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COVID-19

Impact on Businesses

Canada Emergency Commercial Rent Assistance (CECRA)

The Federal Government has announced more details on the Canada Emergency Commercial Rent Assistance (CECRA) program following an agreement in principle regarding funding with all provinces and territories. While more details are yet to come, here is what we know so far.

Commercial landlords who qualify under the program will be eligible for forgivable loans that will cover 50% of eligible tenants rent for the months of April, May and June if they provide, under a rent forgiveness agreement, a reduction of at least 75% in rent and a moratorium on eviction notices to eligible tenants. The federal and provincial/territorial governments will cover the costs of the program on a 50/50 basis and tenants will be responsible for paying the remaining 25% of the monthly rent. In effect, monthly rent will be covered as follows:

- 25% reduction by the landlord
- 25% by the tenant
- 50% by the federal and provincial/territorial government

Eligible small business tenants are those who pay less than \$50,000 per month in rent and who have temporarily ceased operations or who have suffered at least a 70% reduction in revenue due to COVID-19. Non-profits and charitable organizations will also be eligible under the program however it is still unclear what criteria they will have to meet.





It appears no assistance will be available to commercial landlords who do not currently have a mortgage on their property as the government has stated that the assistance will be paid directly to mortgage lenders. Hopefully this will be clarified as more details are released.

The government expects that the program, which will be administered by the Canada Mortgage and Housing Corporation, will be operational by mid-May and landlords will be able to apply for the loans with respect to April and May rent retroactively.

The following is a link to the program details:



<https://www.canada.ca/en/department-finance/economic-response-plan.html>

Canada Emergency Wage Subsidy (CEWS) FAQ's

The Canada Revenue Agency has released a series of 35 frequently asked questions and answers in relation to the Canada Emergency Wage Subsidy program. The following is a link to that publication:



https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-frequently-asked-questions.html#h_8

We continue to provide services to our clients utilizing our secure remote access and encourage all clients to deliver their accounting records and personal income tax information as soon as it is ready. Our offices are currently closed to public access, however, we have established a drop-off and receiving area on the main floor of our building for those clients unable to provide documents to us in electronic format via our secure portal or via email.

Please note that due to the rate at which the current COVID-19 situation is changing, and the response by government to feedback on its initiatives, the information contained in this update is accurate as of the release date indicated above. Clients can monitor updates to the Government of Canada's COVID-19 Economic Response Plan [here](#) and Department of Finance announcements [here](#).

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