



Update on Economic Stimulus Impacting ILPA Members Invested in Portfolio Companies in Canada: April 23, 2020

Overview: As countries around the world have been dealing with the impact of COVID-19 on their economies, a variety of economic stimulus measures have been implemented to provide support for workers and businesses in those countries. These measures will have an indirect impact on Limited Partners by providing potential vital financial support for portfolio companies of venture capital and private equity funds. ILPA is committed to keeping you informed about the impact of these programs so you can be informed about the options for the investments in your portfolio.

If you have additional questions, please contact Connor Grady and Chris Hayes at cgrady@ilpa.org and chayes@ilpa.org, respectively.

To date, Canada has taken a series of contingency measures to provide economic stimulus to domestic businesses, including:

*All figures listed are in CAD

Business Credit Availability Program (BCAP) (National)				
Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Canadian government has announced the Business Credit Availability Program to help stabilize its economy.	Through private sector lenders, the Business Development Bank of Canada (BDC) and Export Development Canada (EDC) are providing \$40 billion of additional support.	As part of BCAP, BDC is working with financial institutions to co-lend term loans to businesses for their operational cash flow needs. The EDC is working with financial institutions to issue operating credit and cash flow term loans of up to \$6.25 million to SMEs, with 80% guaranteed by EDC. BCAP scheme is designed in three segments, with loans of up to \$312,500 to	N/A	For updates on this program, please click here .

		<p>businesses with revenues of less than \$1 million, loans of up to \$3.125 million for businesses with revenues between \$1 million and \$50 million, and loans of up to \$6.25 million for businesses with revenues in excess of \$50 million. Loans would be interest-only for the first 12 months, with a 10-year repayment period. Separately, BCAP includes the Canada Emergency Business Account program that offers interest-free credit facilities of up to \$40,000 to small businesses and non-profit organizations to help cover their operating costs. This scheme is available to employers with \$20,000 to \$1.5 million in total payroll in 2019. If the loan is repaid by December 31, 2022, 25% (up to \$10,000) will be forgiven, and if the loan is not repaid by that date the</p>		
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		remaining balance will be converted to a three-year term loan at 5% interest.		
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Canada Emergency Wage Subsidy (National)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
<p>The Canadian government has implemented a new Canada Emergency Wage Subsidy to support employers across the country.</p>	<p>The subsidy generally covers 75% of an employee's wages up to \$847 per week for employers of all sizes and sectors.</p>	<p>Eligible employers have suffered a drop in gross revenues of at least 15% in March and 30% in April and May. Qualified employers will be entitled to receive a 100% refund for certain employer contributions to insurers and pension plans.</p>	<p>N/A</p>	<p>For updates on this program, please click here.</p>

Extending the Work-Sharing Program (National)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Canadian government has announced it is extending the duration of its Work-Sharing program to support employers and their workers who are experiencing a decline in business.	The length of time that employers and workers are eligible for the program will be doubled to 76 weeks. The mandatory cooling off period has been waived for employers who have already been using the Work-Sharing program. Recovery Plan Requirements have also been reduced in the application form.	Qualified employers are private businesses or publicly held companies. Eligibility has been expanded to include not-for-profit employers and Government Business Enterprises experiencing a shortage of work.	N/A	For updates on this program, please click here .

Regional Relief and Recovery Fund (National)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
<p>The Canadian government has created the Regional Relief and Recovery Fund to offer nearly \$1 billion in support to affected businesses and communities.</p>	<p>The scheme includes two components: \$675 million to support regional economies, businesses, organizations, and communities across Canada, and \$287 million to support the national network of Community Futures Development Corporations, which will target small businesses and rural communities. Both components are administered by the six regional development agencies.</p>	<p>The fund will serve to mitigate the financial pressure experienced by businesses and organizations to allow them to continue their operations. It will also support projects by businesses, organizations, and communities to prepare now for a successful recovery.</p>	<p align="center">N/A</p>	<p>For updates on this program, click here.</p>

Temporary 10% Wage Subsidy Scheme (National)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Canadian government has implemented a three-month measure, the Temporary 10% Wage Subsidy program, to allow employers to reduce the amount of payroll deduction required to be remitted to the Canada Revenue Agency.	The Canadian government is offering small employers a temporary wage subsidy for a period of three months equal to 10% of remuneration paid during that period, up to \$1,375 per employee and \$25,000 per employer.	Qualified employers include corporations eligible for the small business deduction, as well as individuals, non-profit organizations, charities, and Canadian-controlled private corporations.	N/A	For updates on this program, click here .

