

APRIL 1, 2020

Canada's COVID-19 Emergency Response:
Bi-Weekly Report on Parts 3, 8, and 18 of Bill C-13
First Report, April 1, 2020

PURPOSE

The ***COVID-19 Emergency Response Act*** received Royal Assent on March 25, 2020.

The Minister of Finance agreed to provide a bi-weekly report to Standing Committee on Finance until April 20, 2020 on all actions undertaken pursuant to parts 3, 8 and 18.

Part 3

- Authorizes payments to be made out of the Consolidated Revenue Fund in relation to public health events of national concern. It also provides for the repeal of the Act on September 30, 2020. Both the Minister of Health and Minister of Finance must consent to payments.

Part 8

- Authorizes the Minister of Finance, until September 30, 2020, to borrow money for certain payments without the authorization of the Governor in Council, and it also extends the time for the tabling of the report on that Minister's plans in relation to the management of the public debt. It also makes related changes to the *Borrowing Authority Act*.
- It also authorize that Minister to make payments to a province or territory – or after consulting a province or territory, an entity – for the purpose of responding to a situation of significant and systemic economic and financial distress. It also authorizes the Minister, with consent of the GIC, to establish a corporation or an entity, for the purposes of promoting the stability or maintaining the efficiency of the financial system in Canada.

Part 18

- Division 1 of Part 18 amends the *Employment Insurance Act* to give the Minister of Employment and Social Development, with the consent of the Minister of Finance, the power to make interim orders for the purpose of mitigating the economic effects of COVID-19; this will also expire on September 30, 2020.
- Division 2 has the effect of waiving the requirements for a medical certificates under the Employment Insurance Act and related regulations.

COVID-19 Economic Response Act

Summary of actions undertaken pursuant to parts 3, 8, and 18:

PART	Actions
<p>PART 3</p> <ul style="list-style-type: none"> • <i>Public Health Events of National Concern Payments Act</i> <ul style="list-style-type: none"> • <i>Authorizes the making of payments in relation to public health events of national concern</i> • <i>Minister of Finance and Minister of Health concurrence required</i> 	<ul style="list-style-type: none"> • COVID-19 Response Fund (March 11) • Canada Emergency Response Benefit (CERB) (March 18) • Support for people experiencing homelessness (March 18) • Support for women’s shelters and sexual assault centers including on reserve (March 18) • Indigenous Community Support Fund • Supporting Seniors, Children and Youth (Kids Help Phone) (March 29) • Support for Personal Protective Equipment and Supplies (March 31)
<p>PART 8</p> <ul style="list-style-type: none"> • <i>Financial Administration Act</i> 	<ul style="list-style-type: none"> • Bank of Canada Provincial Money Market Purchase Program (March 25) • Bank of Canada Commercial Paper Purchase Program (March 27)
<p>PART 18</p> <ul style="list-style-type: none"> • <i>Employment Insurance</i> 	<ul style="list-style-type: none"> • Temporary EI Measures (March 11)

COVID-19 Economic Response Act: Part 3 Actions to Date

DATE	MEASURE	DESCRIPTION	AVAIL.	STATUS/UPDATE
PART 3 - Public Health Event of National Concern				
March 11	COVID-19 Response Fund	Public education efforts (\$50M); increased federal public health measures such as COVID-19 testing and surveillance (\$100M) and purchases of personal protective equipment (\$50M) – all part of an over \$1 billion effort to support Canada’s public health response to the crisis.	Late March – Early April	In Progress
March 18	Canada Emergency Response Benefit (CERB)	For those unpaid due to COVID-19 for the following reasons: 1) being sick or in quarantine; 2) looking after sick family member or a child whose school is closed; 3) for public health reasons; 4) not working but not laid off (furloughed); or 5) laid off. Flat rate of \$2,000 per month (\$500 per week) for 4 months - \$8,000 per person. Total estimated benefits of \$24 billion.	Early April	In Progress
March 18	Support for people experiencing homelessness	\$157.5 million through the Reaching Home initiative to support people experiencing homelessness during the COVID-19 outbreak.	Early April	In Progress
March 18	Support for women’s shelters and sexual assault centres	\$50 million to women’s shelters and sexual assault centres to help with their capacity to manage or prevent an outbreak in their facilities, including Indigenous communities.	Early April	In Progress

