

# Step-by-Step Guide to the STSI Application Process

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## Eligible Startup Businesses:

### Step 1: Create a user account through the Online Application Portal:

- Go to the [Online Application Portal](#).
- Create an account with your first name, email address, and password.

### Step 2: Register as an Eligible Start-up Business:

- Once you sign up, you will be directed to the STSI Forms page.
- From there, choose the *Technology Company Application* on the left-hand side of the page.
- Fill out the application. You may save the form at any point and return to it.
- Once the application is submitted, you will receive an email confirming that the form has been received.
- The application will undergo an assessment (approximately 3-4 weeks):
  - Processing times can range longer than 3-4 weeks when unforeseen issues arise during the assessment.
- If all the requirements are met, the ESB will receive a **Certificate of Eligibility** from the Program Manager.

## Documents Required Upon Registration

- Shareholder Registry (that specifies the percentage of shares held by each shareholder)
- Provincial Certificate of Incorporation/Registration
- Most recent Profile Report from the Information Services Corporation (ISC)
- Statements including:
  - The ESB's most recently completed year-end financial statements (if available)
  - The ESB's most recent income tax return and Notice of Assessment (if available)
- Business Plan
- Pitch Deck

### Please Note:

- ESB's should be as detailed as possible in their eligibility applications. Applications that lack detail often face delays in the assessment process and are less likely to be approved.
- If additional information is required to complete the assessment, the Program Manager will contact the ESB.

### Step 3: Raise Equity Capital:

- The ESB will seek investment capital from an Eligible Investor. All investments must meet the [Investment Requirements](#).
- When a willing investor has been identified, an investment agreement or term sheet should be signed between the investor and the ESB:
  - Share Subscription Agreements, Convertible Notes, and Simple Agreements for Future Equity (SAFEs) are accepted.

### Step 4: Apply for a Tax Credit Certificate:

- The ESB will fill out a [Tax Credit Certificate Application](#) on behalf of its investor(s).
- The ESB will submit the following documents to [stsi@innovationsask.ca](mailto:stsi@innovationsask.ca):
  - **Tax Credit Certificate Application**
  - **Updated Shareholder Registry or Capitalization Table** (must outline the percentage of shares held by each shareholder).
  - **A Signed Investment Agreement or Term Sheet** (Subscription Agreement, Convertible Note, SAFE)
  - **Investor Data Report** ([the template can be accessed here](#))
  - **Proof of Investment:**
    1. A copy of the investor's cheque provided by the bank; and,
    2. A bank statement showing the investment was deposited into the ESB's account.

If a wire transfer was used:

1. Documentation of the transfer (ex: incoming payment document, outgoing wire transfer request, or customer receipt); and,
2. A bank statement showing the transfer was deposited into the company's account.

See here for an overview of the [Proof of Investment Requirements](#). Failing to comply with these requirements will slow down the approval process or result in the investment being deemed ineligible.

#### Please Note:

- Prior to submitting a Tax Credit Certificate Application, the ESB must ensure that all the investors listed on the application have applied and been approved as an Eligible Investor.
- If there are any jointly held investments on the application (an investment held by more than one person), each participant should be listed as a separate investor, with the investment being split between them:
  - Ex: A husband and wife make a joint investment of \$50,000. The Tax Credit Certificate Application should list the husband as investing \$25,000 and the wife as investing \$25,000.
- Only applications that include **ALL** the necessary documentation will be processed.
- Applications that are missing the required documentation will be placed on hold until the necessary documents are received.

## Step 5: Tax Credit Certificate Approval:

- Once Innovation Saskatchewan has received the necessary documentation, a **Tax Credit Certificate Approval Letter** will be issued to the ESB.
- The ESB will distribute this letter to its investors:
  - This letter is **NOT** the tax credit certificate. Its purpose is to notify the investor that they have been approved to receive a certificate in December of that year.

## Step 6: Delivery of Tax Credit Certificates:

- Tax credit certificates will be distributed **in December**:
  - Certificates issued for **investments made in the previous calendar year**, will be sent to the ESB immediately rather than being held until December.
- All certificates will be sent to the ESB via email.
- The ESB is responsible for distributing the certificates to its investors.

## Individual or Corporate Investors:

### Step 1: Create a user account through the Online Application Portal:

- Go to the [Online Application Portal](#).
- Create an account with your first name, email address, and password.

### Step 2: Register as an Investor:

- Once you sign up, you will be directed to the STSI Forms page.
- From there, choose the *Individual and Corporate Investor Application* on the left-hand side of the page.
- Fill out the application. You may save the form at any point and return to it.
- Once the application is submitted, it will undergo an assessment (approximately 1 week):
  - Processing times can range longer than 1 week when unforeseen issues arise during the assessment.
- If all the requirements are met, the investor will receive a Notification of Eligibility from the Program Manager.

