

COVID-19: COMPLIANCE SUM UP TABLE

| ASPECT | CANADA | QUÉBEC |
|--|--|---|
| Individuals Who Would Have Had a Filing Deadline of April 30, 2020 for Their 2019 Tax Returns | | |
| Tax-filing deadline | Has been extended from April 30, 2020 to June 1, 2020. | Has been extended from April 30, 2020 to June 1, 2020. |
| Deadline to pay any balance due for individual income tax and benefit returns | Has been extended from April 30, 2020 to September 1, 2020. No penalties nor interest will be assessed if the balance due is paid by September 1, 2020. | Has been extended from April 30, 2020 to September 1, 2020. No penalties nor interest will be assessed if the balance due is paid by September 1, 2020. |
| Benefits and credits | Canadians are encouraged to file their income tax and benefit return electronically and as early as possible, before June 1, 2020, to ensure their benefits and credits are not interrupted. | Not applicable |
| Electronic signature | As a temporary administrative measure, electronic signatures will be recognized as having met the signature requirements. This provision applies to authorization Form T183. | As a temporary administrative measure, electronic signatures will be recognized as having met the signature requirements. This provision applies to authorization Form TP-1000. |
| Self-Employed Individuals or Those Who Have Spouses or Common-Law Partners That Are Self-Employed | | |
| Tax-filing deadline | No change announced; it remains June 15, 2020. | No change announced; it remains June 15, 2020. |
| Balance of tax for individuals, which would be due no later than April 30, 2020 | Has been extended from April 30, 2020 to September 1, 2020. No penalties nor interest will be assessed if the balance due is paid by September 1, 2020. | Has been extended from April 30, 2020, to September 1, 2020. No penalties nor interest will be assessed if the balance due is paid by September 1, 2020. |
| June 15, 2020 income tax by instalments ¹ | Will be deferred to September 1, 2020. No penalties nor interest will be assessed if the balance due is paid by September 1, 2020. | Will be deferred to September 1, 2020. No penalties nor interest will be assessed if the balance due is paid by September 1, 2020. |

¹The method for determining the June 15th, September 15th and December 15th instalments is not affected by the measures.

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| Benefits and credits | Canadians are encouraged to file their income tax and benefit return electronically and as early as possible, before June 1, 2020 to make sure their benefits and credits are not interrupted. | Not applicable |
| Electronic signature | As a temporary administrative measure, electronic signatures will be recognized as having met the signature requirements. This provision applies to authorization Form T183. | As a temporary administrative measure, electronic signatures will be recognized as having met the signature requirements. This provision applies to authorization Form TP-1000. |
| Trusts (Other Than Specified Investment Flow-Through Trusts (“SIFTs”)) | | |
| Tax-filing deadline | Has been extended from March 30, 2020 to May 1, 2020. | Has been extended from March 30, 2020 to May 1, 2020. |
| Tax balance which would be due before September 1st, 2020 | Will be deferred to September 1, 2020. No penalties nor interest will be assessed if the balance due is paid by September 1, 2020. | Will be deferred to September 1, 2020. No penalties nor interest will be assessed if the balance due is paid by September 1, 2020. |
| June 15th, 2020 income tax by instalments ² | Will be deferred to September 1, 2020. No penalties nor interest will be assessed if the balance due is paid by September 1, 2020. | Will be deferred to September 1, 2020. No penalties nor interest will be assessed if the balance due is paid by September 1, 2020. |
| Electronic signature | Not applicable | Not applicable |
| Corporations | | |
| Tax-filing deadline | No change announced. It remains six months after the year end. | No change announced. It remains six months after the year end. |
| Tax balance which would be due before September 1st, 2020 | Will be deferred to September 1, 2020 for Part I tax balances due for January 31, 2020 year ends, and certain corporations with a December 31, 2019 year end. No penalties nor interest will be assessed if the balance due is paid by September 1, 2020. | Will be deferred to September 1, 2020 for Quebec tax balances due for January 31, 2020 year ends. No penalties nor interest will be assessed if the balance due is paid by September 1, 2020. |
| Income tax instalments which would be due before September 1st, 2020 | Will be deferred to September 1, 2020. No penalties nor interest will be assessed if the balance due is paid by September 1, 2020. | Will be deferred to September 1, 2020. No penalties nor interest will be assessed if the balance due is paid by September 1, 2020. |

²The method for determining the June 15th, September 15th and December 15th instalments is not affected by the measures.

