

CFIB

Canadian Federation of Independent Business

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The COVID-19 Pandemic and SMEs: A Chronology of Developments

The Canadian Federation of Independent Business (CFIB) has taken quick and vigorous action with respect to COVID-19 and its impact on SMEs. We are front and centre when it comes to sharing the reality facing small and medium-sized enterprises and self-employed workers.

The actions we have taken and the outcomes we have achieved are outlined below in chronological order.

Last update: March 26, 2020

February 24

As of February 24, [CFIB was asking the Quebec government to provide emergency assistance](#) for businesses that were already feeling – and that would be feeling – the impacts of the rail blockades and COVID-19.

February 25

Following the demands of various economic groups, including CFIB, [the Quebec government's Minister of Economy and Innovation says he is ready to quickly launch a “911 loan” program](#). CFIB welcomes this good news.

March 6

CFIB writes to the Premier of Quebec and the Prime Minister of Canada to share the growing concerns of small business owners about the direct and indirect impacts of the COVID-19 virus. We made the following demands to the Premier of Quebec:

- Provide relief from penalties and interest for late remittances of GST/HST and QST, and of health services fund (HSF) and CNESST premiums.
- Press pause on routine audits. This process is already stressful for small business owners.
- Set up a hotline to provide assistance to small businesses who may have to shut down temporarily or even permanently so that their employees can receive Employment Insurance (EI) benefits.
- Consider additional relief measures for those experiencing significant impacts as with any other natural disaster.

March 11

[CFIB recognizes the steps taken by the federal government](#) to support the economy and the provinces and territories in their fight against coronavirus. It should be noted that expanded access to the Work-Sharing program and credit eligibility for struggling businesses was the government's response to a CFIB demand.

[CFIB is active in the media](#) and presents the economic impacts of COVID-19. On this same day, CFIB spokespersons appeared on two news programs: *24-60* and *LCN*. Both interviews can be seen online in their entirety; click [here](#) for *24-60* and [here](#) for *LCN*.

March 12

The Quebec government initiates daily public updates on COVID-19 and the measures it has adopted.

[CFIB sends letters to all provincial First Ministers](#) and the Prime Minister of Canada informing them of its demands, particularly vis-à-vis COVID-19, and making the following recommendations:

- Provide relief from penalties and interest for late remittances of GST/HST and QST and workers' compensation premiums and other tax obligations.
- Put planned increases of CPP/QPP on hold.
- Press pause on routine audits. This process is already stressful for small business owners.
- Continue to provide assistance to small businesses who may have to shut down temporarily or even permanently.
- Consider additional relief measures for those experiencing significant impacts as with any other natural disaster.

March 13

The Quebec government announces the following [measures](#):

- Cancellation of all gatherings of more than 250 people;
- Mandatory 14-day isolation for all civil service employees returning from a trip;
- Voluntary 14-day isolation for everyone returning from a trip;
- Closing of all educational institutions for two weeks.

CFIB initiates a survey to determine the economic impact of COVID-19 on SMEs.

March 14

The Quebec government announces several [new measures](#):

- Designation of the COVID-19 pandemic as a health emergency throughout the province;
- A ban on visits to residential and long-term care centres and hospitals.

March 15

The [Quebec government announces more new measures](#):

- The closing of a number of businesses (including bars and gyms) and gathering places;
- The closing of daycare centres, early childhood centres and schools;
- A limitation of restaurant capacity to 50 per cent;
- Public distancing (1 metre and, when symptoms are present, 2 metres).

[CFIB reacts by requesting emergency financial assistance](#).

We ask the government to provide support to SMEs, self-employed workers and workers affected by the pandemic, and we underscore the importance of implementing the government measures to keep the virus from spreading further. [Our demands receive media coverage](#).

March 16

The [Quebec government announces help](#) for people who have no safety net. It also asks employers to [encourage teleworking](#) and not to require employees to produce a doctor's note.

[CFIB reacts positively](#) because we had been asking for help for people with no social safety net. We reaffirm the importance of assisting SMEs and self-employed workers.

CFIB [signals the growing economic impacts](#) of COVID-19 and the importance of government assistance. On this same day, CFIB spokespersons appeared on *24-60* and *LCN*. Both interviews can be seen online in their entirety; click [here](#) for *24-60* and [here](#) for *LCN*.

March 17

[CFIB releases the results of its preliminary survey on COVID-19](#). Twenty-five percent of small firms are at risk. The economic assistance programs are reaffirmed. [Explanations are presented in the media](#).

The [Quebec government announces business relief measures](#) that meet CFIB's demands:

- A new deadline for submitting tax returns;
- No penalty on deferred amounts owing;
- Deferral of instalment payments that are due on June 15.

[CFIB welcomes this fiscal relief announcement](#). We ask that QST payments be included in these measures and that the government announce aid for SMEs and self-employed workers as soon as possible.

