



FIRST NATIONS LEADERSHIP COUNCIL

Quick Guide for Businesses: COVID-19 Response Plan

Updated on: May 26, 2020

The Government of Canada and the Province of BC have released stimulus packages in order to ensure that Canadians can weather the impending recession in the wake of COVID-19. We will be updating this information as governments release more details regarding accessing the funding. Here is the main information that is useful for businesses:

Federal Support for Indigenous Businesses

On Saturday April 18th, The Prime Minister announced up to \$306.8 million to help small and medium-sized Indigenous businesses and to support Aboriginal Financial Institutions that offer financing to these businesses:

- Financial support for Indigenous businesses will be provided through Aboriginal Financial Institutions, and administered by the National Aboriginal Capital Corporations Association and the Métis capital corporations in partnership with Indigenous Services Canada.
- The funding will allow for interest-free loans, as well as non-repayable contributions, to help Indigenous businesses unable to access the government's existing COVID-19 support measures. Additional funding will help Aboriginal Financial Institutions cover operational expenses, and help the National Aboriginal Capital Corporations Association increase its operational capacity.

- The National Aboriginal Capital Corporations Association is a network of 59 Aboriginal Financial Institutions providing a full range of financial services, loans, and grants to Indigenous entrepreneurs to start new and expand existing businesses.

Federal Business Supports for all Canadians

First Nations businesses are able to access all of the resources below and we encourage them to do so.

Emergency Commercial Rent Assistance

- This program will lower rent by 75% for small businesses that have been affected by COVID-19.
- Impacted small business tenants are businesses paying less than \$50,000 per month in rent and who have temporarily ceased operations or have experienced at least a 70 per cent drop in pre-COVID-19 revenues.
- This support will also be available to nonprofit and charitable organizations.
- Applications are now open on the CHMC website here:
<https://www.cmhc-schl.gc.ca/en/finance-and-investing/covid19-cecra-small-business>

Helping Businesses Keep their Workers

- The [Canada Emergency Wage Subsidy](#) to eligible small employers (including corporations eligible for small business deduction, non-profits and charities) of 75% of remuneration paid during a period of three months.
 - Employers eligible for the emergency wage subsidy will also be entitled to receive a 100% refund for certain employer contributions to Employment Insurance, the Canada Pension Plan, the Quebec Pension Plan, and the Quebec Parental Insurance Plan paid in respect of employees who are on leave with pay.
 - The federal government has extended eligibility for the CEWS to Indigenous government-owned corporations that are carrying on a business as well as partnerships where the partners are indigenous governments and other eligible employers. These entities will be eligible for the CEWS, provided that the other eligibility criteria for the subsidy are met. This extension will be retroactive to March 15, 2020.

- Information on how to apply is available here:
<https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-how-apply.html>
- The [Temporary 10% Wage Subsidy](#) is a three-month measure that will allow eligible employers to reduce the amount of payroll deduction required to be remitted to the Canada Revenue Agency (CRA).
- [Work-Sharing \(WS\)](#) is a program that helps employers and employees avoid layoffs when there is a temporary decrease in business activity beyond the control of the employer, as in the case of COVID-19.
 - The program provides Employment Insurance (EI) benefits to eligible employees who agree to reduce their normal working hours and share the available work while their employer recovers.
 - For more information and to apply:
<https://www.canada.ca/en/employment-social-development/corporate/notes/coronavirus.html#h4.04>

Flexibility for Businesses Filing Taxes or Owing Remittances

- CRA will allow all businesses to defer until after August 31, 2020 the payment of any income tax amounts that become owing on or after today and before September 2020. No interest or penalties will apply during this period.
- CRA will not contact any small or medium businesses to initiate any post assessment GST/HST or Income Tax audits for the next four weeks. For most, CRA will temporarily suspend audit interaction with taxpayers and representatives.
- Businesses, including self-employed individuals, can now defer until June 30, 2020 payments of the GST/HST, as well as customs duty owing on their imports.

