

Guidelines for Payments on an Ex gratia Basis – Designated Summits and Minister-led International Meetings

1.0 Purpose

These Guidelines address situations where the Government of Canada may consider making Payments to Commercial Businesses, Non-profit Organizations and Individuals to mitigate adverse financial consequences as a result of Extraordinary Security Measures implemented at Designated Meetings hosted by Canada as part of its international obligations.

The Government of Canada does not have a legal obligation to provide Payment for losses as a result of meetings held in Canada.

2.0 Definitions

Claimant	A Commercial Business, a Non-profit Organization or an Individual filing a claim for Payment related to Extraordinary Security Measures for a Designated Meeting.
Commercial Business	A person or an organization with activities consisting of the exchange of goods and/or services for the purpose of profit. Such activities must be permanent in character without necessarily being the main nor even the sole activity of the operator. The activities must be carried out on a routine basis rather than a casual basis.
Payment	A payment made by the Government of Canada on an Ex gratia basis pursuant to an eligible claim.
Designated Meeting	A meeting, including a Summit or a Minister-led international meeting organized and sponsored by the Government of Canada, in Canada and designated by the Cabinet, following a threat assessment that suggests that Extraordinary Security Measures are anticipated.
Executing Agency	The organization designated to administer the guidelines for Payments for a Designated Meeting on behalf of the Organizing Department.
External Affected Area	An area outside the security perimeter that is subject to Extraordinary Security Measures. External Affected Areas shall be determined by the Organizing Department in consultation with the Security Authority on the basis of Extraordinary Security Measures undertaken.

Extraordinary Costs	Estimated costs incurred by an individual due to the implementation of Extraordinary Security Measures
Extraordinary Security Measures	Measures implemented by the Security Authority, such as a security perimeter, and other exceptional actions, to protect the security of Internationally Protected Persons and delegates and ensure the proper functioning of the Designated Meeting, and to respond as part of contingency plans.
Loss of Net Revenues	Estimated lost revenues less expenditure savings due to avoidable costs (i.e. revenues less variable costs), of a Non-profit Organization.
Loss of Net Profits	Estimated lost revenues/sales less expenditure savings due to avoidable costs (i.e. revenues/sales less costs of goods for sale and other related variable expenses), of a Commercial Business.
Non-profit Organizations	Organizations which are considered as such under the Income Tax Act.
Organizing Department	The federal department that is the lead department accountable for organizing and coordinating the Designated Meeting.
Satellite Event Locations	Locations outside the security perimeter where specific events, that are part of the official program of a Designated Meeting, take place.
Security Authority	The authority that is designated by or on behalf of the Government of Canada as being responsible for coordinating the security measures for the event.

3.0 Authority

The Payments will be administered in accordance with Treasury Board policies and the Financial Administration Act.

4.0 Accountability and Administration

The Minister of the Organizing Department will be accountable for the funds allocated for Payments under these Guidelines and to ensure the equitable and consistent application of these Guidelines, in conjunction with the Executing Agency. The Minister of Public Safety will be accountable for the security measures. The Executing Agency will administer the claims for Payment.

5.0 Executing Agency

An Executing Agency will be designated by the Organizing Department for administering claims for Payment under these guidelines.

6.0 Scope

Payment could cover up to 100% of the Loss of Net Profits or Loss of Net Revenues or extraordinary costs of eligible claimants for the eligible periods, subject to approval of funds available for this purpose.

7.0 Exclusion

These guidelines do not apply to additional costs incurred by Governments, including government agencies and Crown corporations at the federal, provincial and municipal level, or to any additional costs incurred by law enforcement agencies.

8.0 Eligibility

a) Eligible Claimants

The following claimants are eligible to submit a claim and may obtain payments:

- i. Commercial Businesses and Non-profit Organizations located inside the security perimeter, in the External Affected Areas, and at Satellite Event Locations, which suffered Loss of Net Profits or Loss of Net Revenues due to Extraordinary Security Measures;
- ii. Individuals residing inside the security perimeter, in the External Affected Areas, and at Satellite Event Locations, who incur extraordinary costs; and
- iii. Commercial Businesses and Non-profit Organizations located outside the security perimeter, the External Affected Areas and Satellite Event Locations, but who have significant operations on a routine basis within the security perimeter, External Affected Areas or Satellite Event Locations, and who have suffered Loss of Net Profits or Loss of Net Revenues due to Extraordinary Security Measures.

b) Eligible Period

The eligible period or periods for which a loss or a cost can be claimed by an eligible claimant is the duration of the Extraordinary Security Measures and such period before and after that duration as may be defined by the Organizing Department to take into account the economic effects of Extraordinary Security Measures for each location where Extraordinary Security Measures are implemented for the Designated Meeting.

c) Ineligible Claims

The following claims shall not be considered eligible for Payment under these Guidelines:

