

March 19, 2020

To our valued clients, partners and friends,

We understand these are difficult and uncertain times but wish to assure you that you are not alone. We have been following recent events very closely and wish to make you aware of resources that may be of assistance to you and your business.

The federal government announced measures yesterday to help individuals and businesses affected by the coronavirus pandemic (<https://www.canada.ca/en/department-finance/news/2020/03/canadas-covid-19-economic-response-plan-support-for-canadians-and-businesses.html>). Of specific interest to your business, I'd like to draw your attention to the following items which may be of benefit:

- **A three-month wage subsidy**, "equal to 10% of remuneration paid during that period, up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer. Businesses will be able to benefit immediately from this support by reducing their remittances of income tax withheld on their employees' remuneration. Employers benefiting from this measure will include corporations eligible for the small business deduction, as well as non-profit organizations and charities." And
- **Deferred tax payments**. "The Canada Revenue Agency 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. This relief would apply to tax balances due, as well as instalments, under Part I of the Income Tax Act. No interest or penalties will accumulate on these amounts during this period."

We advise you speak to a professional to understand your own eligibility.

We are also starting to see details emerge on the Federal Governments Business Credit Availability Program ("BCAP"). In a press release last night (<https://www.newswire.ca/news-releases/coronavirus-covid-19-bdc-announces-additional-measures-to-provide-relief-for-canadian-entrepreneurs-882576269.html>) the Business Development Bank of Canada ("BDC") announced:

"Effective immediately, new relief measures for qualified businesses include:

- Working capital loans of up to \$2 million with flexible terms and payment postponements for up to 6 months for qualifying businesses;
- Postponement of payments for up to six months, free of charge, for existing BDC clients with total BDC loan commitment of \$1 million or less
- Reduced rates on new eligible loans
- Additional details regarding Business Credit Availability Program (BCAP) measures, including industry specific support, to be announced in the coming days."

In light of recent forced closures and social distancing measures, we expect to see the hospitality and food-service industry included in the list of industries with specific support and will keep you updated.

We have also heard that some insurance policies may provide some coverage for business disruptions resulting from mandatory closures to reduce the spread of COVID-19. We would encourage you to speak with your insurance broker or provider.

Provincial governments will also be announcing support measures and we advise you to check regularly for any specific measures that may benefit your business.

Wishing you the best of health in these turbulent times.

Best wishes,

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