COVID-19 Economic Response Act: Parts 3, 8 and 18 Actions to Date

DATE	MEASURE	DESCRIPTION	AVAIL.	STATUS/UPDATE
PART 3 Cont. - Public Health Event of National Concern				
March 18	Indigenous Community Support Fund	\$305 million to address immediate needs in First Nations, Inuit, and Métis Nation communities related to COVID-19.	Early April	In Progress
March 29	Supporting Children and Youth (Kids Help Phone)	\$7.5 million in funding to Kids Help Phone to address the emotional and mental health needs of children and youth resulting from the COVID-19 pandemic.	Early April	In Progress
March 31	Personal Protective Equipment and Supplies	\$2 billion to support the urgent purchase of personal protective equipment, ventilators and supplies, needed to respond to COVID-19.	March 31	In Progress
PART 8 - Financial Administration Act				
March 25	Provincial Money Market Purchase Program (PMMP)	New programs to support the liquidity and efficiency of funding markets announced by the Bank of Canada.*	March 25	First transaction on March 25
March 27	Commercial Paper Purchase Program (CPPP)		April 2	First transaction on April 2
PART 18 - Employment Insurance				
March 11	Temporary EI Measures	Interim orders may be issued to amend the <i>Employment Insurance Act</i> to mitigate the economic effects of COVID-19. Waive the requirement to provide a medical certificate for EI sickness claimants in quarantine.	Immediate (until Sept. 30, 2020)	In Place

* Potential for losses on liquidity programs. Bank of Canada has not provided estimate of losses but considers provincial debt, maturity profile of eligible security purchases and minimum credit rating requirements for CPPP to result in low risk of loss.

ANNEX:

COVID-19 Economic Response Plan - Overview

Annex: COVID-19 Economic Response Plan – Overview

PROTECTING HEALTH AND SAFETY	2020-21 IMPACT	IMPLEMENTATION
COVID-19 Response Fund (including \$500 million for Provinces and Territories, completed in 2019-20)	\$1.1 billion	Immediately
Funding for Personal Protective Equipment and Supplies (of which, \$200 million in 2019-20)	\$2 billion	Immediately
<i>Total – Protecting Health and Safety</i>	<i>\$3 billion</i>	
DIRECT SUPPORT MEASURES		
Canada Emergency Response Benefit	\$24 billion	Early April
Enhanced GST Credit	\$5.5 billion	Starting April 9
Enhanced Canada Child Benefit	\$1.9 billion	May
Temporary Business Wage Subsidy	\$975 million	Immediately
Canada Emergency Wage Subsidy	\$71 billion	End of April
Canada Student Loan Payments	\$190 million	Early April
Support for Indigenous Communities	\$305 million	April
Support for the homeless (through Reaching Home)	\$157.5 million	April
Support for women's shelters and sexual assault centres, including for facilities in Indigenous communities	\$50 million	April
Supporting Seniors (2019-20), Children and Youth	\$16.5 million	Early April
Lower RRIF Minimum Withdrawal	\$495 million	Immediately
Support for the Air Transportation Sector	\$331.4 million	Immediately
<i>Total – Direct Support Measures</i>	<i>\$105 billion</i>	
LIQUIDITY SUPPORT		
CRA/CBSA liquidity support to businesses and individuals		
Income Tax Payment Deferral to September	\$55 billion	Immediately
Sales Tax Remittance and Customs Duty Payments Deferral	\$30 billion	Immediately
<i>Total – CRA/CBSA liquidity support</i>	<i>\$85 billion</i>	
Business Credit Availability Program (BCAP) (through BDC and EDC)		
Small and Medium-sized Enterprise Loan and Guarantee program	\$40 billion	Immediately*
Canada Emergency Business Account	\$25 billion	April
Credit and liquidity support for the Agriculture Sector	\$5.2 billion	Immediately
Credit and liquidity support through the Bank of Canada, OSFI, CMHC and commercial lenders	\$500 billion+	Immediately
<i>Total – BCAP, other credit and liquidity support</i>	<i>Over \$570 billion</i>	

*Immediately available for exporters; shortly for others.

