

## NEW COVID-19 GOVERNMENT RELIEF PROGRAMS - COMPARISON CHART

Note: Chart below illustrates summary details of new COVID-19 Government Relief Programs up to April 6, 2020. – For information purposes only

Program	Canada Emergency Wage Subsidy	Canada Temporary 10% wage Subsidy	Canada Emergency Business Account (CEBA) in cooperation with BDC and EDC	BDC Working Capital Loan	BDC Co-Lending Business Credit Availability Program	EDC - Business Credit Availability Program (BCAP) Guarantee	Investissement Quebec – Concerted temporary action program for businesses	Investissement Quebec - Emergency Support for Small and Medium-Sized Businesses
<b>Purpose</b>	Help businesses keep and return workers to their payroll	Help businesses cover their operating costs during a period where their revenues have been temporarily reduced.	Help businesses cover their operating costs during a period where their revenues have been temporarily reduced.	Help businesses cover their operating costs during a period where their revenues have been temporarily reduced.	Help businesses cover their operating costs during a period where their revenues have been temporarily reduced.	Help businesses cover their operating costs during a period where their revenues have been temporarily reduced.	Ad hoc and exceptional support for businesses affected by the repercussions of COVID-19.	To help businesses experiencing financial difficulties as a result of COVID-19
<b>Targets and Exclusions</b>	<ul style="list-style-type: none"> <li>• Taxable corporations</li> <li>• Partnerships</li> <li>• NPOs</li> <li>• Registered charities</li> <li>• Individuals</li> </ul> <p><b>Excludes:</b></p> <ul style="list-style-type: none"> <li>• Public bodies (municipalities, local governments etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• CCPC eligible to the Small business deduction</li> <li>• Partnerships</li> <li>• NPOs</li> <li>• Registered charities</li> <li>• Individuals</li> </ul> <p><b>Excludes:</b></p> <ul style="list-style-type: none"> <li>• Public companies and trusts, and companies controlled by non-residents</li> </ul>	<ul style="list-style-type: none"> <li>• Operating small businesses or NPO registered in Canada</li> <li>• Businesses not clearly defined but would likely include: <ul style="list-style-type: none"> <li>• CCPC</li> <li>• NPOs</li> <li>• Registered charities</li> <li>• Partnerships</li> </ul> </li> </ul> <p><b>Excludes:</b></p> <ul style="list-style-type: none"> <li>• Public companies</li> </ul>	<ul style="list-style-type: none"> <li>• Canadian qualifying SMEs</li> </ul> <p><b>Excludes:</b></p> <ul style="list-style-type: none"> <li>• Bars, lounges or similar</li> <li>• Gaming/gambling operations, pawnshops, rent-to-own firms, pay day loan or similar financial institutions.</li> <li>• Businesses that are sexually exploitive or that are inconsistent with generally accepted community standards of conduct and propriety.</li> <li>• Businesses that promote violence, incite hatred or discriminate based on race, national or ethnic origin, colour,</li> </ul>	<ul style="list-style-type: none"> <li>• Canadian qualifying SMEs</li> </ul> <p><b>Excludes:</b></p> <ul style="list-style-type: none"> <li>• Businesses that are sexually exploitive or that are inconsistent with generally accepted community standards of conduct and propriety.</li> <li>• Businesses that promote violence, incite hatred or discriminate based on race, national or ethnic origin, colour, religion, gender, age or mental or physical disability.</li> <li>• Any other entity as elected by financial institutions.</li> </ul>	<ul style="list-style-type: none"> <li>• Domestic businesses and Export-oriented Canadian businesses;</li> </ul> <p><b>Excludes</b> (assumed based on BDC working capital loan):</p> <ul style="list-style-type: none"> <li>• Bars, lounges or similar</li> <li>• Gaming/gambling operations, pawnshops, rent-to-own firms, pay day loan or similar financial institutions.</li> <li>• Businesses that are sexually exploitive or that are inconsistent with generally accepted community standards of conduct and propriety.</li> <li>• Businesses that promote violence, incite hatred or</li> </ul>	<ul style="list-style-type: none"> <li>• Businesses operating in Quebec that find themselves in a precarious situation and temporary difficulty as a result of COVID-19</li> </ul> <p><b>Excludes:</b></p> <ul style="list-style-type: none"> <li>• Weapons manufacturing or distribution.</li> <li>• Games of chance and gambling, combat sports, bars, racing and other similar activities.</li> <li>• Production and sale of tobacco and drugs along with services related to their use, except for projects involving pharmaceutical-grade</li> </ul>	<ul style="list-style-type: none"> <li>• Companies from all business sectors</li> <li>• NPOs</li> <li>• Social economy enterprises carrying out commercial activities</li> </ul> <p><b>Excludes:</b></p> <p>Applicants who are under the protection of the Companies' Creditors Arrangement Act or the Bankruptcy and Insolvency Act</p>

