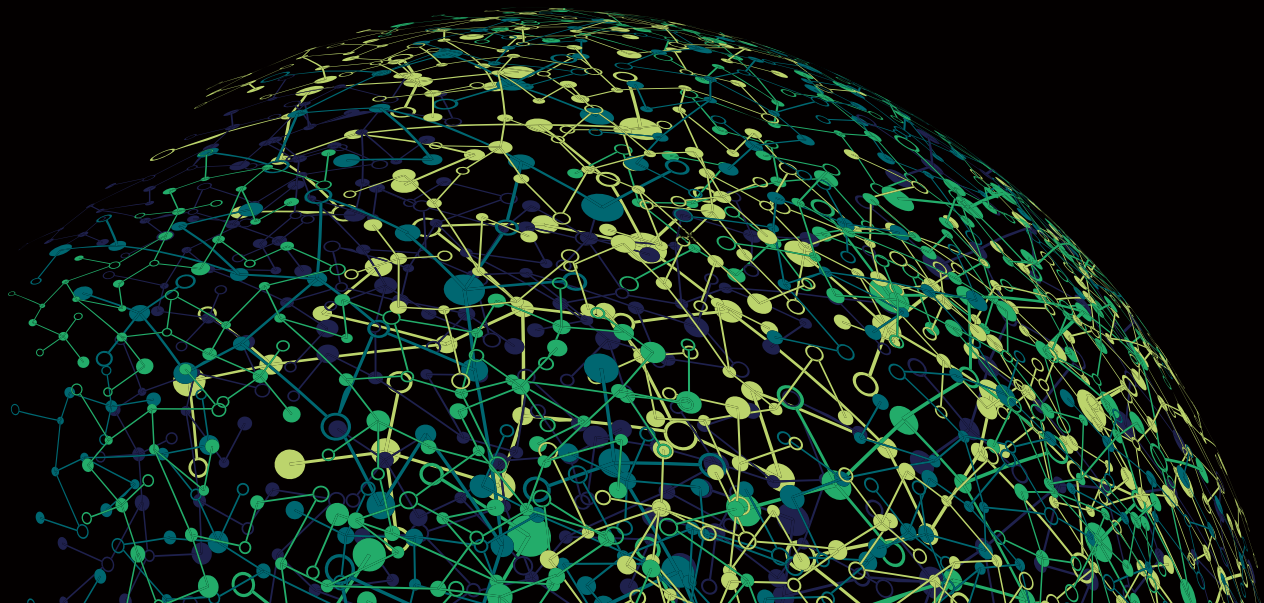


COVID-19

Government financing programs for
small to medium-sized Canadian business

Over the past few days, the Government of Canada and the provincial governments have introduced measures to support Canadians and stimulate the economy throughout the evolving health crisis. We are aggregating the different programs and measures that are being put in place specifically for small and medium-sized businesses.

The information below provides practical information for small and medium-sized businesses to understand how to access the Business Credit Availability Program (BCAP) specifically. For other programs being announced by the federal and provincial governments, we will be setting up a webpage to continue to provide up-to-date useful information. In the meantime, you can refer to our [Tax Alerts](#) for a summary of the announcements made to date.



How to access the Business Credit Availability Program (BCAP)

BCAP will provide more than \$10 billion of support to businesses experiencing cash-flow challenges through Export Development Canada (EDC) and the Business Development Bank of Canada (BDC).

Refer to the following sections if you are a direct exporter (you sell directly to a consumer, business, or distributor in a foreign country) or an indirect exporter (you sell to a Canadian company that incorporates your products or redistributes for export) or a future direct exporter (you have plans to export) looking to:

- [Access Working Capital Financing through your financial institution, with EDC's support.](#)
- [Benefit from payment deferral for existing EDC financing](#)

If you are a Canadian entrepreneur, please refer to the following sections to:

- [Access Working Capital Financing with BDC](#)
- [Benefit from payment deferral for existing BDC financing](#)

EDC: Access working capital financing

Summary

Through the EDC Business Credit Availability Program (BCAP) Guarantee, EDC will provide a guarantee (a form of a backstop) for your loan with your financial institution, giving your financial institution the assurance to give you access to credit. By guaranteeing your loan, EDC is effectively making your application less risky for banks.

