

# TAX NOTES

January 13, 2021

## CEWS DEADLINE REMINDER

The first hard deadline for the CEWS program is fast approaching.

January 31, 2021 is the deadline for filing CEWS applications for qualifying periods 1 to 5. Qualifying period 5 began on July 5, 2020 and ended on August 1, 2020. For the remainder of the qualifying periods the application deadline is 180 days from the final day of the qualifying period. You should populate your calendar or reminder system with the application deadlines for each announced qualifying period as described below.

Qualifying Period	Begins	Ends	Application Deadline
1	March 15, 2020	April 11, 2020	January 31, 2021
2	April 12, 2020	May 9, 2020	January 31, 2021
3	May 10, 2020	June 6, 2020	January 31, 2021
4	June 7, 2020	July 4, 2020	January 31, 2021
5	July 5, 2020	August 1, 2020	January 31, 2021
6	August 2, 2020	August 29, 2020	February 25, 2021
7	August 30, 2020	September 26, 2020	March 25, 2021
8	September 27, 2020	October 24, 2020	April 22, 2021
9	October 25, 2020	November 21, 2020	May 20, 2021
10	November 22, 2020	December 19, 2020	June 17, 2021
11	December 20, 2020	January 16, 2021	July 15, 2021
12	January 17, 2021	February 13, 2021	August 12, 2021
13	February 14, 2021	March 13, 2021	September 9, 2021

January 31, 2021 is also the deadline to amend certain elections made under the CEWS legislation for periods 1 to 5. An election may be amended or revoked on or before the date that the application is due for the first qualifying period in respect of which the election is made.

For instance, the election to use the average of January and February 2020 revenue rather than the corresponding month in 2019 as the prior reference period for qualifying periods 1 to 4 may be amended or revoked up to January 31 but not after January 31. This election is binding for each of qualifying periods 1 to 4 but may be changed for the remainder of the qualifying periods. However, the election in respect of period 5 is binding for the remainder of the qualifying periods. Since the application for qualifying period 5 is also due on January 31, a final decision must be made regarding that election by January 31, 2021 for periods 1 to 4 and for the remainder of the qualifying periods.

The same is true of the various elections relevant to the computation of revenue under subsection 125.7(4) such as: (i) the election under paragraph 125.7(4)(a) to calculate the revenue of each member of a consolidated group separately; (ii) the election under paragraph 125.7(4)(b) to calculate the revenue of each member of an affiliated group on a consolidated basis; (iii) the election under paragraph 125.7(4)(c) for a member of a joint venture to use the qualifying revenues of the joint venture; (iv) the election under paragraph 125.7(4)(d) regarding the calculation of non-arm's length revenue; and (v) the election under paragraph 125.7(4)(e) regarding the use of cash based accounting or accrual based accounting to determine revenue, which election is binding for all qualifying periods.

It may be worthwhile to model the consequences of the various elections in order to determine if it is beneficial to amend or revoke an election by the deadline of January 31, 2021.