

COVID-19 – Business Owner Information Update

Canada Emergency Business Account

March 27 /2020

On March 27, Prime Minister Trudeau announced additional measures to support small businesses through this time. Scotiabank, together with other leaders in the banking community, has been consulting with the government on these measures, designing them specifically to help small and medium-sized employers with their most pressing needs and position the economy to recover.

The Canada Emergency Business Account will provide qualifying business customers with access to a \$40,000 line of credit:

- at 0% interest until Dec 31, 2022
- requires no minimum monthly principal payments until December 31, 2022
- principal repayments can be made at any time
- \$10,000 loan forgiveness is available provided outstanding balance is fully paid on or before Dec 31, 2022.

<https://pm.gc.ca/en/news/news-releases/2020/03/27/prime-minister-announces-support-small-businesses-facing-impacts>

As per the requirements of the program set out by the Government of Canada, customers and clients must agree to use funds from this line of credit to pay for operating costs that cannot be deferred, such as payroll, rent, utilities, insurance, and property tax.

Customers and clients that meet each of the following criteria will be eligible for the program:

- The person applying has the ability and authority to bind the organization.
- Your organization is an operating business (i.e., not a holding company) in operation on March 1, 2020.
- Your organization's payroll expense in the 2019 calendar year was between \$50,000 and \$1 Million. You will need to provide:
 - Your employer account number, as reported at the top of the 2019 T4 Summary
 - Your employment income reported in Box 14 of their 2019 T4
 - Your 2019 T4SUM when requested upon audit
- As per the requirements of the program set out by the Government of Canada, you will agree to use funds from this loan to pay for operating costs **that cannot be deferred**, such as payroll, rent, utilities, insurance, and property tax.

When you are approved and accept the relief measure, you will have access to a \$40,000 line of credit that has a 0% interest rate with no fees and requires no principal repayments until December 31, 2022.

Additional Support for Canadian Businesses from the Economic Impact of COVID-19

<https://www.canada.ca/en/department-finance/news/2020/03/additional-support-for-canadian-businesses-from-the-economic-impact-of-covid-19.html>