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| Electronic signature | As a temporary administrative measure, electronic signatures will be recognized as having met the signature requirements. This provision applies to authorization Form T183CORP. | As a temporary administrative measure, electronic signatures will be recognized as having met the signature requirements. This provision applies to authorization Form CO-1000. |
| Charities | | |
| Information return filing deadline which would be due between March 18, 2020 and December 31st, 2020 | Form T3010 filing deadline will be deferred to December 31, 2020. | No deferral measures. Information return is due six months after the end of the fiscal period. |
| Partnerships | | |
| Information return filing deadline | No change announced, it remains March 31, 2020 or May 31, 2020 depending on the type of partners in the partnership | The March 31, 2020 filing deadline was deferred to May 1, 2020. No change announced for the May 31, 2020 deadline. |

COVID-19: CANADA ECONOMIC RESPONSE PLAN

INDIVIDUALS

1. General Support for Individuals

1.1. INCREASING THE CANADA CHILD BENEFIT THIS YEAR

Eligibility Requirements

- Families who are primarily responsible for the care and upbringing of children under 18 years of age.
- A family’s eligibility depends on a number of factors, including number of children, age of children, marital status and adjusted family net income (as reported in the previous year’s tax return).

Details

The proposed increase of the maximum annual Canada Child Benefit (CCB) payment is \$300 per child, for the 2019-20 benefit year only. Eligible families will receive an extra, tax-free, \$300 per child as part of their May payment.

1.2. MORTGAGE SUPPORT

Eligibility Requirements

Homeowners facing financial difficulties can defer mortgage payments on homeowner CMHC-insured mortgage loans.

Details

The Canada Mortgage and Housing Corporation (CMHC) and other mortgage insurers offer tools to lenders that can assist homeowners who may be experiencing financial difficulty. These include payment deferral, loan re-amortization, capitalization of outstanding interest arrears and other eligible expenses, and special payment arrangements.

CMHC will also permit lenders to allow payment deferral beginning immediately.

2. Support for People Facing Unemployment / Unable to Work

2.1. IMPROVED ACCESS TO EMPLOYMENT INSURANCE SICKNESS BENEFIT

Represents benefits when an employee is unable to work for medical reasons. Medical reasons include illness, injury, quarantine or any medical condition that prevents a person from working.

Eligibility Requirements

- Canadians without paid sick leave (or similar workplace protection) who are sick, quarantined or forced to stay home to care for children;
- Employee has accumulated 600 insured hours of work in the 52 weeks before commencement of the claim, or from the commencement of a previous claim, whichever is shorter.

Details

- Recipient receives 55% of insurable earnings up to a maximum of \$573 per week during a maximum of 15 weeks;
- One-week waiting period is waived for individuals in imposed quarantine. This temporary measure will be in effect as of March 15, 2020;
- Requirement to provide a medical certificate to access EI sickness benefits is waived.

2.2. EMERGENCY CARE BENEFIT

Eligibility Requirements

- Workers, including the self-employed, who are sick, quarantined, or who have been directed to self-isolate but do not qualify for Employment Insurance (EI) sickness benefits.
- Workers, including the self-employed, who are taking care of a family member who is sick with COVID-19, such as an elderly parent or other dependents who are sick, but do not qualify for EI sickness benefits.
- EI-eligible and non EI-eligible working parents who must stay home without pay because of children who are sick or who need additional care because of school closures.

Details

- Up to \$900 bi-weekly for up to 15 weeks to provide income support to workers who must stay home and do not have access to paid sick leave.
- Application for the Emergency Care Benefit will be available in April 2020, and require Canadians to attest that they meet the eligibility requirements. They will need to re-attest every two weeks to reconfirm their eligibility. Canadians will select one of three channels to apply for the Benefit:
 - by accessing it on their CRA MyAccount secure portal;
 - by accessing it from their secure My Service Canada Account; or
 - by calling a toll-free number equipped with an automated application process [TBD].

