

COVID-19

Responding to the COVID-19 crisis:

How to help your business with the new financial measures recently put in place by governments and institutions



Navigating in uncertainty

PwC COVID-19 Navigator

Assess the potential impact on your business and your ability to react



www.pwc.com/ca/en/covid-19

Diagnosis



An assessment of your company's position for each area of intervention



Insights and recommendations for potential areas to focus on



Key questions to ask and how to access more information

Six priority aspects



Workforce support

For large-scale teleworking
Managing global mobility issues
Staff communications



Crisis management and intervention

Business continuity plans
Incident management plans under various scenarios
Evidence-based and effective communications
Responses to government priorities



Activities and supply chain

Supply chain modulation
Alternative supply chain scenarios
Pre-approved raw material substitutions
Adaptation of pricing strategies



Financial reporting

Financial market watch and intervention measures
Assessment of the direct effects of the situation on the results
Risk analysis for future reporting
Impact on liquidity and capital resources



Taxes, duties and trade

Business continuity with clients
Identification of government assistance measures
Immigration for nationals
Estimated taxes to be expected



Financial planning and analysis

Scenario and cash flow plans
Strong forecast assumptions
Planning and scenario planning capacity

Our crisis response framework



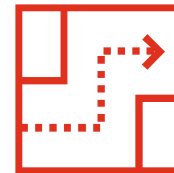
Mobilize

- Health and security
- Staff and mobility
- Communication strategy
- Crisis management and business continuity



Stabilize

- Activities and supply chain
- Contracts and third parties
- Transformation opportunities
- Projections and cash



Strategize

- Mergers and Acquisitions
- Cost transformation
- New business model
- Preparation for contract disputes

Today's webinar experts



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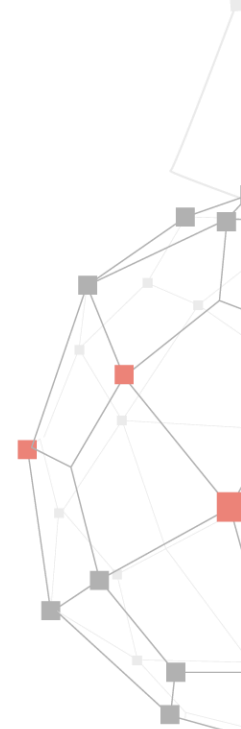
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Beyond COVID-19

How to help your business with
government financial aid programs



Main measures by type of support



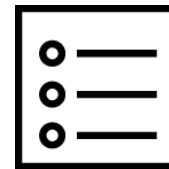
Employment-related

- Canadian Emergency Response Benefit (\$2,000 / month, maximum 4 months)
- Improvement of Employment Insurance Program (Work-sharing, quarantine, self-employed workers, etc.)
- Temporary Wage Subsidy for Small Businesses
- Emergency Benefit for Workers (1-time payment of \$1,000) and Employment Law Changes (BC)
- Increased BC Climate Action Tax Credit in July 2020



Bridge loans and other deferrals

- New Business Credit Availability Program (BDC and EDC)
- Increase in credit available to farmers and the agri-food sector
- CED support to companies affected by COVID-19
- Easing measures related to outstanding loans (BDC, DEC, chartered banks)
- Deferral of instalments and tax payments until September 1, 2020 (Federal)
- Deferral of PST payments until September 30, 2020 (BC)
- Deferral of utility payments and ICBC payments for 90 days (BC)
- BC Hydro Customer Crisis Fund - \$600
- Businesses with payroll over \$500k can defer BC Employer Health Tax payments until Sept. 30, 2020