#### **Please Note:**

- Only one taxpayer's name can be listed on the application.
- Spouses cannot apply using the same application form. Each spouse must submit their own application.

## Documents Required Upon Registration:

- Corporate investors will be required to submit the following:
  - Provincial Certificate of Incorporation/Registration
  - Shareholder Registry
- Individual investors will not be required to provide additional documentation.

### Step 3: Seek Eligible Start-up Businesses:

- The investor will seek Eligible Startup Businesses (ESBs) to invest in.
- Once an ESB is found, an investment agreement or term sheet should be signed between the investor and the ESB:
  - Share Subscription Agreements, Convertible Notes, and Simple Agreements for Future Equity (SAFEs) are accepted.

#### Please Note:

- Prior to finalizing an investment, **ALL** investors should review the following to ensure they meet the program requirements:
  - [Investment Requirements](#)
  - [Proof of Investment Requirements](#)
- Failing to comply with these requirements will slow down the approval process or result in the investment being deemed ineligible.

### Step 4: Apply for a Tax Credit Certificate:

- The ESB will fill out a [Tax Credit Certificate Application](#) on behalf of its investor(s).
- The ESB will submit the application along with the required proof of investment documentation to Innovation Saskatchewan.

#### Please Note:

- All investors who wish to receive a tax credit must be approved as an Eligible Investor before the ESB submits the Tax Credit Certificate Application.
- Only applications that include **ALL** the necessary documentation will be processed.
- Applications that are missing the required documentation will be placed on hold until the necessary documents are received.

## Step 5: Tax Credit Certificate Approval:

- Once Innovation Saskatchewan has received the necessary documentation, a **Tax Credit Certificate Approval Letter** will be issued to the ESB.
- The ESB will distribute this letter to its investors:
  - This letter is **NOT** the tax credit certificate. Its purpose is to notify the investor that they have been approved to receive a certificate in December of that year.

## Step 6: Delivery of Tax Credit Certificates:

- Tax credit certificates will be distributed **in December**:
  - Certificates issued for **investments made in the previous calendar year**, will be sent to the ESB immediately rather than being held until December.
- All certificates will be sent to the ESB via email.
- The ESB is responsible for distributing the certificates to its investors.

### Please Note:

- All tax credits will be rebated based on the date of investment.
- Those who receive a certificate for an investment made in a previous year, will be able to claim the credit against the previous year's taxes:
  - For example, an investor who is issued a certificate in 2021 for an investment made in 2020, will be able to claim the credit against their 2020 taxes.
- Investors will receive one tax credit certificate per ESB they invest in:
  - If an investor makes multiple investments in the same ESB over the course of one year, those investments will be added together on one tax credit certificate.
  - The investor's rebate will be calculated from the combined investment.
- Only one taxpayer's name can appear on a certificate. Jointly held investments will be split between the participating investors:
  - For example, a husband and wife make a joint investment of \$50,000. They both will receive a separate tax credit certificate.
  - The husband will receive a certificate for investing \$25,000 and the wife will receive a certificate for investing \$25,000.

## **Venture Capital Corporations (VCC):**

### **Step 1: Create a user account through the Online Application Portal:**

- A VCC will apply to the program on behalf of its shareholders.
- To apply, a VCC must go to the [Online Application Portal](#).
- Create an account with your first name, email address, and password.

### **Step 2: Register as a Venture Capital Corporation:**

- Once you sign up, you will be directed to the STSI Forms page.
- From there, choose the *Venture Capital Corporation Application* on the left-hand side of the page.
- Fill out the application. You may save the form at any point and return to it.
- Once the application is submitted, it will undergo an assessment (approximately one week):
  - Processing times can range longer than 1 week when unforeseen issues arise during the assessment.
- If all the requirements are met, the VCC will receive a Certificate of Eligibility from the Program Manager.

### **Documents Required Upon Registration:**

- Articles of Incorporation
- Provincial Certificate of Incorporation/Registration
- Shareholder Registry
- Document outlining each shareholder's ownership percentage.
- Share certificates for each shareholder. The certificates must state:
  - The percentage of the VCC's equity represented by the certificate, based on the total number of shares issued.
  - That the equity shares represented by the certificate have been issued pursuant to the *Saskatchewan Technology Startup Incentive Act*.

### **Step 3: Seek Eligible Start-up Businesses:**

- The VCC will seek Eligible Startup Businesses (ESBs) to invest in.
- Once an ESB is found, an investment agreement or term sheet should be signed between the VCC and the ESB:
  - Share Subscription Agreements, Convertible Notes, and Simple Agreements for Future Equity (SAFEs) are accepted.

