



Used Car Dealers Association Of Ontario
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Dealer Alert

MORE FEDERAL HELP FOR DEALERS

EMERGENCY LOANS

Today Canadian Financial Institutions have officially opened up applications for a \$40,000 interest-free loan program introduced by the federal government as a way to support small businesses.

The Canada Emergency Business Account, provides interest-free loans of up to \$40,000 to small businesses and not-for-profits, to help cover operating costs for businesses that have seen a reduction in revenue during COVID-19.

Businesses interested in applying for the loans must go through their current financial institution.

Canada's big banks have introduced online application platforms specifically for their clients to apply for the federal loan program.

In order to be eligible for the program, businesses must have paid \$50,000 to \$1 million in salaries in 2019, as declared on their T4 summary.

When the Prime Minister announced the loans as part of the government's broader emergency COVID-19 plan he noted that the loans will be guaranteed by the government and around \$10,000 may be forgivable for qualifying businesses.

WAGE SUBSIDIES

In other developments, the rules for the promised wage subsidy announced in an earlier Dealer Alert continue to evolve. You will no longer have to show losses year over year, but rather this subsidy will be available to eligible employers that see a drop of at least 15 per cent of their revenue in March 2020 and 30 per cent for the following months. In applying for the subsidy, employers would be required to attest to the decline in revenue. For more information see:

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

Finally, small businesses will also benefit from the the 10 percent wage subsidy that was originally introduced weeks ago. Even if you do not meet the revenue decline criteria for the wage subsidy, you are still able to apply for the 10 percent subsidy.

<https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html#h1>

For all such Federal Programs, and more, please see:

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