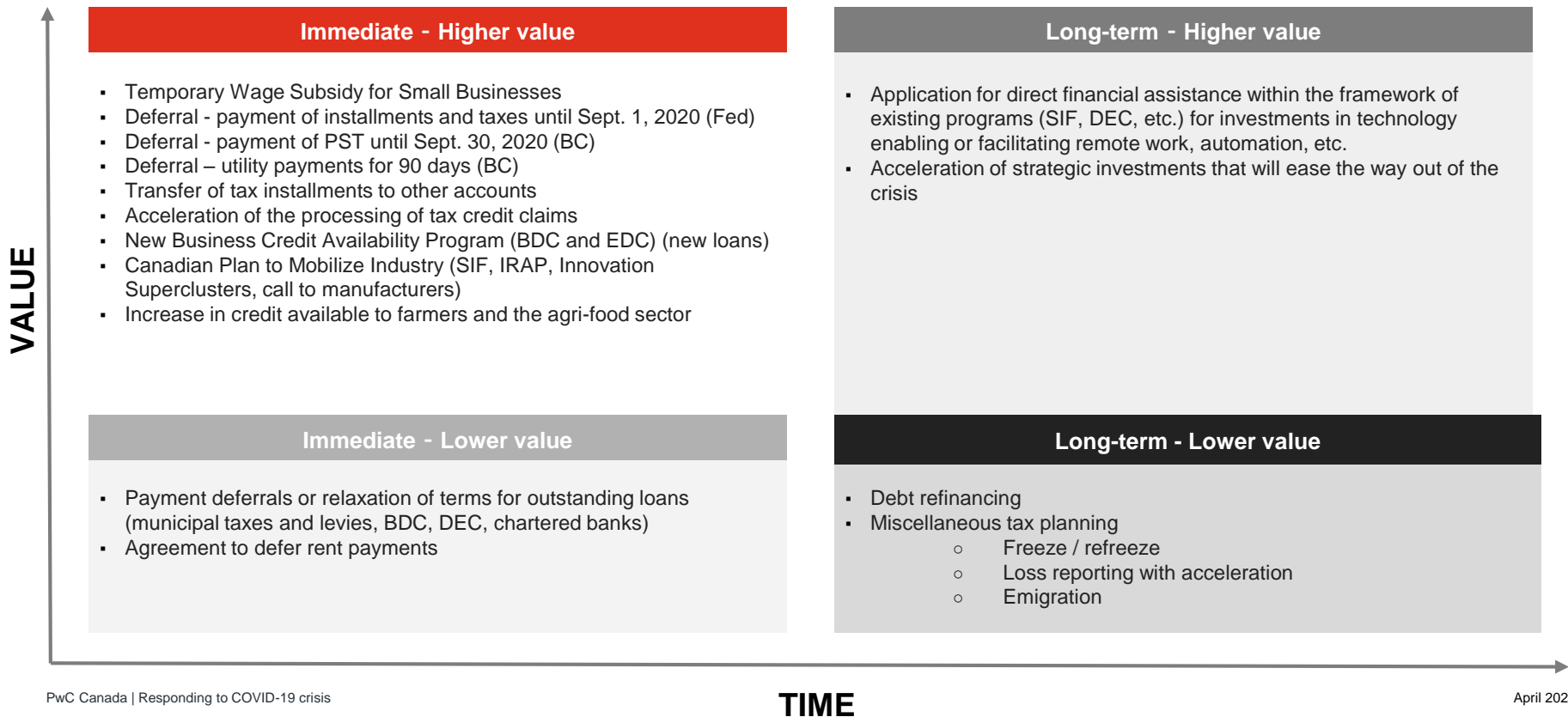


Other incentives

- Canadian Plan to Mobilize Industry (SIF, IRAP, Innovation Superclusters, call to manufacturers)
- Increased Canadian Research and Development Capacity

Cash flow related measures and ideas

Immediate and longer-term needs



Cash flow related measures and ideas

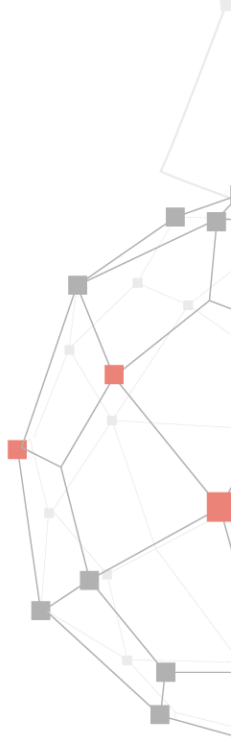
Immediate - Higher value

- Temporary Wage Subsidy for Small Businesses
- Deferral - payment of installments and taxes until Sept. 1, 2020 (Fed)
- Deferral - payment of PST until Sept. 30, 2020 (BC)
- Deferral – utility payments for 90 days (BC)
- Transfer of tax installments to other accounts
- Acceleration of the processing of tax credit claims
- New Business Credit Availability Program (BDC and EDC) (new loans)
- Canadian Plan to Mobilize Industry (SIF, IRAP, Innovation Superclusters, call to manufacturers)
- Increase in credit available to farmers and the agri-food sector

Cash flow related measures and ideas

Immediate - Lower value

- Payment deferrals or relaxation of terms for outstanding loans (municipal taxes and levies, BDC, DEC, chartered banks)
- Agreement to defer rent payments



Cash flow related measures and ideas



Long-term - Higher value

- Application for direct financial assistance within the framework of existing programs (SIF, DEC, etc.) for investments in technology enabling or facilitating remote work, automation, etc.
- Acceleration of strategic investments that will ease the way out of the crisis

Cash flow related measures and ideas

Long-term - Lower value

- Debt refinancing
- Miscellaneous tax planning
 - Freeze / refreeze
 - Loss reporting with acceleration
 - Emigration



Financial support from Federal organisations

		BDC	EDC
New loans	Working Capital Emergency Loans [1]	Up to \$ 2M	
	Loan Guarantees		Up to \$ 5M
	Deferral – capital and interest	Up to 12 months	Case by case
	Loan amortization period	24 months after end of deferral	Case by case
	Rate	Base rate less 1,75 %	
Existing Loans	Capitalization of interest	Possible	
	Deferral - capital payments	Up to 6 months	Possible
Other Considérations	File evaluation fee	500 \$	
	Personal guarantee	May be required	
	Priority	Subordinate	
	Flexibility on standard clauses	Yes	

