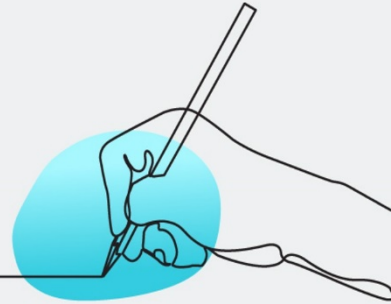




The Business Implications of Coronavirus



Issue – April 27, 2020 (Jason Grech)

Business cash flow help (note deferral opportunities eliminate any late penalty or interest charges)

1. Defer HST payments while continuing to collect HST from your customers/clients, <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-gst-hst.html>;
2. Defer WSIB payments, <https://www.wsib.ca/en/financialrelief>;
3. Defer EHT payments <https://www.fin.gov.on.ca/en/tax/eh/index.html> , and calculate EHT on new increased exemption limit of \$1,000,000 up to January 1, 2021;
4. Importers defer Customs Duty & GST payments <https://www.canada.ca/en/department-finance/economic-response-plan/covid19-businesses.html>
5. Defer Income Tax payments, both final payments and instalment payments, that were originally due after March 16th, to September 1st, [CRA's COVID-19 page](#) ;
6. Accelerate any corporate income tax refunds by filing your corporate tax return as early as possible, refund situations include;
 - a. Instalment base higher than income tax owing;
 - b. SR&ED filings; and
 - c. Refundable co-op credits and/or apprenticeship credits.
7. Focus on your Accounts Receivable;
 - a. Assign a resource to collect everything in sight, while also improving visibility to future collections; and
 - b. Consider offering standard 2/10 discounts to customers, this also helps in building awareness of n/30 terms to same customer.
8. Canada Emergency Wage Subsidy for a qualifying business of up to 75% of annual employee salary (up to \$847 per week per eligible employee) [Canada Emergency Wage Subsidy](#)
 - a. Immediately sign up for My Business Account and Direct Deposit as this is this is the primary mechanism that the government plans on using for the Wage Subsidies, [LINK to Direct Deposit & My Business Account Registration](#)
9. Temporary Wage Subsidy for businesses that do not qualify for the Canada Emergency Wage Subsidy [Temporary 10% wage subsidy](#);
 - a. Immediately sign up for My Business Account and Direct Deposit as this is this is the primary mechanism that the government plans on using for the Wage Subsidies, [LINK to Direct Deposit & My Business Account Registration](#)
10. Consider quickly setting up a Supplementary Unemployment Benefit Plan (SUBP);

11. Claim under Business Interruption Insurance with your insurance provider, even if it is denied. There is a very important update to this;
 - a. New court ruling favouring coverage for COVID-19 claims under business interruption;
 - b. Announcement from Aviva insurance that they will cover claims under pandemic coverage for dentists. - [Aviva announcement](#)
12. BDC is offering several financing options as a part of the government backed \$10 billion of funding support, [new Business Credit Availability Program](#);
13. Banks are offering a zero percent small business loan \$40,000, back by the federal government;
14. All major banks are offering (on a case by case basis) current small business loan payment deferrals;
15. Revisit your budget and find cost savings outside of labour expense.
16. Temporary change to Canada Summer Jobs program, now employers to receive up to 100% of wage as a subsidy. [Canada Summer Jobs Program](#)
17. Extension in work share program. [Work Share Program](#)
18. Canada Emergency Commercial Rent Assistance (CECRA) will lower rent by 75% [CECRA](#)
19. Rural Business funding program. [Rural Business Funding](#)
20. Innovative Early Stage Businesses grants, in total \$250M [IRAP](#)
21. Canada Regional Development Agency financing up to \$675M in total, for SMEs [SME Funding](#)

Individual cash flow help

1. Apply for Canada Emergency Response Benefit, \$2,000/month up to 4 months
 - a. Good for many individuals including those not eligible for Employment Insurance; and
 - b. Accessible through a secure web portal, service Canada and/or CRA my account.
 - c. Immediately sign up for My Account and Direct Deposit as this is the primary mechanism that the government plans on using for the Wage Subsidies, [LINK to Direct Deposit & My Account Registration](#)
2. All major Canadian banks are offering programs for the deferral of mortgage payments;
3. Defer Income Tax payments, both final payments and instalment payments, that were originally due after March 16th, to September 1st, [CRA's COVID-19 page](#) ;
4. Increase in GST Credit of \$400/individual and \$600/per couple, payment to be made early may;
5. Increase in Canada Child Tax Benefit by \$300/child.
6. Support for families with children currently not in school or in child care program, benefit \$200 per child between 0 to 12, and \$250 for child/youth 0 to 21 with special needs. [Support for families](#)
7. Suspended repayment and interest on Canada Student Loans and Canada Apprentice Loans. [National Student Loans Services](#)
8. Canada Emergency Student Benefit (CESB) \$1,250 to \$1,750 in cash payments. [CESB](#)
9. Canada Student Service Grant (CSSG) up to \$5,000 for education in the fall. [CSSG](#)
10. Temporary salary top-up for low income essential workers, [Salary Top Up](#)

Tax Compliance help see [CRA's COVID-19 page](#)

1. Corporate tax filings extension to June 1st, for corporate income tax returns that would otherwise be due after March 18th and before June 1, 2020;
2. Other Corporate tax filings not yet extended, deadline remains 6 months after year end;

3. Personal tax filings extended to June 1st, 2020 for 2019 Income Tax filings;
4. Trust tax filings with a December 31st YE extended to May 1st, 2020;
5. Partnership filings extended to May 1st, 2020; and
6. Extensions to forms (such as NR4) and elections.

Other

- 1 There are many relief measures in other countries that are similar to Canada [U.S. COVID-19 Response — New Relief for Individuals](#);
- 2 CRA audit activity is deferred for a temporary period;
- 3 RRIF minimum withdrawal amounts have been reduced by 25%

Please visit our KPMG dedicated resource sites that are being constantly updated:

Canada site:

<https://home.kpmg/ca/en/home/insights/2020/03/the-business-implications-of-coronavirus.html>

International site:

<https://home.kpmg/xx/en/home/insights/2020/03/the-business-implications-of-coronavirus.html>

April 2nd updates :

- Added link to new 75% wage subsidy
- Added temporary 10% wage subsidy for those businesses that do not qualify for 75%
- Added “accelerate tax refunds” idea
- Added – new court case helps open the door to Business Interruption Insurance claims.

April 5th updates:

- Added immediately sign up for My Business Account and Direct Deposit as this is the primary mechanism that the government plans on using for the Wage Subsidies;
- Added immediately sign up for My CRA Account and Direct Deposit as this is the primary mechanism that the government plans on using for the CERB

April 9th updates:

- Added support for families with children not in school or in child care program, benefit \$200 per child between 0 to 12, and \$250 for child/youth 0 to 21 with special needs.
- Added new CEWS link to new guidelines that ease access
- Added helpful changes to Canada Summer Jobs
- Added Suspended repayment and interest on Canada Student Loans and Canada Apprentice Loans
- Added Extension in Work Share Program

April 27th updates:

- Added Canada Emergency Commercial Rent Assistance
- Added Canada Emergency Student Benefit
- Added Canada Student Service Grant
- Added Rural Business and Communities funding
- Added Innovative and early Stage Grant - IRAP
- Added SME business support measures
- Added Salary top up for low-income essential workers

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