

Canada Emergency Business Account

Small businesses in Canada with a payroll between \$50,000 and \$1 million could be eligible for interest free loans of up to \$40,000 to help them stay afloat through the downturn of the COVID-19 pandemic.

Beginning Monday, April 6th, the Banks where businesses usually deal will be accepting online applications for loans that will be underwritten by the federal government and interest free until the end of January 2021.

If 75 per cent of the loan is repaid by the end of 2022, the balance of the loan will be forgiven.

What will be needed for the application?

- An account existing before March 1st at the bank where the application is made.
- A 2019 T4 reimbursement statement.
- Proof the business was registered and operational on March 1st.
- Employee account numbers.
- Employment income as reported on 2019 T4.
- And how can the money be used?

The loan can only be used for the operating costs of the business. It cannot be used for rent, payroll, utilities, insurance, debt, payroll and property taxes.

As well, if the loan is not repaid by the end of the January 2021, it will be converted into a line of credit payable in 2025, with all applicable interest.

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