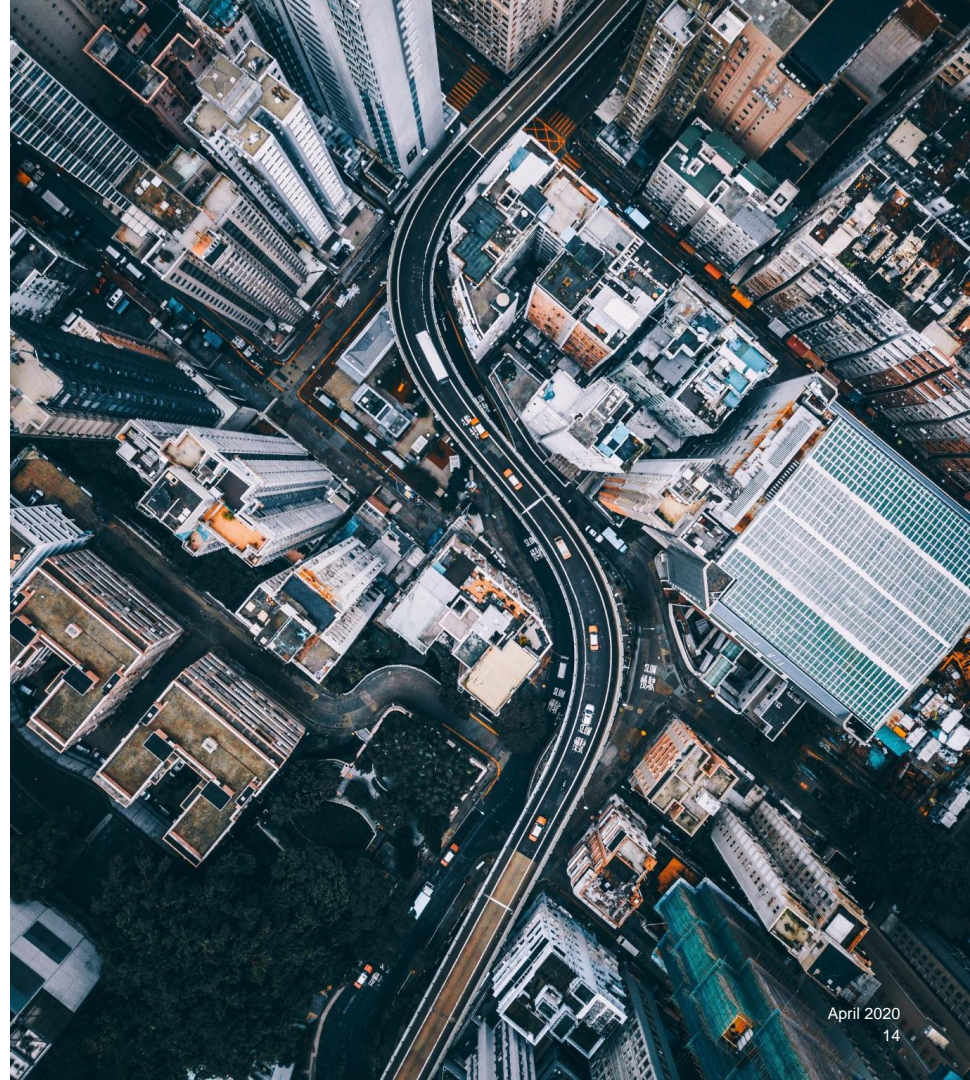
[1] BDC: Refer to the PwC toolbox for more details on the process.

		BDC	EDC
Required Information	Standard Process	Yes	
	Historic financial statements	Up to 3 years	
	Annual budget	Yes	
	Financial statements of current year	Yes	
	Cash flow projections	Yes	
	Description of the effects of COVID-19, including cash flow requirements	Yes	
	Registration certificate	Yes	
	Organizational chart	Yes	
	Action plan to counter the effects of COVID-19	Yes	
	Age of customer accounts	Yes	

Success factors

Prepare your application:

- Last three years of annual financial statements
- Latest interim financial statements
- Short-term cash flow
- Full financial forecast as needed
- Action plan
- How COVID-19 affects your business
- Demonstrate the efforts of managers and partners (salaries, capital leave, rent leave, etc.)
- Do not hesitate to coordinate different assistance plans (BDC, EDC, etc)



Questions?

Resources:

[Government economic response to COVID-19](#)

- Regular updates of key government announcements that may impact you or your business.

[PwC's COVID-19 Navigator](#)

[COVID-19 Navigator - talk to us](#)

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Thank you

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