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				<p>religion, gender, age or mental or physical disability.</p> <ul style="list-style-type: none"> <li>Any other entity as elected by financial institutions.</li> </ul>		<p>discriminate based on race, national or ethnic origin, colour, religion, gender, age or mental or physical disability.</p> <ul style="list-style-type: none"> <li>Any other entity as elected by financial institutions.</li> </ul>	<p>products approved by Health Canada.</p> <ul style="list-style-type: none"> <li>Any activity whose main purpose is protected by the Canadian Charter of Rights and Freedoms.</li> <li>Any other activity that may offend public morals.</li> <li>Any other industry as elected by financial institutions.</li> </ul>	
<b>Eligibility and conditions</b>	<ul style="list-style-type: none"> <li>30% drop in month over month revenues (2020. vs 2019) or other reasonable methodology for Target with less than a year of existence.</li> <li>Revenues for business carried on in Canada.</li> <li>Revenues solely from arm's length sources.</li> <li>Revenues exclude amounts on account of capital.</li> </ul>	<ul style="list-style-type: none"> <li>Having a payroll account with the CRA as of March 18, 2020.</li> </ul> <p>*Subsidy received will reduce the amount claimed under the Canada Emergency Wage Subsidy</p>	<ul style="list-style-type: none"> <li>2019 payroll between 50,000\$ and 1,000,000\$ based on 2019 T4SUM summary of remuneration paid.</li> <li>Having a business operating account with a financial institution.</li> </ul>	<ul style="list-style-type: none"> <li>Impacted directly or indirectly by COVID-19.</li> <li>Financially viable prior to the impact of COVID-19.</li> </ul>	<ul style="list-style-type: none"> <li>Impacted directly or indirectly by COVID-19.</li> <li>Financially viable prior to the impact of COVID-19.</li> </ul>	<ul style="list-style-type: none"> <li>Impacted directly or indirectly by COVID-19.</li> <li>Financially viable prior to the impact of COVID-19.</li> <li>May be subject to additional conditions per each financial institution.</li> </ul>	<p>Businesses must show that their cash flow issues are temporary, and that the liquidity shortage stems from:</p> <ul style="list-style-type: none"> <li>A problem involving the supply of raw materials or products (goods or services)</li> <li>An inability, or a substantially decreased ability, to deliver goods, products or services.</li> </ul>	<ul style="list-style-type: none"> <li>Have held an active business in Quebec for at least one year</li> <li>Temporarily closed, likely to close, or shows signs of closure</li> <li>In a state of maintaining, consolidating, or reviving its activities</li> <li>Can demonstrate a cause and effect link between their financial or operational difficulties and the COVID-19 pandemic</li> </ul> <p>Financing will be based on the company's liquidity needs and is determined based on justified and reasonable expenses. It will have to compensate for the lack of liquidity caused by:</p>