Annex: COVID-19 Economic Response Plan – Other Measures - Supporting Individuals

MEASURE	DESCRIPTION	AVAIL.
Enhanced GST Credit	One-time supplementary GST credit payment (maximum payment amounts doubled – e.g., single person without kids will get an extra \$433, single parent with two kids will receive \$886 more).	Starting April 9
Enhanced CCB	Supplementary CCB payment of \$300 per child.	May
Mortgage Payment Deferral	Support from CMHC to allow lenders to defer up to six monthly mortgage payments for impacted borrowers.	Now
Tax Filer Deferral	Individuals to defer their income tax payments until after August 31 st .	Now
Enhancements to Work-Sharing	Enhanced Work-sharing Program – extend the maximum duration from 38 weeks to 76 weeks.	Immediate
Canada Student Loan Moratorium	Moratorium on Canada Student Loan re-payments or interest.	Now
RRIF	Temporary 25% reduction in minimum RRIF withdrawals.	Now
Supporting Seniors	\$9 million to provide essential services to Canadian seniors impacted by COVID-19.	Early April

Annex: COVID-19 Economic Response Plan – Other Measures

- Supporting Businesses

MEASURE	DESCRIPTION	AVAIL.
Temporary Wage Subsidy	On March 18, the Government announced that eligible employers will receive a 10% wage subsidy for 3 months up to a maximum of \$25,000 per employer.	Immediate
Tax Payment Extension	Allow businesses to defer income tax payments until after August 31, 2020.	Immediate
Enhanced Work-Sharing	Extend duration of agreements to 76 weeks, and streamline application process.	Immediate
Support for the Agriculture and Agri-Food	Increased capital payments limit will allow Farm Credit Canada to provide approximately \$5 billion in additional credit facilities to farmers and agri-food businesses. A Stay of Default on eligible Advance Payments Program loans will provide farmers an additional six months to repay a total of \$173 million in loans.	Immediate
Canada Emergency Wage Subsidy	The Canada Emergency Wage Subsidy will subsidize wages up to 75% for businesses whose revenues have decreased by at least 30% due to COVID-19.	End of April
GST Remittances and Duty Payments	Allow businesses to defer remittances/payments, normally due in March, April, and May, of any GST/HST they have collected on their sales or GST and customs duties that have been assessed on imported goods.	Immediate

Annex: COVID-19 Economic Response Plan – Other Measures

- Supporting Businesses

MEASURE	DESCRIPTION	AVAIL.
Business Credit Availability Program (BCAP)* BCAP - Canada Emergency Business Account BCAP - Small and Medium Enterprise Loan and Guarantee Program Support for the Air Transportation Sector	Business Credit Availability Program (BCAP) will provide access to credit solutions for businesses, including about \$65 billion in additional credit facilities for small to medium-sized enterprises through BDC and EDC.	Immediate
	Provides interest-free credit of up to \$40,000 to small businesses and not-for-profits. For employers with \$50,000-\$1M in total payroll. Loans to be repaid by December 31, 2022, extendable by 3 years. 25% loan forgiveness if repaid by December 31, 2022. 100% funded by the Government of Canada via the Canada Account.	April
	EDC New Loan Guarantee for SMEs - FIs to issue new credit of up to \$6.25 million for businesses' cash flow requirements. 80% guarantee by EDC. Tenor of 1 year, with possibility of renewal.	Immediate**
	BDC Co-Lending Program for SMEs - BDC and FIs to co-lend (80/20 share) incremental term loans to SMEs for operational cash flow requirements. Size of each term loan up to \$6.25 million Interest-only up to first 12 months.	Shortly
	Waiving of ground lease rents for 21 airport authorities that pay rent to the federal government, with comparable treatment for Toronto's Billy Bishop Airport, from March 2020 to December 2020 (\$331.4 million).	Immediate

* Potential for losses on the credit and liquidity facilities. Estimates of loan-loss provision will be available as terms of products are finalized.

**Immediately available for exporters; shortly for others.