This guarantee is a streamlined version of EDC's existing guarantee program. The terms below (and additional terms) can be explained by your financial institution:

- [You deal only with your financial institution \(not EDC\), except for the online intake application form described below.](#)
- [Fixed guarantee fee of 1.8% on the loan amount.](#)
- [Six-month fee payment deferral.](#)
- [The terms of this guarantee allow you to finance cash expenses such as payroll.](#)

Who is eligible

Direct, indirect, or future exporter, requesting additional liquidity as a result of the COVID-19 pandemic.

To qualify for a BCAP guarantee, you must:

- [Apply for an operating line of credit or one-year term loan equal to or less than \\$5 million CAD with your financial institution.](#)
- [Qualify through your financial institution's normal due diligence and underwriting process, including having a risk rating no lower than C+ \(Standard, Equivalent & Poor's\) at the signature of the loan.](#)

How to apply

Existing EDC clients: Contact your EDC account manager to discuss additional working capital financing needs.

New clients:

- [Contact your financial institution to discuss your options. Going through your financial institution can save you time on paperwork and help you assess your options better and faster.](#)
- [Complete an online application form on EDC website \(link will be provided by your financial institution\) prior to credit submission, to provide EDC with high-level company information.](#)
- [Once you submit your online intake eligibility form, you will receive an automated email as a proof of application. Your financial institution will then conduct its underwriting and due diligence processes, which include verifying the transaction meets the BCAP Guarantee Program parameters.](#)
- [If you qualify, your financial institution will provide you access to the credit amount for which you have been approved.](#)

EDC: Fee payments and deferrals

Summary If you are an existing client of EDC's Export Guarantee Program or EDC's Trade Expansion Loan Program, you are eligible for a six-month payment and fees deferral.

If you are not an existing EDC customer but qualify under the EDC Business Credit Availability Program (BCAP) Guarantee, you are also eligible for a six-month payment and fees deferral once you access your financing.

Who is eligible Direct, indirect, or future exporter.

How to apply **Existing EDC clients:** If you are currently supported by an EDC guarantee, the deferral of fees and payment will be automatically applied. If you have been charged EDC guarantee fees after March 23 2020, please connect with your financial institution account manager.

New clients: Contact your financial institution to find out how the BPAC guarantee can help you. Going through your financial institution can save you time on paperwork and help you assess your options better and faster. For new clients, EDC will update existing guarantee documentation to incorporate the deferral of fees and payments conditions.

BDC: Access working capital financing

Summary BDC announced measures as part of the BCAP to provide relief for Canadian entrepreneurs:

- BDC will provide working capital loans of up to \$2 million with flexible terms and payment postponements for up to six months for qualifying businesses.
- BDC will offer reduced rates on new eligible loans.
- Additional details, including industry-specific support, to be announced in the coming days.

Who is eligible Any Canadian business.

How to apply **Existing BDC clients:** Existing BDC clients should reach out to their account manager for additional information.

New clients: Businesses seeking support through BCAP should first contact their financial institution(s) for an assessment of their situation. Financial institutions will refer clients whose needs extend beyond what is available through the private sector alone to BDC or EDC.

BDC: Fee payments and deferrals

Summary

If you are an existing client of BDC with a total loan commitment of \$1 million or less, BDC will provide postponement of payments for up to six months, free of charge.

If you are not an existing BDC customer, but qualify under the BCAP, BDC will provide working capital loans of up to \$2 million with flexible terms and payment postponements for up to six months.

Additional details, including industry-specific support, to be announced in the coming days.

Who is eligible

Any Canadian business.

How to apply

Existing BDC clients: Existing clients should reach out to their account manager for additional information.

New clients: Contact your financial institution to find out how the Business Credit Availability Program Guarantee can help you. Going through your financial institution can save you time on paperwork and help you assess your options better and faster.



