

CANADA EMERGENCY RENT SUBSIDY

STEP 1: IS ENTITY ELIGIBLE FOR CERS?

DID THE ENTITY HAVE EITHER ONE OF THREE:

CRA Payroll number on Mar 15 2020

Employee on Mar 15 2020, but used another entity's payroll number

CRA business number on Sep 27 2020, and provides records satisfactory to CRA

YES

Was the Entity's Revenue Reduction % of either current or prior Claim Period more than 0%?

YES

WAS THERE AT LEAST ONE QUALIFYING PROPERTY (QP)? A QP is a real or immovable property that meets all of the below:

Located in Canada

Rented or owned by the Entity

Used by the Entity in the course of its ordinary activities

Not a place of residence used by the Entity or a non-arm's length person (nor land subjacent or contiguous to such residence).

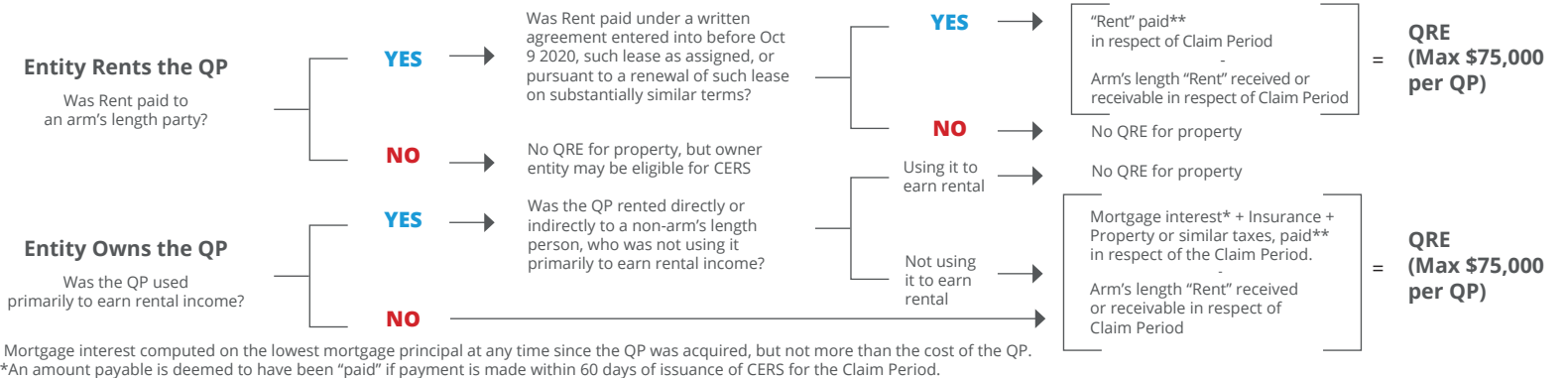
YES

ENTITY IS ENTITLED TO CERS FOR THE CLAIM PERIOD
The remaining steps calculate how much.

STEP 2: DETERMINE RENT SUBSIDY % FOR THE CLAIM PERIOD

PERIOD (CERS BEGINS ON P8)	RENT SUBSIDY % CALCULATION [MAX % REACHED WHEN REVENUE REDUCTION % ≥ 70%]	RENT SUBSIDY % CAN NEVER EXCEED
P8 to P16	<p>If Revenue Reduction % of either current or prior Claim Period, whichever higher, is between 0% and 50%:</p> <p>0.8 x the higher Revenue Reduction %</p> <p>If Revenue Reduction % of either current or prior Claim Period, whichever higher, is between 50% and 70%:</p> <p>40% + [(the higher Revenue Reduction % - 50%) x 1.25]</p>	65%

STEP 3: DETERMINE QUALIFYING RENT EXPENSE (QRE) FOR EACH "QP" FOR THE CLAIM PERIOD



STEP 4: WAS A QP SUBJECT TO "PUBLIC HEALTH RESTRICTION" (PHR)?

Has a federal or provincial order or decision been issued in respect of a QP?

YES ↓

Was it made in response to Covid-19?

YES ↓

Was it limited in scope based on factors such as geographic, type of activity or risk associated with a location?

YES ↓

Would non-compliance result in an offence/penalty/sanctions by the federal or provincial government?