#### **Please Note:**

- Prior to finalizing an investment, **ALL** investors should review the following to ensure they meet the program requirements:
  - [Investment Requirements](#)
  - [Proof of Investment Requirements](#)

- Failing to comply with these requirements will slow down the approval process or result in the investment being deemed ineligible.

#### **Step 4: Apply for a Tax Credit Certificate:**

- The VCC will fill out a [Tax Credit Certificate Application](#) on behalf of its shareholders:
  - The ESB must also submit a Tax Credit Certificate Application for the VCC's investment. The applications will be matched up while being processed.
  - The VCC's investment will not be approved until it and ESB have submitted their respective Tax Credit Certificate Applications.
- The VCC will then submit the following documents to [stsi@innovationsask.ca](mailto:stsi@innovationsask.ca):
  - Tax Credit Certificate Application
  - Signed Investment Agreement or Term Sheet (Subscription Agreement, Convertible Note, SAFE)
  - Shareholder Registry
- The ESB will be required to submit documentation that verifies the VCC's investment.

#### **Step 5: Tax Credit Certificate Approval:**

- Once Innovation Saskatchewan has received the necessary proof of investment documentation, a **Tax Credit Certificate Approval Letter** will be issued for each shareholder.
- The VCC will distribute these letters to its shareholders:
  - This letter is **NOT** the tax credit certificate. Its purpose is to notify each shareholder that they have been approved to receive a certificate in December of that year.

#### **Step 6: Delivery of Tax Credit Certificates:**

- Tax credit certificates will be distributed **in December**:
  - Certificates issued for **investments made in the previous calendar year**, will be sent to the VCC immediately rather than being held until December.
- All certificates will be sent to the VCC via email.
- The VCC is responsible for distributing the certificates to its shareholders.

#### **Please Note:**

- All tax credits will be rebated based on the date of investment.
- Those who receive a certificate for an investment made in a previous year, will be able to claim the credit against the previous year's taxes.
  - For example, a shareholder who is issued a certificate in 2021 for an investment made in 2020, will be able to claim the credit against their 2020 taxes.
- A shareholder will receive one tax credit certificate per ESB they invest in:
  - If a shareholder makes multiple investments in the same ESB over the course of one year, those investments will be added together on one tax credit certificate.
  - The shareholder's rebate will be calculated from the combined investment.



## **Limited Partnerships:**

### **Step 1: Create a user account through the Online Application Portal:**

- A General Partner (GP) will apply to the program on behalf of its limited partners.
- To apply, a GP must go to the [Online Application Portal](#).
- Create an account with your first name, email address, and password.

### **Step 2: Register as a Limited Partnership:**

- Once you sign up, you will be directed to the STSI Forms page.
- From there, choose the *Limited Partnership Application* on the left-hand side of the page.
- Fill out the application. You may save the form at any point and return to it.
- Once the application is submitted, it will undergo an assessment (approximately one week):
  - When unforeseen issues arise during the assessment, processing times can range longer than one week.
- If all the requirements are met, the GP will receive a Certificate of Eligibility from the Program Administrator.

## **Documents Required Upon Registration:**

- Signed Limited Partnership agreement;
- Declaration/Amended Declaration of Limited Partnership:
  - This document must outline the capital contributions and ownership units of all limited partners;
- Contact information for each limited partner (must include their mailing address, city, postal code and email address);
- Document outlining each limited partner's ownership percentage in the fund;
- Articles of Incorporation (for the General Partner).

### **Step 3: Seek Eligible Start-up Businesses:**

- The Limited Partnership will seek Eligible Startup Businesses (ESBs) to invest in.
- Once an ESB is found, an investment agreement or term sheet should be signed between the Partnership and the ESB:
  - Share Subscription Agreements, Convertible Notes, and Simple Agreements for Future Equity (SAFEs) are accepted.

#### **Please Note:**

- Prior to finalizing an investment, **ALL** investors should review the following to ensure they meet the program requirements:
  - [Investment Requirements](#)
  - [Proof of Investment Requirements](#)

- Failing to comply with these requirements will slow down the approval process or result in the investment being deemed ineligible.

#### **Step 4: Apply for a Tax Credit Certificate:**

- The GP will fill out a [Tax Credit Certificate Application](#) on behalf of its partners.
  - The ESB must also submit a Tax Credit Certificate Application for the Partnership's investment. The applications will be matched up while being processed.
  - The Partnership's investment will not be approved until it and the ESB have submitted their respective Tax Credit Certificate Applications.
- The GP will then submit the following documents to [stsi@innovationsask.ca](mailto:stsi@innovationsask.ca):
  - Tax Credit Certificate Application
  - