

Changes to the Canada Small Business Finance Program Assist Both Franchisors and Franchisees

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November 1, 2022

Important changes to the Canada Small Business Finance Program (CSBFP) that will help prospective franchisees and franchisors came into force on July 4, 2022. Perhaps the most significant change is that typical franchisee fees can now be financed under the CSBFP. Specifically, franchisees can now finance intangible assets – such as franchise fees, incorporation costs, permits and licenses – and working capital costs as a term loan. Previously, these costs were ineligible for financing under the CSBFP and had to be paid out-of-pocket or through other credit products offered by financial institutions.

These changes to the CSBFP give lenders and small businesses additional financing products, a new class of loan, increased loan amounts and terms, improved loan conditions, and decreased administrative burden.

The changes to the CSBFP will prove useful for prospective franchisees as government loans not only provide ample financing for new businesses, but also offer easier re-payment terms than loans from other traditional lenders.

Further details can be found [here](#).

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