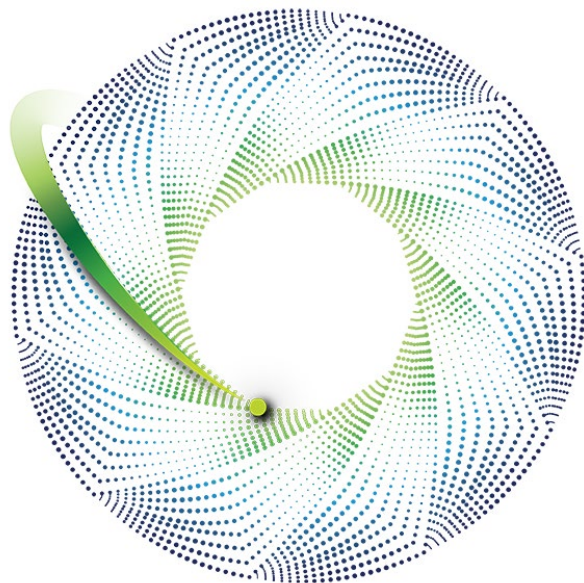




Canadian Tax & Legal Alert

Federal and provincial tariff support for Canadian businesses

October 2, 2026

Overview

Canadian businesses impacted by US tariffs can access a growing range of support measures, including liquidity assistance, investment incentives, market diversification programs, workforce support, and customs relief. The federal government is also proposing other fiscal measures to support Canadian businesses with their investment in Canada, like the Productivity Mega Deduction recently announced. As mentioned in our recent updated [tariffs alert](#), while the United States and Canada have recently announced proposed tariff responses on selected products, the Canadian government also announced a package of new and enhanced support measures for Canadian workers and businesses affected by the US tariffs.

Federal programs remain the primary source of nationwide assistance, while some provinces have introduced or expanded targeted initiatives. Other provinces continue to rely largely on federal support, export development programs, and workforce agreements. Programs, program criteria and intake windows continue to evolve. This alert provides a sample listing of programs. For more details, please reach out to your trusted Deloitte advisor (see below) and we would be happy to discuss specific programs that would be applicable to your organization and projects.

At a glance: Businesses should begin by assessing their tariff exposure and liquidity needs, then identify the program best aligned with their objectives, whether securing working capital, supporting capital investments, diversifying markets, retaining employees, or obtaining duty relief. While funding may be available from multiple sources, applicants should carefully consider government assistance limits, eligible expenditure timing, and potential tax implications.

A sample of available support

Program	Support available	Eligibility and access considerations
Regional Tariff Response Initiative (RTRI)	Productivity improvements, market diversification, supply chain resilience, capital projects, and demonstrated liquidity needs.	Delivered through Canada's seven Regional Development Agencies. An incremental \$1.5 billion in funding has been committed for delivery under updated program criteria, effective September 2026. Available support include: • Up to \$1 million in non-repayable pivot project contributions; • Up to \$2 million in non-repayable liquidity support (NEW); and • Up to \$20 million (revised cap) in repayable contributions for larger-scale, transformative pivot projects. Applications are being accepted on a first-come, first-served basis. Eligibility requirements and intake periods vary by region.
Productivity Mega Deduction	Immediate expensing of 100% of the cost of eligible new investments in capital property.	To boost business investment and enhance certainty and simplicity for businesses, the federal government has proposed a permanent Productivity Mega Deduction allowing businesses to immediately expense 100% of the cost of all new capital property acquired on or after September 15, 2026, except: • Buildings in Classes 1 and 3; • Goodwill and intangibles in Classes 14 and 14.1; • Certain vehicles in Classes 10 and 10.1; and • Certain assets in Class 51, including regulated natural gas distribution pipelines. Other conditions may apply. Canadian development expenses would be fully deductible for those expenses incurred on or after September 15, 2026. The immediate expensing of manufacturing and processing buildings would remain in place, as a temporary measure, as announced in Budget 2025. Any property not eligible for immediate expensing would continue to be eligible for the existing temporary Accelerated Investment Incentive. For additional information, please consult the Department of Finance press release and the draft legislative proposals.

