



Shopify (TSX:SHOP) Offers Cash Advances to Canadian Merchants

Description

As the [coronavirus contagion](#) has forced the shutdown of countless small businesses all over the world, many now find themselves hungry for cash. Now e-commerce service provider **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) is throwing out a much-needed lifeline to some of its Canadian users.

Shopify Capital, previously available to U.S. and U.K. customers, will aim to help Canadian merchants using its platform by offering cash advances ranging from CA\$200 to CA\$500,000, depending on the need and each company's fiscal history.

The Canada-based company allows small businesses to [build their own e-commerce engines](#), sidestepping other online-selling venues that may be too costly for sole proprietors or other micro-businesses. The company facilitated more than [\\$60 billion in online sales last year](#), translating into nearly \$1.6 billion worth of revenue for itself.

Its intimate link with the 1 million businesses it powers leaves it well positioned to provide the short-term funding many of them need now, though not all of them will be able to plug into Shopify Capital's resources. Merchants must still apply for what is essentially a loan and repay it from sales made using the company's e-commerce tools.

Shopify shares surged more than 6% on Monday, perhaps driven in part by investors who believe serving small businesses in this way will improve its share of the e-commerce market.

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