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								<ul style="list-style-type: none"> <li>An incapability or a substantial reduction in the capacity to deliver products (goods or services)</li> <li>Supply difficulties with raw materials or products (goods or services)</li> </ul>
<b>Amount</b>	<ul style="list-style-type: none"> <li>The greater of: <ul style="list-style-type: none"> <li>75% of remuneration paid (max of 847\$ weekly); and</li> <li>The lesser of remuneration paid up to 847\$ weekly or 75% of pre-crisis weekly remuneration.</li> </ul> </li> <li>No cap per Target.</li> <li>Remuneration for Canadian employees.</li> </ul>	<ul style="list-style-type: none"> <li>10% of remuneration subject to caps <ul style="list-style-type: none"> <li>up to 1,375\$ per employee and</li> <li>total per Target of 25,000\$</li> </ul> </li> <li>Remuneration for Canadian employees.</li> </ul>	40,000\$ under the form of an operating line of credit.	Up to 2,000,000 per borrower and related parties	New additional credit up to 6,250,000 \$ (Co-lender BDC 80% and financial institution 20%).	New additional credit up to 6,250,000 \$ with max EDC guarantee of up to 5,000,000\$ (financial institution 100%)	<ul style="list-style-type: none"> <li>Loan guarantee: Preferred form of financing up to 70% of new advances from financial institution.</li> <li>Term loan: 50,000 \$ minimum with no max.</li> </ul>	N/A
<b>Period covered</b>	Salaries paid in 3-month period: <ul style="list-style-type: none"> <li>from March 15 to April 11, 2020</li> <li>from April 12 to May 9, 2020</li> <li>from May 10 to June 6, 2020</li> </ul>	March 18 to June 19, 2020	N/A	N/A	N/A	N/A	N/A	N/A
<b>Tenor and interest rate</b>	N/A	N/A	<ul style="list-style-type: none"> <li>Interest- free for the first year, government-guaranteed</li> <li>Repayment incentive / forgiveness of 10,000</li> </ul>	<ul style="list-style-type: none"> <li>BDC's variable rate - 1.75%.</li> <li>12-month initial capital postponement</li> <li>Thereafter 3-year repayment period</li> </ul>	<ul style="list-style-type: none"> <li>Commercial interest rate to apply.</li> <li>10-year repayment period.</li> </ul>	<ul style="list-style-type: none"> <li>Interest rate to be determined by the lending financial institution</li> <li>Repayment period to be determined by the</li> </ul>	<ul style="list-style-type: none"> <li>Loan guarantee: <ul style="list-style-type: none"> <li>1% flat fee (possibly payable at end of term)</li> <li>12-month period</li> </ul> </li> <li><input type="checkbox"/> Term loan:</li> </ul>	N/A