Program	Support available	Eligibility and access considerations
BDC Pivot to Grow	Working capital to address immediate tariff-related cash flow pressures, market diversification efforts, and finance equipment purchases.	New \$500 million stream, with loans typically ranging from \$250,000 to \$5 million, with interest-only payments available for up to 36 months. Direct tariff program revenue threshold reduced to \$1 million. To qualify, businesses must generate at least 15% of their sales from exports to the US.
BDC sector-specific support	Liquidity and business adaptation for tariff-exposed sectors, including steel, aluminum, copper, and other targeted industries.	Dedicated sector streams, such as Forestry Liquidity Support and Transformation Support, may offer larger loan amounts than the Pivot to Grow stream. Businesses should assess both direct tariff exposure and supply chain impacts when evaluating eligibility.
Canada Strong Diversification Fund	Shovel-ready capital maintenance and diversification projects for businesses affected by tariffs.	New \$2 billion Strategic Response Fund stream, including flexibility for medium-sized businesses, and accelerated review process.
Large Enterprise Tariff Loan facility	Emergency liquidity for large Canadian enterprises experiencing (or expecting to experience) material tariff-related impacts.	Access is provided through an existing federal loan program, with enhanced flexibility to address tariff-related liquidity challenges. Intended for viable enterprises whose financing needs exceed conventional lending capacity.
Rapid Response Supports for Workers and Employers	Worker retention, retraining, employment services, and temporary Employment Insurance flexibilities.	Part of a broader \$3.5 billion support package. Assistance may be accessed through employers, workers, provinces, and service-delivery partners.
EDC trade finance and insurance	Export credit insurance, guarantees, working capital financing, and market diversification support.	Particularly relevant where tariff disruptions affect receivables, buyer credit risk, or borrowing capacity. Terms are transaction specific.
Customs remission, drawback, and duty deferral programs	Relief from, or refunds of, Canadian surtaxes and duties in qualifying circumstances.	Applications generally require detailed evidence regarding product classification, origin, importation, and end use. Businesses should maintain proper records and evaluate available relief before, or promptly after, importation.

For the merit-based, discretionary incentives listed above, federal support is generally most accessible to businesses that can demonstrate direct tariff exposure or a material supply chain disruption, together with a viable underlying business, a credible adaptation plan, clearly identified financing needs, and measurable economic benefits for Canada.

A sample of provincial and territorial measures

British Columbia

Canada–BC Workforce Tariff Response measures include an additional \$70.4 million in federal funding announced in March 2026 for the PacifiCan-administered RTRI, alongside a \$20.8 million forestry worker-support program covering training, employee retention, wage assistance, and community-based projects. The province also encourages businesses to leverage available federal financing, export development, and customs-relief programs and may address identified gaps through targeted provincial measures.

Alberta

Businesses in Alberta can access federal RTRI support through PrairiesCan, as well as assistance affected by trade disruptions delivered under Canada–Alberta tariff-response agreements. Provincial export-development initiatives, including the Alberta Export Expansion Program, may further support market diversification efforts.

Saskatchewan

Saskatchewan businesses primarily rely on federal RTRI support delivered through PrairiesCan, supplemented by existing provincial programs focused on export growth, investment attraction, and workforce development.

Manitoba

Federal RTRI support is available through PrairiesCan, alongside a range of tariff-response measures to support businesses and workers affected by trade disruptions. Key initiatives include:

- The Manitoba Trade Resilience Loan Program, which provides low-interest working-capital loans of up to \$1 million, and enhanced trade and export diversification supports to help businesses expand into markets beyond the United States.
- The Workforce Stabilization and Youth Employment Program and the Canada-Manitoba Workforce Tariff Response Program, a \$18.2 million, three-year initiative offering employment services, skills development, employer training, self-employment supports, and skilled trades programming.
- The Employee Training Program covering up to 100% of eligible training costs for qualifying employers, expanded MASC loan guarantees for agricultural producers and agri-food businesses, provincial tax deferrals, targeted support for the honey sector, and increased export and advisory funding.
- The Made-in-Manitoba tariff-response programming, including manufacturer training, market-diversification initiatives, and tariff-planning advisory services.

