



Province of Saskatchewan

Order in Council 533/2019

Approved and Ordered: 04 December 2019

Lieutenant Governor

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, makes *The Saskatchewan Technology Start-up Incentive Amendment Regulations, 2019* in accordance with the attached Schedule.

President of the Executive Council

(For administrative purposes only.)

Recommended by: **Minister Responsible for Innovation**

Authority: *The Saskatchewan Technology Start-up Incentive Act, section 48*
JAG DM -
27-11-19

SCHEDULE to OC 533/2019

Title

1 These regulations may be cited as *The Saskatchewan Technology Start-up Incentive Amendment Regulations, 2019*.

RRS c S-33.1 Reg 1 amended

2 *The Saskatchewan Technology Start-up Incentive Regulations* are amended in the manner set forth in these regulations.

Section 2 amended

3(1) The following subclause is added after subclause 2(2)(b)(ii):

“(iii) a limited partnership, subsections (2.1) and (2.2) and sections 7.1, 7.2 and 13.1 apply to the limited partnership, its limited partners and general partner, as the case may be”.

(2) The following subsections are added after subsection 2(2):

“(2.1) Subject to subsection (2.2), in the case of an eligible investment made by a limited partnership:

(a) the amount of each limited partner’s eligible investment is to be calculated as the amount that would reasonably be considered as that limited partner’s proportionate share in the eligible investment, as determined in a manner acceptable to the minister, by the general partner of the limited partnership; and

(b) each limited partner mentioned in clause (a) must have been, at the time the investment was made, an eligible investor in its own right, capable of making the investment directly.

“(2.2) For the purposes of clause 6(1)(b) of the Act, in the case of the purchase of equity shares by a limited partnership, each of the limited partners or the general partner, as the case may be, is deemed to be the eligible investor for the amount calculated in accordance with clause (2.1)(a)”.

New sections 7.1 and 7.2

4 The following sections are added after section 7:

“Control of eligible start-up business re limited partnership

7.1 For the purposes of subsection 8(1) of the Act, in the case of an eligible investment made by a limited partnership, the extent of ownership of shares carrying voting rights for the election of directors, or other manner of control, of the eligible start-up business is to be determined according to the total amount of the eligible investment made by the limited partnership.

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“Maximum annual investment re limited partnership

7.2(1) For the purposes of subsection 9(2) of the Act, in the case of an eligible investment made by a limited partnership, the maximum annual investment set out in that subsection for which a tax credit certificate may be issued is to be applied with respect to each limited partner.

(2) Notwithstanding any other provision of these regulations, the maximum annual investment mentioned in subsection 9(2) of the Act is to be calculated without regard to the form in which the eligible investor made the investment in any eligible start-up business”.

Section 8 amended

5 The following subsections are added after subsection 8(2):

“(3) In the case of an eligible investment made by a limited partnership, notwithstanding that the conditions mentioned in subsection (1) have been satisfied, the minister may issue a tax credit certificate pursuant to subsection 10(1) of the Act only after the limited partnership provides to the minister, in a manner acceptable to the minister:

- (a) the names of the general partner and each limited partner in the limited partnership;
- (b) a declaration of limited partnership, including the capital contributions and ownership interests of all of the limited partners;
- (c) a declaration stating that the limited partners who have made eligible investments are accredited investors as described in clause 2(2)(a);
- (d) a copy of the executed limited partnership agreement; and
- (e) the amount of each limited partner’s eligible investment calculated in accordance with clause 2(2.1)(a).

“(4) Any tax credit certificate issued to an eligible investor by the minister in the circumstances set out in subsection (3) is to be sent to the general partner.

“(5) A limited partnership must not alter its declaration of limited partnership or its limited partnership agreement with respect to the interests of the partners in the limited partnership without the prior written approval of the minister and, if the minister so approves, the limited partnership must provide to the minister an amended declaration of limited partnership as soon as is practicable”.