YES ↓

Order/decision was not a result of a violation by the Entity (or non-arm's length tenant) of another order/decision described above.

NOT FROM A VIOLATION ↓

Did the order/decision require some activities that would otherwise be engaged in by the Entity (or non-arm's length tenant) at, or in connection with, the QP to cease, based on the type of activity (and not just with respect to the extent an activity may be performed, or limits placed on time during it may be performed)?

YES ↓

Was the restricted activities required to cease for at least one week?

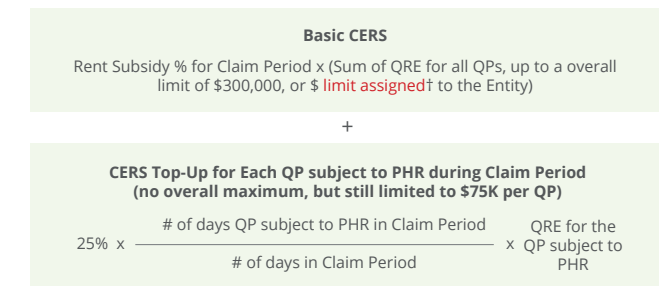
YES ↓

Did at least ~ 25% of the Entity's (or non-arm's length tenant) qualifying revenues for the Prior Reference Period that were earned from, or in connection with, the QP derived from the restricted activities?

YES ↓

The QP is subject to PHR for the Claim Period

STEP 5: CALCULATE ENTITY'S CERS FOR THE CLAIM PERIOD – APPLICATION DEADLINE 180 DAYS AFTER CLAIM PERIOD



† Was Entity affiliated at any time in a Claim Period with another entity that is claiming CERS for the same period?

YES ↓

Affiliated group must file with CRA an agreement on how a \$300,000 maximum QRE limit (per Claim Period) will be shared amongst group.

\$ limit as assigned to the Entity

Note: "affiliated" expanded to include two otherwise unaffiliated entities if they are affiliated with the same entity.

NO ↓

Entire \$300,000 limit for Entity

CANADA EMERGENCY RENT SUBSIDY

DEFINITIONS	
Rent	Includes gross rent, rent based on % of sales or profit, or amounts paid under a net lease to the lessor or a third party as regular instalments of (i) customary operating expenses, (ii) property or similar taxes, (iii) regular instalments of other amounts payable to the lessor for services customarily ancillary to property rentals, and (iv) the lessor's CECRA payments applied against the Entity's rent payable. However, Rent excludes sales tax, payment for damages, amounts paid under guarantee/security/indemnity/covenant, payment arising due to default, interest/penalties on unpaid amounts, fees payable for discrete items or special services and reconciliation adjustment payments.
Revenue Reduction %	% is the % decline in Qualifying Revenue when comparing Prior Reference Period vs Current Reference Period for a specific Claim Period.
Qualifying Revenue	Refer to s.125.7 for various qualifying revenue provisions. Generally, it is gross revenue from ordinary activities of the Entity determined under normal accounting practices of the Entity. Elections available to choose between cash vs accrual method, and various consolidation methods. On a business asset purchase, parties may elect to allow buyer to assume seller's qualifying revenue in some circumstances. Watch out for anti-abuse rules.

CLAIM PERIODS (P#) – P7 SHOWN BECAUSE P7 REVENUE REDUCTION % MAY BE USED FOR P8	CURRENT REFERENCE PERIOD	PRIOR REFERENCE PERIOD
P7	Aug 30, 2020 to Sep 26, 2020	Sep 2020
P8	Sep 27, 2020 to Oct 24, 2020	Oct 2020
P9	Oct 25, 2020 to Nov 21, 2020	Nov 2020
P10	Nov 22, 2020 to Dec 19, 2020	Dec 2020
P11	Dec 20, 2020 to Jan 16, 2021	Dec 2020
P12	Jan 17, 2020 to Feb 13, 2021	Jan 2021
P13	Feb 14, 2021 to Mar 13, 2021	Feb 2021
P14	Mar 14, 2021 to Apr 10, 2021	Mar 2021
P15	April 11, 2021 to May 8, 2021	Apr 2021
P16	May 9, 2021 to Jun 5, 2021	May 2021

* Or average of Jan & Feb 20, if Entity makes election to use this alternative method consistently for P5 & subsequent (must be consistent with CEWS)