

COVID-19 UPDATE

Dear Members:

The SHHA & The Hotel Association of Canada (HAC) were pleased to see some strong measures in yesterday's announcement by the Prime Minister that directly correspond with our sector's advocacy asks. We saw both liquidity options and commitments to address our principle labour concern around Employment Insurance criterion. Following are the key elements that respond directly to the needs of hoteliers:

LIQUIDITY PROGRAM OPTIONS FOR HOTELS

1. **Deferral of corporate income 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. No interest or penalties will accumulate on these amounts during this period. This measure, to be implemented immediately, frees up to \$55 billion in temporary tax relief, resulting in businesses having more money available during this period.
2. **Mortgage payment deferral:** The six largest banking institutions in Canada have made a commitment to work with personal and business banking customers on a case-by-case basis to provide flexible solutions to help them manage through various challenges. As a first step, this support will include up to a six-month payment deferral for mortgages, and the opportunity for relief on other credit products.

This will be done on a first come, first serve basis and requires a direct call to your bank. The Government has a strong commitment from banks that they will be flexible.

We are encouraging all hoteliers to do this immediately.

Here are the helplines for each institution, which they have bolstered with more support:

BMO: 1- 877-788-1923

CIBC: 1-877-454-9030

RBC: 1-800-769-2511

Scotiabank: 1-833-315-4357

TD: 1-888-730-0075

National Bank of Canada: 1-844-394-4494

Please let HAC know if you run into challenges or are denied flexibility. We can take these cases back to Government.

3. **Business Credit Availability Program (BCAP):** Previously announced, this program will allow the Business Development Bank of Canada (BDC) and Export Development Canada (EDC) to provide more than \$10 billion of additional support, largely targeted to small and medium-sized businesses (as defined by 499 employees or less). Implemented immediately, this money should be available for hoteliers.

Released today, 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; and
- Reduced rates on new eligible loans.

Hoteliers should also qualify for **up to \$100k in as little as 48 hours from BDC. [The direct online application can be found here.](#)**

Note that the program does not make funds available to businesses which operate an onsite a bar or lounge, however restaurants would be acceptable.

If you have any issues with this application, please reach out to us. The Government has asked us to flag gaps in the system that need fixing, and are willing to review hotel accounts with issues for us.

4. **10% wage subsidy for small business employers:** To support businesses that are facing revenue losses and help them keep their workers, the government is proposing to provide eligible small employers a temporary wage subsidy for a period of three months. The subsidy will be 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.

EMPLOYMENT SUPPORT MEASURES FOR BUSINESSES

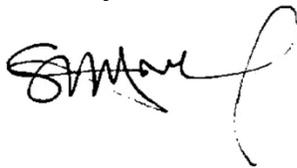
One of our biggest wins today is the new eligibility criteria for Employment Insurance. Under the Emergency Support Benefit program, our laid-off workers should now qualify for EI. EI will also now cover workers who did not previously qualify.

1. **Emergency Support Benefit:** Delivered through the CRA, this Benefit will provide up to \$5 billion in support to workers who are not eligible for EI and who are facing unemployment, including those who are laid off.
2. **Emergency Care Benefit:** Providing up to \$900 bi-weekly for up to 15 weeks, this flat-payment Benefit would be administered through the Canada Revenue Agency (CRA) and provide income support to individuals who do not qualify for EI. These include workers who fall ill, those placed into quarantine and those caring for someone affected by COVID-19, including parents staying home to care for children. Application for the Benefit will be available in April 2020, and require Canadians to attest that they meet the eligibility requirements. They will need to re-attest every two weeks to reconfirm their eligibility.

The downside of the employment announcement is that Parliament needs to resume in order to pass legislation, which could delay implementation to early April. It is not clear whether payments will be back-dated to today's announcement date. We will be seeking clarification on this point.

We anticipate more measures for the industry later this week and next.

Sincerely,

A handwritten signature in black ink, appearing to read 'Susie Grynol', written in a cursive style.

Susie Grynol
President & CEO