In addition to these national measures, several Canadian state and territorial governments have adopted similar contingency measures to offer economic stimulus to local companies. These measures include the following initiatives:

Broadband Fund for Businesses (Prince Edward Island)				
Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The government of Prince Edward Island has created the Broadband Fund for Businesses to provide financial assistance to Prince Edward Island businesses for the installation of infrastructure for enhanced broadband services.	The fund provides a contribution of up to 50% of the eligible costs for a project approved for funding. The maximum grant contribution from all Government of Prince Edward Island sources cannot exceed 50%. Where a project receives any other grant funding from the government of Prince Edward Island, the contribution from the fund may be reduced.	Eligible costs are those direct costs that can be specifically identified and measured as having been required and incurred to implement and complete the project, including but not limited to the direct labor and materials costs for connection of the business premises.	N/A	For updates on this program, click here .

Business Relief Program (Yukon)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Yukon government has developed the Business Relief Program to support businesses in Yukon severely impacted by the pandemic.	The program provides non-repayable grants to eligible businesses to cover specific fixed costs.	Eligible businesses have faced a minimum of 30% loss in gross revenue due to the pandemic. Non-eligible businesses include not-for-profits, finance and insurance, real estate, utilities, telecommunications, and mines. Qualified businesses will receive between 75 and 100% of their fixed costs up to a maximum of \$30,000 per month.	N/A	For updates on this program, click here .

Community Investment Fund (New Brunswick)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The government of New Brunswick has expanded the Community Investment Fund to provide support to non-profits in New Brunswick.	This funding is available for small to medium-sized non-profits in the form of a grant between a minimum of \$500 and up to a maximum of \$10,000.	Funding may be used to help cover general administrative or operational costs, necessary equipment or supplies to comply with public health recommendations, or other projects related to addressing impacts from the pandemic.	N/A	For updates on this program, click here .

Concerted Temporary Action Program for Businesses (Québec)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Québec government has implemented the Concerted Temporary Action Program for Businesses to stabilize businesses across Québec.	Through Investissement Québec, the program provides emergency funding starting at \$50,000 to qualified businesses to help them shore up their working capital.	A loan guarantee is the preferred form of financing though it can also take the form of a loan from Investissement Québec. Businesses cannot be under the protection of the Companies' Creditors Arrangement Act or the Bankruptcy and Insolvency Act. Refinancing is prohibited.	N/A	For updates on this program, click here .

COVID-19 Working Capital Loans Scheme (New Brunswick)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The government of New Brunswick has developed the COVID-19 Working Capital Loans initiative to help New Brunswick employers respond to challenges stemming from the pandemic.	Through Opportunities New Brunswick, the New Brunswick government is giving working capital loans in excess of \$100,000, up to a maximum of \$1 million.	Six months of deferred principal and interest payments with interest to be capitalized from date of advance. Interest-only payments from months 7-12. After 12 months, loan balance including capitalized interest from the first 6 months will be amortization over 48 blended principal and interest payments. Maximum term of 5 years, with a 4% interest rate.	N/A	For updates on this program, click here .

Emergency Relief – Worker Assistance Program (Prince Edward Island)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
Through the Emergency Relief – Worker Assistance Program , the government of Prince Edward Island is supporting employers in Prince Edward Island.	Eligible employers receive a maximum of \$250 per week for each employed worker that experienced a reduction of at least 8 hours per week, as compared to pre-pandemic hours during the four-week period March 16, 2020 – April 11, 2020.	Qualified employers are private sector businesses or non-profit organizations where employed workers have experienced a reduction of at least 8 hours per week, as compared to pre-pandemic hours, during the four-week period March 16, 2020-April 11, 2020. Workers laid off during this period are not eligible for support under this program.	N/A	For updates on this program, click here .

Emergency Support Plan for Small and Medium-Sized Businesses (Québec)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
<p>The Québec government has announced the Emergency Support Plan for Small and Medium-Sized Businesses to support Québec businesses.</p>	<p>The program offers emergency funding of less than \$50,000 to eligible SMEs.</p>	<p>Qualified SMEs include businesses in all industry sectors, co-ops, non-profit organizations, and social economy enterprises engaged in business activity. Eligible SMEs have experienced significant difficulty as a result of the pandemic. Funding is provided in the form of a loan or loan guarantee.</p>	<p>N/A</p>	<p>For updates on this program, click here.</p>

Emergency Working Capital Financing Scheme (Prince Edward Island)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The government of Prince Edward Island has developed the Emergency Working Capital Financing program to assist SMEs in Prince Edward Island.	Eligible small businesses can receive a maximum of \$100,000 per company.	The loans will bear interest at a fixed rate of 4% per annum, commencing at first disbursement and accruing during the term of the loan. Repayment of this loan will commence 12 months after the first disbursement, with the balance outstanding to be repaid over the remaining 5-year period (for a total term of 6 years).	N/A	For updates on this program, click here .

