

## EXTENSION OF THE CANADA EMERGENCY RENT SUBSIDY AND RELATED MORATORIUM

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The Canada Emergency Commercial Rent Assistance ("CECRA") program expired on January 31, 2021,<sup>1</sup> and the moratorium on eviction and distress rights of landlords against commercial tenants under the program along with it. However, the Canada Emergency Rent Subsidy ("CERS") program, enacted under Bill 229 on December 17, 2020, O Reg 763/20<sup>2</sup> also includes such a moratorium. A summary of CERS and the current moratorium is contained below:

### CERS

Under the CERS program, a new moratorium on distraint proceedings and commercial evictions for non-payment of rent was instituted for those tenants approved under the program. Tenants approved for CERS are protected from distraint proceedings and evictions based on non-payment of rent for a period of 12 weeks from the date of approval, granted, proof has been provided to their landlord. In circumstances where a tenant reapplies for a new CERS payment, the 12-week ban is restarted as of the new approval date, and once again, will be subject to the tenant providing their landlord proof of the new approval. It should be noted that **April 22, 2022** is the outside date for the program and the last day that a CERS-approved tenant can be protected from evictions, but before then, a landlord cannot seize such a tenant's goods or evict them for non-payment of rent.<sup>3</sup>

As mentioned in our [previous article](#), the eligibility criteria for CERS captures a wide range of entities. The applicant must be an individual, a taxable corporation or trust, a non-profit organization, or a registered charity. The applicant must also have experienced a drop in eligible revenue during the relevant time period, although there is no required minimum revenue drop threshold.

Despite the original plan to end the CERS program on June 30, 2021, the passing of Bill C-30 has extended the program until **September 25, 2021**<sup>4</sup>. Furthermore, the rate of the rent subsidy is to gradually lower starting July 4, 2021, so that a proper phase-out of CERS can occur as the country surpasses vaccination thresholds and the economy opens up again. It is important to note that if the government sees fit, support beyond the new September 25, 2021 deadline may be provided as authority



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<sup>1</sup> <https://www.ontario.ca/page/renting-commercial-property-ontario>

<sup>2</sup> <https://www.ola.org/en/legislative-business/bills/parliament-42/session-1/bill-229>

<sup>3</sup> <https://www.ontario.ca/page/renting-commercial-property-ontario>

<sup>4</sup> <https://parl.ca/DocumentViewer/en/43-2/bill/C-30/royal-assent>

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has been granted to further extend the program and the moratorium until November 20, 2021.<sup>5</sup>

Lastly, as mentioned in our previous article, while landlords may be allowed to exercise their right of re-entry or distress if (a) a tenant that is in default of its rental obligations has not provided proof of CERS approval or (b) if a tenant's default is unrelated to the payment of rent, they should nevertheless exercise extreme caution in doing so. The law in this area is new and ever-changing, and landlords should consider all uncertainties before taking action. If you have any questions about the program or enforcement measures, please reach out to [Alex Kolandjian](#) or [Steven Cygelfarb](#) for further information.

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<sup>5</sup> Ibid.