Ontario

Ontario offers several targeted support measures for tariff-affected businesses:

- The Protect Ontario Financing Program (POFP) provides tariff-related working-capital loans to eligible Ontario businesses and has been expanded to Section 338-affected sectors.
- Federal RTRI support is also available through the Federal Economic Development Agency for Southern Ontario (FedDev Ontario) and the Federal Economic Development Agency for Northern Ontario (FedNor).
- Eligibility was recently expanded for the Ontario Together Trade Fund (OTTF) to include additional sectors, previously excluded, which are directly affected by new US tariffs and import restrictions. The OTTF supports projects of at least \$200,000 that strengthen domestic capacity, reshore supply chains, diversify export markets, and protect jobs.
- Additional measures include the Trade-Impacted Communities Program and previously announced tax deferral measures.

Quebec

Quebec has introduced several significant tariff-response measures:

- The Offensive Fund for Economic Capacity Building provides temporary liquidity through loans of up to \$50 million for qualifying manufacturing and primary-sector businesses with at least \$2 million in revenue that are subject to tariffs of 25% or more.
- The Emergency Assistance Program for Small and Medium-Sized Enterprises offers loans or guarantees of up to \$150,000 for eligible exporters, suppliers, and subcontractors with revenues between \$200,000 and \$2 million.
- Additional provincial measures support market diversification, productivity, and workforce training.
- Businesses may also access federal RTRI funding through Canada Economic Development (CED) for Quebec Regions, including up to \$2 million in non-repayable Liquidity Assistance and up to \$1 million in non-repayable Pivot Project funding for tariff-impacted businesses.

New Brunswick

New Brunswick has implemented a broad package of tariff-response measures, including working-capital loans of up to \$5 million, a \$40 million competitiveness and growth program for large export-intensive businesses, \$4 million for the New Brunswick Fisheries Fund, workforce support initiatives, and community contingency funding. Businesses may also access strategic assistance through Opportunities New Brunswick (ONB).

Federal RTRI support remains available separately through the Atlantic Canada Opportunities Agency (ACOA).

Nova Scotia

Nova Scotia businesses can access RTRI support through the ACOA. The province has also launched a Workforce Tariff Response Program, providing \$13.8 million over three years to support workers and employers affected by tariffs and global market shifts. Existing provincial programs continue to promote workforce training, export diversification, and market development.

Prince Edward Island

Businesses in Prince Edward Island may access federal RTRI through the ACOA, alongside existing programs such as the Tariff Working Capital Program and the Export Enhancement and Diversification Fund, which support liquidity and market-development activities.

Newfoundland and Labrador

Federal RTRI support is available through the ACOA and may be complemented by the province's Labour Market Partnerships Tariff Response Program, as well as existing provincial business development, export, and workforce initiatives.

Yukon, Northwest Territories, and Nunavut

Federal RTRI support is delivered through the Canadian Northern Economic Development Agency (CanNor). Territorial business development, export, and workforce programs may complement federal support depending on the nature of the project and the applicant's needs.

Important: In addition to the measures outlined above, businesses should not overlook established federal and provincial incentive programs, including grants, interest-free loans, and tax credits, which may also be applicable to tariff-response initiatives.

Tax and funding considerations

1. **Build a robust evidence file.** Quantify affected revenue, tariff costs, cancelled orders, margin compression, inventory changes, and supply chain impacts by product and jurisdiction.
2. **Prioritize and sequence funding opportunities.** Distinguish short-term liquidity requirements from longer-term investments in productivity, capital expansion, supply chain resilience, and market diversification.
3. **Review funding-stacking rules.** Monitor federal, provincial, and municipal assistance to ensure compliance with eligible-cost requirements and maximum government-assistance limits.
4. **Assess tax treatment.** Grants and forgivable assistance may reduce capital cost or be included in income; interest, financing fees and project expenditures require case-specific analysis.
5. **Preserve customs-relief opportunities.** Validate tariff classification, origin, value for duty and supporting documentation when considering remission, drawback, duty-deferral or in-transit relief programs.
6. **Do not incur costs prematurely.** Some funding programs require approval before contracts are signed or expenditures are incurred.

How Deloitte can help

Here are some considerations that we would like to explore with your organization:

- Identify relevant federal and provincial programs and develop a coordinated funding roadmap;
- Quantify tariff exposure, liquidity requirements, and project economics;
- Prepare funding applications, financial models, and supporting documentation;
- Assess tax treatment, government assistance stacking considerations, and compliance requirements; and
- Evaluate customs-relief opportunities, including remission, drawback, duty deferral, tariff classification, and origin-related considerations.

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