

BRAUTI THORNING^{LLP}

— BT LEGAL —

March 30, 2020

The Government of Canada provided clarification of the enhanced 75% wage subsidy announced on March 27, 2020:

- The enhanced subsidy will cover the first \$58,700 of annual salary of workers, which equals up to \$847 a week.
- The subsidy is open to any businesses that have experienced a reduction in revenues of 30% due to the coronavirus pandemic.
- Businesses are asked to try and cover the remaining 25% of workers' wages but there is currently no requirement to provide top ups.

The Government of Ontario extended its state of emergency by another two weeks. The original two-week state of emergency was declared on March 17, 2020 and was set to expire on March 31, 2020.

March 28, 2020

The Government of Canada announced that as of March 30, 2020 at noon, people showing any signs whatsoever of COVID-19 will be denied boarding at all domestic flights and intercity passenger trains.

The Government of Ontario prohibited gatherings of more than five people with strict exceptions, including private households, funerals with ten or fewer people, and childcare centres supporting frontline health care workers and first responders provided the number of persons at each centre does not exceed 50 people.

March 27, 2020

The Government of Canada announced additional measures to support small businesses dealing with the economic impacts of the pandemic, with the purpose of protecting jobs, paying workers, and helping business to pay bills. The new measures include the following (details provided on March 30, 2020):

- An enhanced 75% wage subsidy for businesses. The subsidy applies for 3 months, retroactive to March 15, 2020. Details to follow.
- Permission for businesses, including self-employed individuals, to defer all GST/HST payments until June, as well as customs duties owed for imports. The government describes this as a \$30 billion interest-free loan to Canadian businesses to help them continue to pay their employees and their bills, and to help ease cash-flow challenges across the country.
- Launching the Canada Emergency Business Account. This program will provide up to \$25 billion to eligible financial institutions so they can provide interest-free loans to small businesses. These loans – guaranteed and funded by the Government of Canada – will ensure that small businesses have access to capital with a 0% interest rate, so they can pay for rent and other important costs over the next number of months. This program will be rolled out in the three weeks after March 27. Interested businesses should work with their current financial institutions.
- Launching the Small and Medium-sized Enterprise Loan and Guarantee program that will enable up to \$40 billion in lending, supported through Export Development Canada and Business Development Bank, for guaranteed loans when small businesses go to their financial institutions to help weather the impacts of COVID-19. This is intended for small and medium-sized companies that require greater help to meet their operational cash flow requirements. This program will be rolled out in the three weeks after March 27. Interested businesses should work with their current financial institutions.

March 25, 2020

The Government of Canada's Canada Emergency Response Benefit passed in the Parliament and received Royal Assent.

The Government of Ontario announced a \$17 billion aid package in response to COVID-19. The package is split between \$7 billion in direct support and \$10 billion in business tax and other tax-related deferrals. Among the initiatives that will support business are:

- \$6 billion in provincial business tax interest and penalty relief for five months
- \$355 million for a temporary increase in Employer Health Tax exemption (companies with less than \$1 million will be exempt from paying, estimated to help 57,000 businesses)
- 10 per cent corporate tax credit for regions with “lagging employment growth

- \$1.9 billion for the deferral of WSIB premiums for up to six months
- Municipalities urged, but not required, to provide deferrals to municipal taxpayers
- \$2.5 billion reserve “to provide continued flexibility to respond to changing global circumstances”

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