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Leasing Bulletin Update as of December 8, 2020

CERS – Expanded definition of “qualifying rent expenses”

By Minden Gross LLP’s [Commercial Leasing Group](#)

Further to our November 27, 2020 “[Leasing Bulletin Update: CECRA is Dead, Long Live CERS](#)”, the Federal Government has since introduced [Bill C-14, An Act to Implement Certain Provisions of the Economic Statement Tabled in Parliament on November 30, 2020, and other measures](#) (the “Bill”), which Bill delivers on the Department of Finance’s promise to expand the definition of qualifying rent expenses under the CERS program to include rent which has not yet been paid. As of the release of this Leasing Bulletin Update, the Bill has not yet passed, but we note that the Bill underwent its First Reading on December 2, 2020.

The Bill would amend the CERS program to provide that rent **will be deemed to have been paid (and thus constitute a qualifying rent expense)** by the applicant on the date such rent first became due if the individual who is principally responsible for the financial activities of the applicant attests to the applicant’s intention to pay such rent due under the lease agreement no later than **60 days** after the applicant receives its first CERS payment for such rent deemed to have been paid. To ensure the qualifying rent expense remains “deemed as paid”, the applicant must make the payments before or on the payment deadline.

If the Bill receives Royal Assent without amendment, the above-noted amendment to the CERS program will be deemed to have come into force retroactively on September 27, 2020.

We will continue to provide updates on the implementation of the CERS program. If you have any questions or would like to obtain legal advice on the CERS program or any other leasing issues or litigation, please contact any lawyer in our [Commercial Leasing Group](#).

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