



COVID-19 BULLETIN – MAY 11, 2020

By Keri L. Bennett and Natalie Cuthill

This morning Prime Minister Trudeau announced two new initiatives to assist Canadian employers.

Expansion of the Business Credit Availability Program

The federal government is expanding the [Business Credit Availability Program \(BCAP\)](#) to mid-size businesses that need more liquidity. Support for mid-market businesses will include loans of up to \$60 million per company, and guarantees of up to \$80 million.

Export Development Canada (EDC) and the Business Development Bank of Canada (BDC) will work with private sector lenders to support access to capital for Canadian businesses in all sectors and regions.

Establishment of the Large Employer Emergency Financing Facility

The federal government is also establishing the [Large Employer Emergency Financing Facility \(LEEFF\)](#) to provide public bridge financing to large employers in all sectors across all provinces and territories.

Prime Minister Trudeau confirmed the preference is for businesses to continue to use private funding; however, this public funding will provide loans to those businesses whose needs during the pandemic are not being met through conventional financing to sustain them during the economic downturn and assist them in avoiding bankruptcy. This support will not be used to resolve insolvencies or restructure firms, nor will it provide financing to companies that otherwise have the capacity to manage through the crisis.

Businesses applying for these loans will have to make certain commitments in order to obtain this public financing, including agreeing to:

- maintain jobs and investment,
- protect pension plans,
- respect terms of collective agreements,
- make environmental and climate change commitments,
- set strict limits to dividends, share buy-backs, and executive compensation, and
- provide all of their financial information to protect against tax avoidance and evasion.

The program will not be available to companies that have been convicted of tax evasion.



In considering a company's eligibility for assistance under the LEEFF program, a company's employment, tax, and economic activity in Canada, as well as its international organizational structure and financing arrangements may be assessed.

According to the federal government's [Backgrounder](#), recipient companies would be required to commit to publish annual climate-related disclosure reports consistent with the Financial Stability Board's Task Force on Climate-related Financial Disclosures, including how their future operations will support environmental sustainability and national climate goals.

Navigating COVID-19 in the Workplace

For further information relating to the COVID-19 pandemic and how it may impact your workplace, please look to our previous bulletins, which can be found on Roper Greyell's [COVID-19 resource page](#).

This memorandum is current to the afternoon of **May 11, 2020**, but the pandemic and the responses of federal and provincial governments continue to evolve, and this may impact the accuracy of the information in this bulletin. If in doubt about whether anything in this document is still current, please do not hesitate to contact us.

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