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			<p>\$ if balance repaid by or on December 31, 2022.</p> <ul style="list-style-type: none"> <li>If the loan cannot be repaid by December 31, 2022, it can be converted into a 3-year term loan at an interest rate of 5%.</li> </ul>	<ul style="list-style-type: none"> <li>40% payable over two years after the initial postponement</li> <li>60% payable in a balloon payment at the end of the term</li> </ul>		lending financial institution.	<ul style="list-style-type: none"> <li>Minimum of 50,000 \$, no max</li> <li>12-month initial capital postponement</li> <li>Thereafter, 3-year repayment period.</li> <li>Interest based on Qc bond rates + premium</li> </ul>	
<b>Availability of funds</b>	Estimated by end-of April 2020.	<ul style="list-style-type: none"> <li>Reduction of Federal income tax deduction at source remittances due for the Period covered.</li> <li>No reduction of remittance for EI deductions and contributions.</li> </ul>	Not clear. Possibly available the week of April 13th, 2020.	Processing time may vary. The sooner you contact an account manager, the sooner the funds may be available.	Not clear. Possibly available the week of April 13th, 2020.	Not clear. Possibly available the week of April 13th, 2020.	Processing time may vary. The sooner you contact an account manager, the sooner the funds may be available.	Not clear
<b>Other important considerations</b>	<ul style="list-style-type: none"> <li>Employers must pay the 75% subsidy to employees</li> <li>More information will become available shortly as the program is rolled out.</li> <li>A SEPARATE application must be made for Each month of the period covered.</li> <li>Best effort by employer to pay the remaining 25%.</li> <li>Any benefit from the 10% wage subsidy would generally reduce the amount available to be</li> </ul>	<ul style="list-style-type: none"> <li>More information will become available shortly as the program is rolled out</li> <li>Associated CCPCs not sharing cap per Target.</li> <li>Proper documentation of supporting calculations to be maintained, including pay records, calculations, number of employees per pay.</li> </ul>	More information will become available shortly as the program is rolled out.	<ul style="list-style-type: none"> <li>More information will become available shortly as the Program is rolled out.</li> <li>Security may be required.</li> <li>Personal guarantees may be required.</li> <li>Possible subordination of BDC to the financial institution's existing facilities.</li> </ul>	<ul style="list-style-type: none"> <li>More information will become available shortly as the Program is rolled out.</li> <li>Security may be required.</li> <li>Personal guarantees may be required.</li> <li>Possible subordination of BDC to the financial institution's existing facilities.</li> </ul>	<ul style="list-style-type: none"> <li>More information will become available shortly as the Program is rolled out.</li> <li>Security may be required.</li> <li>Personal guarantees may be required.</li> <li>Possible subordination of EDC to the financial institution's existing facilities.</li> </ul>	<ul style="list-style-type: none"> <li>More information will become available shortly as the program is rolled out.</li> <li>Refinancing is prohibited.</li> <li>Security may be required.</li> <li>Personal guarantees may be required.</li> </ul>	More information will become available shortly as the program is rolled out.

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	<p>claimed under the Canada Emergency Wage Subsidy in that same period</p> <ul style="list-style-type: none"> <li>• Proper documentation of supporting calculations to be maintained.</li> <li>• Penalties will apply in cases of fraudulent claims, with possible personal liability.</li> <li>• -Can claim the temporary 10% subsidy if revenues do not fall by 30% in the given period.</li> </ul>							
<b>How to apply</b>	<ul style="list-style-type: none"> <li>• Canada Revenue Agency's My Business Account portal.</li> <li>• Web-based application.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduction of remittances to CRA (not MRQ)</li> </ul>	<ul style="list-style-type: none"> <li>• By contacting your account manager at the financial institution holding your primary business account.</li> </ul>	<ul style="list-style-type: none"> <li>• By contacting your account manager for existing clients.</li> <li>• By contacting BDC via email for non-client.</li> </ul>	<ul style="list-style-type: none"> <li>• By contacting your account manager at the financial institution holding your primary business account.</li> </ul>	<ul style="list-style-type: none"> <li>• By contacting your account manager at the financial institution holding your primary business account.</li> </ul>	<ul style="list-style-type: none"> <li>• By contacting your account manager for existing clients</li> <li>• By contacting your account manager at your financial institution for non-client.</li> </ul>	<ul style="list-style-type: none"> <li>• By contacting your Regional County Municipality (RCM), the office of your municipality or the organization responsible for managing the Local Investment Fund (FLI) in your RCM.</li> </ul>

## WHAT TO PREPARE

A common theme is to **have cash flow forecasts for the next 6 months at the minimum**. Financial institutions want to know viability of the business and proof that the company will run out of funds in current circumstances.

**Documents to have ready that may be requested include but are not limited to:**

- 3 most recent Financial Statements
- 2 most recent Financial Statements for related companies
- Most recent interim Financial Statements with prior year comparable
- Line of credit agreement with your bank if any

- Ownership Chart

**Some questions financial institutions may ask when processing your application may include but are not limited to:**

- What activity level do you anticipate operating at (i.e. complete or temporary shutdown, reduced capacity)?
- What is the key carrying costs (i.e. rent, insurance, salaries) for the next 6 months?
- Do you have other sources of funding available?
- Will this loan be enough to cover cash needs for next 6 months?
- What is your personal ability to inject funds if needed?
- What are your arrangements with key suppliers and customers on payment terms/support for next 6 months?