec.com/covid-19-en.html</a>

Please contact our advisory team for assistance.

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