- i. costs for damage caused by third parties, including vandalism;
- ii. costs for personal injury (bodily harm);
- iii. costs for emotional distress;
- iv. amounts that can be paid out by means of another instrument, such as a statutory or regulatory scheme, Treasury Board policy, program, grant or contribution;
- v. costs for private protection measures.

d) Normal Insurable Coverage

Payment will not be provided for losses and damage that are insurable under normal insurance coverage. Only losses and costs arising from Extraordinary Security Measures above and

beyond the amounts covered by insurance policies could be eligible for Payment.

e) Due Diligence

The claimants have an obligation of keeping the losses incurred in their operations to a minimum. Where operations are primarily conducted through appointments and where there is normally the flexibility to reschedule business appointments and affairs, there is an obligation to minimize disruption during the time when the Designated Meeting is scheduled. Claims will be refused if due diligence is not demonstrated.

f) Accuracy, appropriateness, causal link and justification of amounts

Claimants must prove the accuracy and appropriateness of all amounts claimed, demonstrate the causal link between the Extraordinary Security Measures and the amounts, and justify these amounts.

g) Onus

Claimants have the onus to demonstrate that they qualify as eligible claimants.

9.0 Claims

a) Considerations in arriving at the amounts

In arriving at the amount of Loss of Net Profits or Loss of Net Revenues or extraordinary costs, the following could be considered:

- The insurance company's deductible (up to a maximum of \$500). This deductible may be included in the payment made to an eligible claimant as long as the insurance is covering a loss or a cost that would have made the basis of an eligible claim under these Guidelines. Deductibles for ineligible claims under 8(c) above will not be considered;
- Specific, justified and reasonable incremental expenses incurred as a result of the Extraordinary Security Measures (e.g. relocation expenses, transportation expenses, accommodation and living expenses);
- Justified, appropriate and reasonable cleaning expenses attributable to removal of any chemical or other material used by the Security Authority, where it is not covered by insurance, provided such expense is incurred within 30 days of the Designated Meeting.

b) Required Information

i. For Commercial Businesses and Non-profit Organizations, the claims must include the following information, with each item claimed supported by appropriate substantiating documentation:

- Actual revenues based on monthly sales or other revenues and actual expenditures for the immediate past three consecutive financial years, or from the date of inception if later;
- Actual revenues from end of last completed fiscal year, or the date of inception if it is a new Commercial Business or Non-profit Organization, to the commencement of the Extraordinary Security Measures of the Designated Meeting;

- Actual expenses from end of last completed fiscal year, or the date of inception if it is a new Commercial Business or Non-profit Organization, to the commencement of the Extraordinary Security Measures of the Designated Meeting; and
- Estimate of Loss of Net Profits or the Loss of Net Revenues for the Eligible Period(s).

ii. Individuals will be required to provide invoices and receipts to support the costs that are claimed.

c) Increased Revenues

Claimants that have experienced a significant increase in revenues as a result of economic activity immediately before and/or immediately after the duration of the Extraordinary Security Measures of the Designated Meeting will be required to set-off the increased revenues against the Loss of Net Profits or Loss of Net Revenues suffered during the period that the Extraordinary Security Measures were in effect.

d) Time Limit for Filing a Claim

Claims must be submitted within 90 days of the date of conclusion of the Extraordinary Security Measures of the Designated Meeting unless otherwise authorized by the Executing Agency.

e) Claimants Located Inside the Security Perimeter or a Satellite Event Location – Specific Provisions

- i. Places of business must remain open during the Designated Meeting to be eligible to make a claim for Loss of Net Profits or Loss of Net Revenues unless their closure is dictated by the Security Authority.
- ii. Claims from Commercial Businesses and Non-profit Organizations located inside the security perimeter will be considered in light of the possible decline in customer traffic to their locations during the eligible period.

f) External Affected Area – specific provisions

The claims from Commercial Businesses, Non-profit Organizations and Individuals located in an External Affected Area will be evaluated in the same manner as in (e) subject to the impact of the specific Extraordinary Security Measures undertaken in the Area.

g) Claims procedure

- i. The Executing Agency will provide the format of the claim and guidance on what type of supporting documentation should be provided. All claims for Payment must be made on the official claim form that will be provided by the Executing Agency.
- ii. The claims for Payment should be forwarded directly to the Executing Agency.
- iii. It is incumbent on the Government of Canada to process any claims received as quickly as possible.
- iv. Claim applications and supporting documentation may be subject to review by auditors on behalf of the Government of Canada.

10.0 Waiver

Signature by a claimant of an agreement releasing the Government of Canada from any liability in relation to the implementation of the Extraordinary Security Measures constitutes a condition to receive a payment under these guidelines.

11.0 Disputes

The Executing Agency will seek to resolve any disputes arising from the claim and its processing directly with the claimant and as efficiently as possible. The claim form will include a statement that the claimant undertakes to resolve any dispute arising from the processing of the claim and its processing directly with the Executing Agency as efficiently as possible.