2.3. EMERGENCY SUPPORT BENEFIT

Eligibility Requirements

- Canadians who lose their jobs or face reduced hours as a result of the impact of COVID-19;
- Workers who are not eligible for Employment Insurance (EI) and who are facing unemployment.

Details

Emergency Support Benefit will be delivered through the CRA to provide up to \$5 billion in support to workers who are not eligible for EI and who are facing unemployment. More details will be provided in the upcoming days by the Canadian Government.

3. Support for People with Low and Modest Income

3.1. INCREASED GOODS AND SERVICES TAX CREDIT THIS YEAR

Eligibility Requirements

Family income level where the recipient will no longer receive the GST/HST credit depends on the marital status and the number of children.

Details

The Canadian Government is proposing to provide a one-time special payment by early May 2020 through the Goods and Services Tax Credit (GSTC). This will double the maximum annual GSTC payment amounts for the 2019-20 benefit year. The average boost to income for those benefitting from this measure will be close to \$400 for single individuals and close to \$600 for couples.

4. Support for Seniors

4.1. EASED THE RULES FOR REGISTERED RETIREMENT INCOME FUNDS

The Government of Canada is reducing required minimum withdrawals from Registered Retirement Income Funds (RRIFs) by 25% for 2020, in recognition of volatile market conditions and their impact on many seniors' retirement savings.

Similar rules would apply to individuals receiving variable benefit payments under a defined contribution Registered Pension Plan.

5. Support for Students and Recent Graduates

5.1. A MORATORIUM ON THE REPAYMENT OF CANADA STUDENT LOANS

The Government of Canada is placing a six-month interest-free moratorium on the repayment of Canada Student loans for all individuals currently in the process of repaying these loans.

BUSINESSES

1. EXTENDING WORK-SHARING PROGRAM

- Work-Sharing is an adjustment program designed to help employers and employees avoid layoffs when there is a temporary reduction in the normal level of business activity that is beyond the control of the employer;
- It provides support to employees eligible for Employment Insurance benefits, who work a temporarily reduced work week while their employer recovers;
- Work sharing requires a three-party agreement involving employers, employees and Service Canada. Employees on a work-sharing agreement must agree to a reduced schedule of work and to share the available work over a specified period of time.

Eligibility Requirements

- Year round permanent full-time or part-time employees who are required to carry out the everyday functions of normal business activity (i.e. core staff);
- Be eligible to receive Employment Insurance benefits; and
- Agree to a reduction of their normal working hours in order to share the available work.

Details

- Work-Sharing agreements must include a reduction in work activity of the employees' regular work schedule between a minimum of 10% (one half day) and a maximum of 60% (three days);
- In any given week, the work reduction can vary depending on available work, as long as the work reduction on average over the life of the agreement is between 10% and 60%;
- Work-Sharing agreements must have a minimum duration of 6 weeks and can be extended up to a maximum of 76 weeks (usually limited to a maximum of 38 weeks).

2. TEMPORARY BUSINESS WAGE SUBSIDY

The Temporary Wage Subsidy for Employers is a three-month measure that will allow eligible employers to reduce the amount of payroll deductions required to be remitted to the Canada Revenue Agency (CRA).

Eligibility Requirements

Are eligible to the Temporary Wage Subsidy corporations eligible for the small business deduction, as well as non-profit organizations and charities.

Details

The subsidy will be equal to 10% of remuneration paid during a period of three months, up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer.

3. BUSINESS CREDIT AVAILABILITY PROGRAM (BCAP) THROUGH BDC AND EDC

- The objective of the Business Credit Availability Program (BCAP) is to improve access to financing for credit-worthy Canadian businesses with viable business models whose access to financing would otherwise be restricted.
- Businesses seeking support through BCAP should first contact their financial institutions for an assessment of their situation. Financial institutions will refer to EDC and BDC their existing clients whose needs extend beyond what is available through the private sector alone.
- Existing BDC clients should reach out to their account manager for additional information.

