

Questions & Answers

Canada Emergency Business Account Program (CEBA)

1. What is the Canada Emergency Business Account Program (CEBA)?

The Canada Emergency Business Account Program helps small businesses and not-for-profit organizations cover their operating costs that cannot be deferred, such as wages, rent, utilities, insurance premiums and property tax during a period where their revenues have been temporarily reduced due to the economic impacts of the COVID-19 pandemic.

2. How does it work?

This program is offered through Laurentian Bank to its clients in the form of an interest-free term loan of \$40,000 until December 31, 2022.

25% of the loan (\$10,000) is eligible for complete forgiveness if \$30,000 is fully repaid by December 31, 2022.

If the loan is not repaid by December 31, 2022, it can be renewed for 3 years (until December 31, 2025) at an interest rate of 5%.

3. How can I get more information about the Canada Emergency Business Account Program?

The Government of Canada has published a Q&A that you can access online [here](#).

Eligibility criteria

4. Who is eligible for this program?

Laurentian Bank clients who meet all the criteria below are eligible for the Canada Emergency Business Account Program:

- › Only an authorized signatory who therefore has the authority and power to financially bind the company can make a request.
- › The company is an operating company registered in Canada and operating as of March 1, 2020.
- › The company has a federal tax registration.
- › The company has an active commercial current account with the Laurentian Bank, which is its primary financial institution. This account was opened on or prior to March 1, 2020 and the company was not in arrears on existing borrowing facilities with Laurentian Bank by more than 90 days as at March 1, 2020.
- › No request for the Canada Emergency Business Account Program has been submitted to another financial institution. Otherwise, the federal government could initiate legal action.
- › Per the requirements of the Canada Emergency Business Account Program (the “Program”), as set out by the Government of Canada, the funds from this loan shall only be used to pay non-deferrable operating expenses, including, without limitation, payroll, rent, utilities, insurance, property tax and regularly scheduled debt service. The funds may not be used to cover any

payments or expenses, such as existing indebtedness, payments of dividends, distributions or increases in management compensation.

- › The company's total employment income paid in the 2019 calendar year was between CDN\$20,000 and CDN\$1,500,000
- or
- › For applicants with CDN\$20,000 or less in total employment income paid in the 2019 calendar year, the following criteria apply:
 - › The borrower has a Canada Revenue Agency business number and has filed a 2018 or 2019 tax return;
 - › The borrower has eligible non-deferrable expenses between CDN\$40,000 and CDN\$1,500,000. Eligible non-deferrable expenses could include costs such as rent, property taxes, utilities, and insurance. Expenses will be subject to verification and audit by the Government of Canada.
 - › The company acknowledges its intention to continue to operate its business or to resume operations.

Per the requirements of the Program, as set out by the Government of Canada, the company confirms that:

- it is not a government organization or body, or an entity wholly owned by a government organization or body;

- it is not a non-profit organization, registered charity, union, or a fraternal benefit society or order, or an entity owned by such an organization, unless the entity is actively carrying on a business in Canada (including a related business in the case of a registered charity) that earns revenue from the regular supply of property/goods or services;

- it is not an entity owned by any Federal Member of the Parliament of Canada or Senator of the Parliament of Canada; and

- it does not promote violence, incite hatred or discriminate on the basis of race, national or ethnic origin, colour, religion, sex, gender identity or expression, sexual orientation, age, mental or physical disability, contrary to applicable laws.

5. I am a sole owner and I only have a personal operations or chequing account. Am I eligible for this program?

No. The Canada Emergency Business Account Program is only available to small businesses and not-for-profit organizations operating since March 1, 2020, registered on the federal tax roll, and that have an active commercial current account opened no later than March 1, 2020 with Laurentian Bank, which is their primary financial institution.

Other relief measures may be available to you. For more information, see [Canada's COVID-19 Economic Response Plan](#).

6. I have existing financing solutions, such as a line of credit or a loan for my business. Am I eligible to this program?

Yes. You are eligible even if you benefit from other forms of financing solutions.

7. How do I proceed if my business is owned by multiple proprietors?

Make sure that only an authorized signatory who therefore has the authority and power to financially bind the company makes the request.

8. I own many companies. Can I make a request for each of them?

Yes. You can make a request for each of your companies if each meets all the Canada Emergency Business Account Program criteria and that they each have a separate commercial current account.

Request submission

9. When and how will I be able to submit a request?

You can submit your online request through our online electronic form until August 31, 2020 by clicking [here](#).

Our teams are working tirelessly to process all requests as quickly as possible.

10. Can I make multiple requests for my company?

No. Only one request per company is allowed. The request needs to be submitted to your primary financial institution where you own an active commercial current account opened on or prior to March 1, 2020. You must not have submitted a request for the Canada Emergency Business Account Program before and will not be submitted to another financial institution. Otherwise, the federal government could initiate legal action.

11. Can I submit my request for this program through my account manager, my advisor or your client centre?

No. To ensure fair and efficient processing of all requests for the Canada Emergency Business Account Program, **only requests received via our online form will be accepted**. See question 9 for details on how to apply.

Businesses with CDN\$20,000 or less in total employment income paid in the 2019 calendar year will have to submit their expenses on the EDC website and will be subject to verification and audit by the Government of Canada.

12. Is it possible to ask for a different amount (more or less than \$40,000)?

No. The amount is fixed at \$40,000 for all businesses that want to benefit from the Canada Emergency Business Account Program.

13. Is it possible to obtain my financing in a different form than a term loan?

No. Laurentian Bank offers its business clients the Canada Emergency Business Account Program through a term loan only.

14. How do I know if my request has been received?

You filed a request using our online electronic form:

Once your request is completed, the following message will appear:

Your request has been successfully transmitted!

Note that you will not receive a confirmation email. This page serves as your confirmation. For your information, requests are processed by our teams in the order that they are received.

15. How long does it take to process requests?

For businesses with CDN\$20,000 or less in total employment income paid in the 2019 calendar year who have to upload documents attesting to admissible expenses that cannot be carried forward on the following website: <https://application-demande.ceba-cuec.ca/>, the government will first validate these documents. This validation process can take between 7 to 10 business days. The government will then transmit its approval, if applicable, to the Bank so that we can begin processing your request.

The Bank should take 5 business days to process your request. We will process all requests received as soon as possible and you will be notified of the status of your request, whether it is eligible or not.

However, this delay may be subject to change depending on the number of requests we receive.

16. I want to repay my Canada Emergency Business Account loan. How do I proceed?

According to the loan financing agreement, the loan can be repaid as of January 1, 2021.

Required documents

17. Which documents should I prepare to submit my request?

- › Canada Revenue Agency Business Payroll Number (BN) (15 characters), as reported at the top of the company's 2019 T4 Summary of Remuneration Paid (T4SUM) or CRA Business Number (BN) (9 digits) if the company declares no employment income was paid in 2019.
- › The sum of all employment income reported on all employee T4s for 2019 or business income as reported on its tax return of 2018 or 2019.
- › Commercial current account number held at Laurentian Bank.

Make sure your contact information is up to date, including your email address and complete business postal address. This will help process your request more quickly. If you have an update to make, please contact your account manager or a member of your business centre team.

New: It is now possible to communicate with the Government of Canada CEBA Call Centre for any question concerning your request (i.e.: application status, decline, etc.). You can contact an agent at the new CEBA Call Centre at 1-888-324-4201, Monday to Friday from 8:00 am to 9:00 pm EST.