Key contacts

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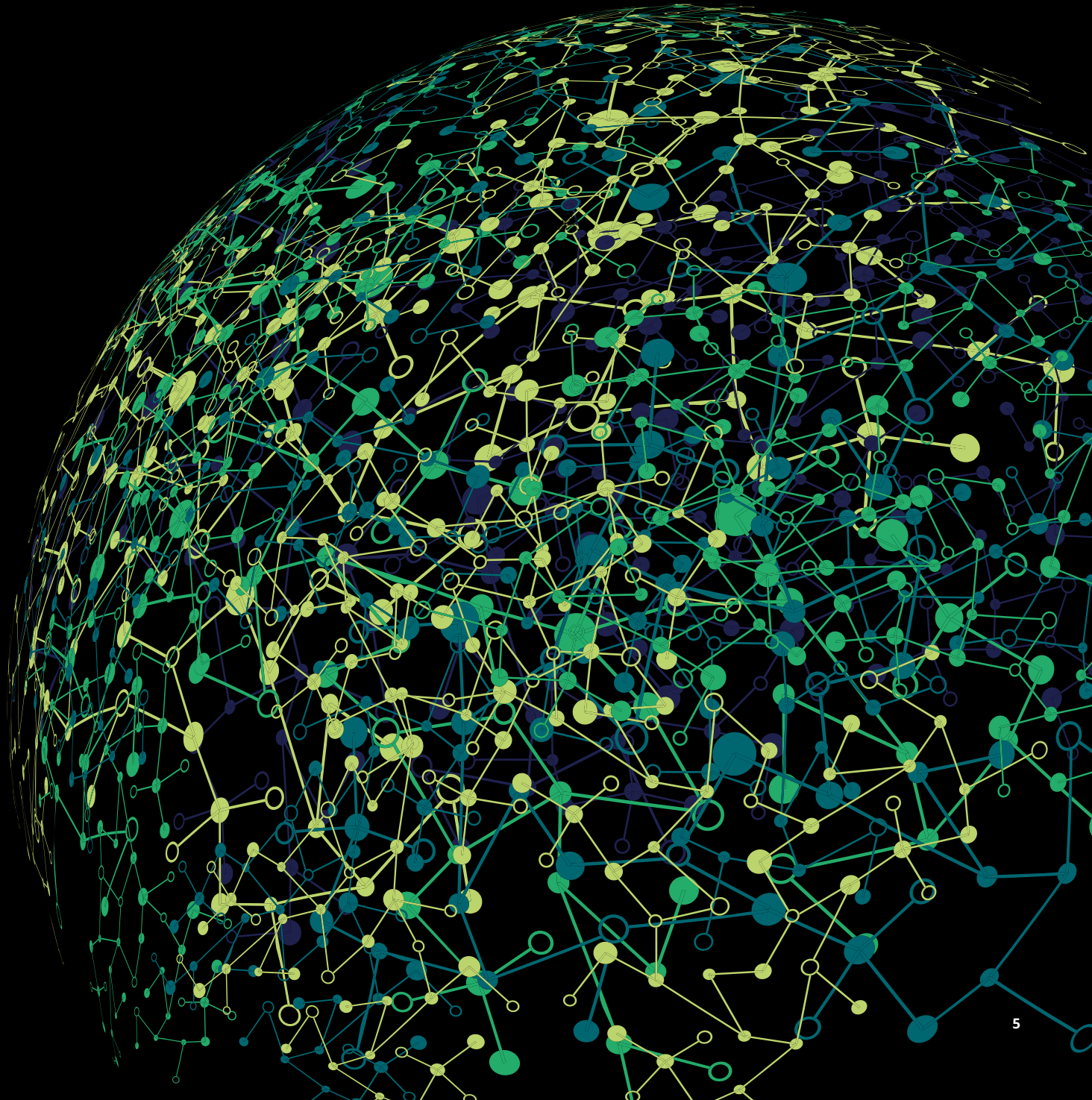
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