Eligibility Requirements

- Those seeking this support must first answer the following questions:
 - Over the next six months, what activity level do you anticipate to operate at (i.e. full shut down or reduced capacity)?
 - For the next 6 months, what are the key carrying costs?
 - With a working capital loan and/or postponement (and support from other lenders) does this cover your cash needs for the next six months?
 - What are your agreements with key suppliers (and customers) on payment terms / support for the next six months?
 - Discussion with the company's existing operating lender who may need to provide certain documents
- Most recent 3 years of year-end financial statements prepared by a CPA;
- Most recent interim financial statements (year-end financial statements older than 3 months must be accompanied by interims with comparable from the previous year, if available);
- A good understanding of the client's current financial position, financial needs for the next 6 months and how the business was affected by the virus (forecast/cashflow statements on case by case basis);
- Organizational chart;
- Statement of Personal Affairs form by each shareholder over 25% (4037);
- Application for Financing Form (4025);
- Identity proof (new client).

Please note that other documents may be required.

Details

- Working capital loans of up to \$2 M with flexible repayment terms such as principal postponements for qualifying businesses per client and closely related entities;
- Mandatory pricing of BDC's variable rate minus 1.75%;
- 12-month initial capital postponement
- Postponement of payments for up to 6 months, free of charge, for existing BDC clients with total BDC loan commitment of \$1 million or less;
- Repayments terms: 36-month amortization which include a 12-month capital postponement:
 - 40% payable on the term of the loan after initial postponement;
 - 60% payable in a balloon payment at the end of the term;
- Standard loan processing fees apply which can be collected by wire-transfer or deducted from the first disbursement.

Additional details regarding Business Credit Availability Program (BCAP) measures, including industry specific support, to be announced in the coming days.

COVID-19: QUÉBEC MEASURES

INDIVIDUALS

1. TEMPORARY AID FOR WORKERS PROGRAM

Eligibility Requirements

Individuals who do not receive compensation from their employers, do not have private insurance and are not covered by another government program, such as employment insurance (including visa workers or self-employed individuals).

Details

Tax-free lump sum of \$573 per week for a 14-day period. Assistance can be extended to a month, if necessary.

2. BENEFITS AND SERVICES OFFERED UNDER THE ACT RESPECTING INDUSTRIAL ACCIDENTS AND OCCUPATIONAL DISEASES

Eligibility Requirements

Workers who have been infected by COVID-19 due to their employment may be eligible for usual benefits and services offered under the Act Respecting Industrial Accidents and Occupational Diseases.

Details

- The Worker must receive a medical assessment from a doctor, notify his employer and provide the completed Form Réclamation du travailleur (RTR) to the CNESST along with the medical assessment;
- The worker must prove that he was infected by the virus due to his employment. There must be sufficient evidence linking the infection to the workplace;
- As in other accidents or professional illness, a worker is entitled to receive an income replacement indemnity (IRR). The IRR is equal to 90% of the net income that the worker derives from his employment. The maximum insured salary is \$78,500.00

3. REPAYMENT OF A STUDENT LOAN

Due to COVID-19, the government is postponing student loan debt repayment, which means that you will have no payments to make during the next six months. In addition, no interest will be calculated or added to your loan debt.

BUSINESSES

1. PROGRAMME D'ACTION CONCERTÉE TEMPORAIRE POUR LES ENTREPRISES (PACTE)
 - Businesses seeking support should first contact their financial institutions, who can then contact one of Investissement Québec's account managers.
 - Existing Investissements Québec clients should reach out to their account manager for additional information.
 - This measure aims to support the businesses working capital so that they can pursue their activities.

Eligibility Requirements

- Businesses must prove that the cash flow issues are due to the COVID-19 pandemic and specifically result in:
 - o problems with supply of raw materials or products (goods or services); and
 - o an impossibility or substantial reduction of the ability to deliver products (goods or services).
- Eligible businesses include cooperatives, NPOs and social economy organizations carrying out commercial activities.

Details

- A minimum amount of \$50,000 in financial assistance is provided in the form of a guaranteed loan, but may also take the form of a loan.
- Debts contracted (toward Investissement Québec or other financial institutions) before the COVID-19 crisis are excluded. However, if your financial institution agrees to lend a new line of credit or to increase an existing one, Investissement Québec could then guarantee the new line or the additional portion of the existing one.