[CFIB asks the municipalities to adopt measures aimed at helping businesses](#).

[Our demands are picked up by the media.](#)

The responses of the municipalities are swift and positive:

- [Laval](#)
- [Lévis](#)
- [Quebec City](#)
- [Longueuil](#)

March 18

[CFIB releases the results of its Business Barometer](#), reporting that small business confidence has taken its biggest tumble since the 2008 economic crisis. [We reaffirm the importance of the economic measures.](#)

[CFIB asks for relief measures](#) regarding immigration and temporary foreign workers in the agricultural sector. [These demands receive media coverage](#). The Premier of Quebec supports such relief measures and subsequently announces steps to implement them. The federal government announces a major plan for the economy and workers.

[CFIB is also pleased](#) with the government's announcement of a wage subsidy of 10 per cent of wages over the next 90 days, up to \$1,375 per employee or \$25,000 per employer. Unfortunately, the level of the subsidy needs to be far higher in order to help – closer to the 70-90 per cent levels announced in many European countries.

On this same day, Gopinath Jeyabalaratnam appeared on *CBC Radio One Montreal*. This interview can be seen online; click [here](#).

March 19

The [City of Montreal introduces support measures to help SMEs](#) cope with the COVID-19 crisis.

- Deferral of the last tax instalment from June 1 to July 2;
- A six-month moratorium on loans received through the PME MTL fund;
- Creation of a \$5 million emergency assistance fund to supplement financial help from other levels of government, and one-time assistance for the hardest hit small businesses;
- The launch of a dedicated small business hotline as of March 20: 514-394-1793.

[CFIB comments these measures](#) and uses the opportunity to [ask other cities to follow suit](#).

The [Quebec government announces a program to help businesses](#) cope with the crisis. It launches the [Concerted Temporary Action Program for Businesses](#) (PACTE), which offers a low interest rate loan or loan guarantee on a minimum funding amount of \$50,000.

SMEs with an existing credit history can contact their banking institutions to take advantage of this program and will have a one-year time period before repayment is due.

[All government assistance is welcome](#) in the current crisis. [CFIB thanks the government for its sensitivity and proactivity and reiterates the measures that are needed](#) to support SMEs.

CFIB posts a page on its website dedicated to SMEs; this page lists support resources and describes the actions that we and the government are taking.

March 20

[The CNESST announces relief measures for employers](#), giving them until August 31, 2020 to pay the CNESST premiums indicated on their Statement of Account. In addition, no penalties or interest will be charged during this period. CFIB had repeatedly called for government departments and agencies to adopt such flexibility.

March 22

[Hydro-Québec announces that it will stop applying late fees for unpaid bills](#) for all customers. This announcement follows a [request made by CFIB](#) on March 19.

In an effort to further contain the spread of COVID-19, the Premier of Quebec announced the [closing of all shopping centres, restaurant dining facilities and personal service businesses](#) (hair and beauty salons).

[CFIB reiterated its requests for business assistance](#) and proposed some new ideas. Specifically, it pointed out the importance of adopting stronger economic support policies to help SMEs get through these weeks of lost income in order to avoid permanent business closings and job losses.

March 23

The Quebec government [announces that all non-essential businesses must close](#) for a two-week period. [CFIB reacts swiftly](#) to reaffirm its demands for government support to small and medium-sized enterprises; its reaction [receives media coverage](#).

March 24

[CFIB releases the results of its second COVID-19 survey](#). Sixty per cent of small firms have seen a significant drop in sales, with more than one in three reporting a reduction greater than 75 per cent. Explanations are given [in the media](#).

CFIB advocates for a [75 per cent wage subsidy for all employers](#), up to \$5,000 per month per employee. A wage subsidy will also enable employers who have staff working at home to continue to pay them, even if business income is insufficient to cover wages. Such a subsidy would also help businesses survive and be ready to resume normal operations from the first day of recovery.

March 25

CFIB releases its Business Barometer. March 2020 has turned out to be a month like no other in Canada's economic history, with Canadian SMEs registering their lowest optimism levels since the Barometer was created 32 years ago. This level dropped from 60.5 in February to 30.8. Quebec experienced the sharpest drop in optimism this month, falling 44.5 index points to 15.7. CFIB reiterated the importance of [governments providing more support to SMEs](#) so that optimism can be restored once the crisis is over.

The Government of Canada announced the establishment of a Canada Emergency Response Benefit (CERB) that will provide \$2,000 per month to workers who have lost their jobs, including the self-employed. [CFIB welcomed the announcement and reiterated](#) the urgency of adopting a wage subsidy to help SMEs, as has been done in a number of jurisdictions. [Our reaction receives media coverage](#).

March 26

Constantly advocating for SME owners and managers, CFIB [again brought pressure to bear on the issue of rents](#). It also stressed the importance of implementing [programs that can be easily accessed](#) by SME leaders.