Enhancement to the Small Business Assistance Program (Montreal, Québec)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
<p>The government of the city of Montréal has enhanced the Emergency Support Plan for Small and Medium-Sized Businesses implemented by the government of Québec to further aid businesses in Montréal.</p>	<p>An envelope of \$40 million has been set aside for SMEs that need less than \$50,000 in solvency.</p>	<p>This assistance will be granted in the form of a loan at 3% interest by PME MTL. All loans will have a six-month moratorium and the city will assume the interest portion during that period.</p>	<p>N/A</p>	<p>For updates on this program, click here.</p>

Gap Protection Plan (Manitoba)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
<p>The government of Manitoba is offering up to \$120 million in support to SMEs in Manitoba through the Gap Protection Plan.</p>	<p>The government of Manitoba will advance each eligible business a non-interest bearing forgivable MGPP loan of \$6,000.</p>	<p>The loan will be forgiven on Dec. 31, 2020, if the recipient attests at that time the business has not received any major non-repayable pandemic federal support, as well as sector-specific grant federal programs specifically developed in response to the pandemic. If the applicant has received benefits under a federal pandemic program, then the loan will be added to the recipient's 2020 tax bill.</p>	<p>N/A</p>	<p>For updates on this program, click here.</p>

Small Business Emergency Payment Program (Saskatchewan)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Saskatchewan Ministry of Finance has announced the Small Business Emergency Payment Program to provide financial assistance to SMEs in Saskatchewan.	The Saskatchewan government is providing local SMEs with one-time grants based on 15% of a business's monthly sales revenue, up to a maximum of \$5,000.	Eligible SMEs have less than 500 employees and have experienced a loss in revenue due to the pandemic. Qualified SMEs also have not received any payments or amounts from any other sources, including insurance, to replace or compensate for the loss of sales revenue other than amounts from other government assistance programs.	N/A	For updates on this program, click here .

Small Business Emergency Working Capital Program (New Brunswick)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
<p>The government of New Brunswick has announced the Small Business Emergency Working Capital Program to provide economic relief to SMEs in New Brunswick.</p>	<p>The government of New Brunswick has made funds available to local Community Business Development Corporations (CBDCs) to provide SMEs with working capital loans of up to \$100,000.</p>	<p>Eligible SMEs have less than 50 employees and sales for the most recent fiscal year of less than \$10 million. Businesses will not be required to pay interest for the first six months. Interest payments will be required in months 7-12. Principal and interest payments will begin in month 13, with an interest rate of 4% after six months.</p>	<p>N/A</p>	<p>For updates on this program, click here.</p>

Small Business Impact Grant Scheme (Nova Scotia)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The government of Nova Scotia has developed the Small Business Impact Grant program to provide a flexible grant to Nova Scotian SMEs, non-profits, charities, and social enterprises impacted by the pandemic.	This one-time grant is equal to 15% of revenue from sales, either from April 2019 or February 2020, up to a maximum of \$5,000.	Eligible businesses can use their grant for any purpose.	N/A	For updates on this program, click here .

Small Business Support Program (Nunavut)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
<p>The government of Nunavut has announced it will provide immediate short-term relief to Nunavut businesses through its Small Business Support Program.</p>	<p>Eligible businesses can apply for up to \$5,000 in support in the form of a non-repayable contribution.</p>	<p>The scheme contains three funds: the Small Business Opportunities Fund, the Entrepreneur Development Fund, and the Sustainable Livelihood Fund. The Small Business Opportunities Fund aims to help business start-ups and expansions and includes support for developing business and market plans, new pilot projects, and “wind-downs.” The Entrepreneur Development Fund assists businesses through training and skill development and assists in the establishment of business aftercare programs. The Sustainable Livelihood Fund gives assistance to overcome immediate legal or bookkeeping problems, support the purchase of minor capital items, and help pay for tourism</p>	<p>N/A</p>	<p>For updates on this program, click here.</p>

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Temporary Support for Events Funding Program (Yukon)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
<p>Through the Temporary Support for Events Funding Program, the Yukon government is offering aid to Yukon businesses and NGOs affected by the cancellation of major events.</p>	<p>The program provides non-repayable grants to eligible businesses to cover specific fixed costs.</p>	<p>Qualified businesses and non-government organizations have faced a unique, irretrievable financial loss because of a pandemic-related cancellation of an eligible event. Eligible events are those that expected more than 50 participants and were cancelled because of the pandemic between March 7, 2020 and July 31, 2020.</p>	<p>N/A</p>	<p>For updates on this program, click here.</p>

Working Capital Loans Scheme (Northwest Territories)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The government of the Northwest Territories has developed the Working Capital Loans initiative to give aid to Northwest Territories businesses.	Through the Business Development and Investment Corporation (BDIC), low-interest loans of up to \$25,000 (or more if need is clearly addressed) are being made available to businesses.	Priority will be given to businesses with fewer than 20 employees, but the government of the Northwest Territories will consider applications from businesses with up to 50 employees. Loans are being made available at an interest rate of 1.75%. Loans will be amortized for up to five years with options for payment deferment for 3 months upon request.	N/A	For updates on this program, click here .