

Government announces greater flexibility and extension of Canada Emergency Business Account

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Small businesses are the backbone of our economy but they continue to face economic challenges and uncertainty during the COVID-19 pandemic.

The Deputy Prime Minister and Minister of Finance, the Honourable Chrystia Freeland, is today announcing that the application deadline for the Canada Emergency Business Account (CEBA) is **extended from August 31 to October 31, 2020**.

The government is working closely with financial institutions to make the CEBA program available to those with qualifying payroll or non-deferrable expenses that have so far been unable to apply due to not operating from a business banking account.

Further details on these changes will be released in coming days, including a new business account opening process through which qualifying businesses will be able to apply.

The Deputy Prime Minister is also announcing that the Business Credit Availability Program (BCAP) is **extended to June 2021**. Through BCAP, the government is supporting the flow of additional credit that businesses need to maintain operations and keep employees on the payroll. Export Development Canada (EDC) and the Business Development Bank of Canada (BDC) will continue to work with lenders to support access to capital for Canadian businesses of all sizes in all sectors and regions.

CEBA and BCAP are both part of the Government of Canada's [COVID-19 Economic Response Plan](#), which is helping Canadians and businesses deal with the economic impact of the ongoing pandemic. The measures under this plan are helping businesses protect the jobs that Canadians depend on, keep their doors open, and bounce back as the economy gradually recovers.

Quotes

“Small businesses can count on the federal government to stand with them during this pandemic. By making CEBA loans available for an additional two months, we will help more small businesses get into a better position to weather the storm and get back on their feet. Extending BCAP will improve access to the capital needed by businesses to pay workers’ salaries and cover expenses — and it will also serve as a bridge until we return to more normal

borrowing conditions. The federal government is actively considering what further measures are needed as we continue with a safe reopening of the economy.”

*- The Honourable Chrystia Freeland
Deputy Prime Minister and Minister of Finance*

“For Canada to truly lead in a post-COVID world, supporting small businesses is critical. This is why our government continues to take bold and comprehensive action to do just that. By extending the Canada Emergency Business Account through to the end of October, we are taking the necessary steps to ensure that small businesses will be able to access the liquidity they need to keep operating while times are still tough, so they will be able to rebuild on the road to economic recovery.”

*- The Honourable Mary Ng
Minister of Small Business, Export Promotion and International Trade*

Quick facts

- Launched on April 9, 2020, CEBA provides interest-free loans of up to \$40,000 to small businesses and not-for-profits, to help cover their operating costs—such as rent, utilities and insurance—during a period where their revenues have been temporarily reduced. These loans are partially forgivable as repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of 25 percent (up to \$10,000).
- To qualify for CEBA, applicants must continue to meet either the payroll eligibility criteria or they must demonstrate a minimum of \$40,000 in eligible non-deferrable expenses. In addition to requiring a business account, applicants with payroll lower than \$20,000 will still need to show that they meet the following CEBA eligibility requirements: a Canada Revenue Agency business number; a 2018 or 2019 tax return; and eligible non-deferrable expenses of between \$40,000 and \$1.5 million, after taking into consideration other federal COVID-related supports.
- As of August 27, 2020, more than 730,000 CEBA loans have been approved, representing more than \$29 billion in credit disbursed.
- To apply for CEBA or to learn more about the program, businesses can contact their primary financial institution. Information can also be found [on the program’s website](#).
- CEBA is administered by [Export Development Canada \(EDC\)](#), which is working closely with Canadian financial institutions to deliver the loans to their existing business banking customers.
- The Business Credit Availability Program is comprised of [BDC’s Co-lending Program for SMEs](#), and its [Mid Market Financing Program](#), and [EDC’s Loan Guarantee for Small and Medium-sized Enterprises \(SMEs\)](#), as well as its Mid-Market Guarantee and Financing Program which will be launching soon.

Associated links

- [Canada Emergency Business Account \(CEBA\)](#)
- [More small businesses can soon access the Canada Emergency Business Account](#)
- [Prime Minister announces expansion of support for workers and small businesses](#)
- [Launch of the Canada Emergency Business Account](#)
- [Prime Minister announces additional support for businesses to help save Canadian jobs](#)
- [Additional Support for Canadian Businesses from the Economic Impacts of COVID-19](#)
- [Canada's COVID-19 Economic Response Plan](#)
- [Additional Support for Canadian Businesses from the Economic Impacts of COVID-19](#)
- [Canada's COVID-19 Economic Response Plan: Support for Canadians and businesses](#)

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