Ensuring Businesses Have Access to Credit

- The Canada Emergency Business Account Loan Program provides businesses with access to a \$40,000 term loan at 0% interest until Dec 31, 2022. To qualify for this program, you must have had a payroll expense between \$20,000 and \$1.5 million for the year 2019 and been in good financial health before the COVID-19 crisis.
 - There are no minimum monthly principal payments until December 31, 2022 and principal repayments can be made at any time.
 - Up to \$10,000 loan forgiveness is available, provided that the outstanding balance is fully paid between Jan 1, 2021 and Dec 31, 2022.

- Unpaid balances as of December 31, 2022 will be converted to a 3-year term loan at 5% interest; all principal and accrued interest will be due by December 31, 2025.
- Contact your primary financial institution to apply.
- The Business Credit Availability Program (BCAP) will allow the Business Development Bank of Canada and Export Development Canada to provide \$65 billion of additional support, mainly for small and medium-sized businesses. Weblink available for applications and further info here:
<https://www.canada.ca/en/department-finance/programs/financial-sector-policy/business-credit-availability-program.htm>

Support for Fish Harvesters

Many in the fishing industry are feeling the economic impacts of COVID-19 and the [Prime Minister announced new measures to support Canada's fish harvesters](#):

- Launching the Fish Harvester Benefit to help support income for self-employed fish harvesters and sharepersons crew who can't access the Canada Emergency Wage Subsidy.
- Grants of up to \$10,000 to self-employed fish harvesters with a valid fishing licence. These grants won't need to be paid back.
- Changes to Employment Insurance (EI) that allow self-employed fish harvesters and sharepersons to access EI based on insurable earnings from previous seasons.

Supporting Financial Market Liquidity

- The Government of Canada announced on March 16 that it is launching an Insured Mortgage Purchase Program (IMPP). Under this program, the government will purchase up to \$50 billion of insured mortgage pools through the Canada Mortgage and Housing Corporation (CMHC).

Canada Summer Jobs Program

- The **Canada Summer Jobs program** provides opportunities for youth to develop and improve their skills within the not-for-profit, small business, and public sectors, and supports the delivery of key community services.
- The Government is making temporary changes to the program to **allow employers who have already applied to:**

- receive an increased wage subsidy, so that private and public sector employers can also receive up to 100% of the provincial or territorial minimum hourly wage for each employee
- extend the end date for employment to February 28, 2021
- adapt their projects and job activities
- hire staff on a part-time basis.

TO APPLY AND FOR MORE INFORMATION:

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

BC Provincial Business Supports

B.C. and the Government of Canada have launched a COVID-19 Support Service to help businesses navigate the various supports available to them. It is a searchable database of resources and checklists. Access it here:

<https://covid.smallbusinessbc.ca/hc/en-us>

Tax Support for Businesses

- Effective immediately, businesses with a payroll over \$500,000 can defer their employer health tax payments until Sept. 30, 2020. Businesses with a payroll under this threshold are already exempt from the tax.
- Extending tax filing and payment deadlines for the provincial sales tax (PST), municipal and regional district tax on short-term accommodation, tobacco tax, motor fuel tax and carbon tax until Sept. 30, 2020.
- The scheduled April 1 increase to the provincial carbon tax, the new PST registration requirements on e-commerce and the implementation of PST on sweetened carbonated drinks, will be delayed.
- Business and light- and major-industry property classes will see their school tax cut in half.
- An additional one-time payment will be made in July 2020 on top of the regular climate action tax credit amount for qualifying individuals and families.

FOR MORE INFORMATION:

<https://www2.gov.bc.ca/gov/content/taxes/tax-changes/covid-19-tax-changes>

Please contact BCAFN Economic Development Policy Analyst, Maggie Mills at: margaret.mills@bcfn.ca if you have any questions that we may be able to assist with.