

May 12, 2020

Hon. Prabmeet Sarkaria
Associate Minister of Small Business and Red Tape Reduction
7th Floor, 56 Wellesley St. W
Toronto, ON M7A 2E7

RE: Access to capital during the reopening and recovery phases of COVID-19

Dear Minister Sarkaria,

Thank you for your continued leadership during the COVID-19 pandemic. The Ontario Chamber of Commerce (OCC) is working closely with the business community and government to support a successful reopening and economic recovery.

In the coming weeks and months, businesses' ability to access capital will have a significant impact on Ontario's economy. During the reopening phase, employers will need to make capital investments to ensure that workplaces are safe and that employees feel comfortable returning to work. This includes purchasing equipment needed to maintain social distancing as well as testing tools such as body thermometers.

Access to capital will also affect speed and duration of economic recovery. It is especially critical for low-margin, capital-intensive businesses, which form an integral part of the provincial economy. While access to capital has long been a competitiveness challenge for Ontario businesses, the current crisis has added great urgency.

To address this challenge, the OCC recommends the following:

- **Enable electronic chattel paper.** To ensure the financial services sector can continue lending efficiently despite physical distancing, lessors and financiers should be granted the ability to replace paper-based processes with digital ones. In May 2019, amendments were introduced to the *Personal Property Security Act* to support electronic chattel paper (such as leases, conditional sale contracts, and chattel mortgages) through secure electronic-vaulting systems. However, these amendments are pending a date to be proclaimed by the Lieutenant Governor.
- **Allow e-signatures on financial documents.** Recent changes introduced to allow e-signatures in specific sectors should be expanded to other industries to support continued lending throughout the crisis. Beyond the current circumstances, e-signatures are a common-sense modernization of our regulatory systems.

- **Expand and streamline support for manufacturers.** In the context of economic recovery, manufactures will need a broader suite of options to finance their investments as they adapt to the changing economy. We recommend leveraging existing programs (such as Ontario's regional economic development funds) and reviewing opportunities to re-introduce old ones that were successful (such as the Jobs and Prosperity Fund). Additionally, we encourage partnering with the federal government where appropriate, and simplifying eligibility criteria to ensure more businesses are able to access critical capital during the recovery period.

We welcome the opportunity to discuss these proposals further. The OCC will continue to monitor and assess new developments pertaining to COVID-19 and work with our members, partners, and all levels of government to support our business community.

Sincerely,



Rocco Rossi
President and CEO
Ontario Chamber of Commerce

CC: The Honourable Rod Philips, Minister of Finance, Government of Ontario