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chartered professional accountants

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COVID-19

IMPACT ON BUSINESS

Canada Emergency Commercial Rent Assistance (CECRA) Deadline Notification

July and August extensions now available

- If you have previously been approved, you automatically qualify for the extensions and no additional documents are required. Not all tenants in the original application need to be included in the request for the July and/or August extension.
- An impacted tenant who met the April-June revenue decline will automatically qualify for extension
- Property owners must notify each of their tenants in writing once they have requested the extension on their behalf. Tenants are not required to sign any new documentation.
- Property owners can only opt-in once and no new tenants can be added.
- If you have been previously approved (ie for April, May and June), deadline to opt in for the July and August extensions is September 14, 2020
- If you haven't yet applied for CECRA for small businesses, you must apply for July and August as part of your entire application.
- If you haven't yet submitted an application, you must apply by August 31, 2020.
- For the extension period, the forgivable loan amount will be based on the average of the gross rent amounts included in the main application and will not be recalculated based upon July and August rents. So, even if gross rent changes for July or August, the forgivable loan amount and the amount of rent forgiveness will stay the same as they were for the April-June period.



Insurance Proceeds and Provincial Rent Support Programs

Effective June 30th, the deduction of Other Relief Proceeds from the CECRA forgivable loan amount was eliminated with retroactive effect. Applicants who previously had their forgivable loan amounts reduced for Other Relief Proceeds will be notified of the change and will receive a further advance of funds to top-up their forgivable loan amount.

What if property owner has not declared rental income for 2018 and/or 2019?

May still be eligible if other criteria are met – including that a binding lease was in existence with an eligible impacted small business tenant on or before April 1, 2020.

For new businesses that did not exist in 2019 (ie newly constructed or recently purchased), for purposes of the revenue test, revenues for April, May and June 2020 can be compared to the average of the revenues for January and February 2020

Related Parties

- Related parties can qualify provided program requirements are met and there is a valid lease in place at market rates, prior to crisis
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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.

