



National Marine Manufacturers Association

Dear Members,

Last Friday, the federal government announced some major new supports for Canadian businesses. Many of these reflect policies that NMMA Canada has been pressing the federal government to adopt (see our [recent letter](#) to finance minister Bill Morneau), such as deferring tax and tariff remittances and providing more financial aid to businesses affected by this severe economic downturn. Prime Minister Trudeau said today that the government would be rolling out more measures to support the hard-hit tourism and hospitality sectors; NMMA will continue strongly advocating on behalf of our members for policies that assist the recreational boating industry.

Below is a rundown of what has been announced since our last bulletin:

- **75% wage subsidy for businesses that can show their revenues have dropped by 30% or more since the start of the COVID-19 crisis.** This builds on and replaces the previously announced 10% wage subsidy. Here are the quick details:
 - The assessment of revenue decrease will be done after the fact. If the drop ends up being less than 30%, the company will have to pay back the government;
 - The benefit is available to companies big and small – there’s no limit on the number of employees a company has. Nonprofits and charities are also eligible;
 - The subsidy will cover up to 75% of the first \$58,700 that employees earn. That means up to approximately \$847 a week. This will be backdated to March 15th, 2020
 - The subsidy will be a direct payment to the company so they can pay employees. The Prime Minister urged companies that are able to cover the remaining 25% in wages on their own.

You can read the government news release here: <https://pm.gc.ca/en/news/news-releases/2020/03/27/prime-minister-announces-support-small-businesses-facing-impacts>. The Prime Minister indicated the government would share further details about the 75% wage subsidy at a press conference tomorrow (Tuesday, March 31st) with finance minister Bill Morneau and small business minister Mary Ng.

- The new [Canada Emergency Business Account](#) will provide interest-free loans through financial institutions of up to \$40,000 guaranteed by the government to eligible small- and medium-sized enterprises (SMEs). To qualify, businesses will need to demonstrate they paid between \$50,000 to \$1 million in total payroll in 2019. Repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of 25 percent (up to \$10,000).
- The new Small and Medium-sized Enterprise Loan and Guarantee program will enable up to \$40 billion in lending, supported through Export Development Canada (EDC) and Business Development Bank (BDC), for guaranteed loans when small businesses go to their financial institutions for help with COVID-19 expenses. This is intended to help SMEs better meet their operational cash flow requirements.



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- The government is deferring Goods and Services Tax/Harmonized Sales Tax (GST/HST) remittances and customs duty payments to June 30, 2020. According to the Department of Finance, this is equivalent to \$30 billion in interest-free loans to businesses.

NMMA Canada will continue to monitor developments and share details as they emerge. If you have questions about how to access these benefits or anything else related to your business operations during this challenging time, please don't hesitate to reach out to me or Jim Wielgosz (jwielgosz@nmma.org).

Sincerely,

A handwritten signature in black ink that reads "Sara Anghel".

Sara Anghel, President
NMMA Canada