New section 8.1

6 The following section is added after section 8:

“Tax credit certificate not to be issued to general partner

8.1 Notwithstanding any other provision of these regulations, in the case of an eligible investment made by a limited partnership, no tax credit certificate shall be issued for the benefit of the general partner”.

Section 9 amended

7 Section 9 is amended:

- (a) by renumbering it as subsection 9(1); and
- (b) by adding the following subsection after subsection (1):

“(2) In the case of equity capital raised by an eligible start-up business as a result of an eligible investment made by a limited partnership, the prohibition set out in clause (1)(f) applies with respect to the purchase of goods or services from the limited partnership and any of its limited partners”.

New section 13.1

8 The following section is added after section 13:

“Repayment of tax credit – limited partnerships

13.1(1) For the purposes of subsection 17(2) of the Act, in the case of an eligible investment made by a limited partnership, ‘**equity share**’ includes an interest in that limited partnership with respect to which the person is an eligible investor as of the date on which that eligible investment was made.

(2) For the purposes of subsection 17(2) of the Act, in the case of an eligible investment made by a limited partnership, the eligible investor is:

- (a) if the limited partnership disposes of the equity share in the eligible start-up business, each limited partner to the extent of that limited partner’s proportionate share in the eligible investment, as calculated in accordance with clause 2(2.1)(a); or
- (b) if a limited partner disposes of an interest in the limited partnership with respect to which the person is an eligible investor, that limited partner”.

New section 15.1 and 15.2

9 The following sections are added after section 15:

“Annual return – limited partnerships

15.1(1) Within 6 months after its fiscal year end, a limited partnership must prepare an annual return in a form approved by the minister and file the return with the minister, accompanied by the following information:

- (a) the amount of capital raised by the limited partnership;
- (b) the aggregate value, at cost, of investments in eligible start-up businesses made by the limited partnership and the names of those eligible start-up businesses;
- (c) whether any fees or remuneration were paid to the general partner or limited partners of the limited partnership or to any associate or affiliate of any of them by an eligible start-up business in which the limited partnership made an eligible investment;

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- (d) whether the declaration of limited partnership was amended in a manner that changed the structure of the limited partnership or altered any rights or restrictions attached to any interests of the limited partnership;
- (e) the amount of all dividends received by the limited partnership or limited partners with respect to an eligible investment made by the limited partnership in an eligible start-up business;
- (f) whether the limited partnership sold or disposed of equity shares in an eligible start-up business in which it made an eligible investment;
- (g) whether the selling or disposal of shares mentioned in clause (f) was reported to the minister;
- (h) in relation to the selling or disposal of shares mentioned in clause (f) that was not reported to the minister:
 - (i) the name of each eligible start-up business whose shares were sold or disposed of; and
 - (ii) the date of the sale or disposal;
- (i) whether a limited partner disposed of its interest in the limited partnership;
- (j) whether the disposal of an interest mentioned in clause (i) was reported to the minister;
- (k) in relation to the disposal of an interest mentioned in clause (i) that was not reported to the minister:
 - (i) the name of each limited partner who disposed of an interest; and
 - (ii) the date of each disposal.

(2) A limited partnership's annual return must be accompanied by an updated declaration of limited partnership, including the capital contributions made by, and ownership interests of, each of the limited partners in the relevant fiscal year.

(3) A limited partnership must comply with subsections (1) and (2) in each of the 2 consecutive calendar years following the date of its most recent investment in an eligible start-up business to which these regulations apply.

“Power to require information or material - limited partnerships

15.2(1) At any time, the minister may require a limited partnership to provide the minister with any information or material the minister reasonably requires for the purposes of the Act or these regulations.

(2) A limited partnership shall comply with the direction of the minister within the period and in the manner that the minister may require as set out in the direction”.

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Coming into force

10 These regulations come into force on the day on which they are filed with the Registrar of Regulations.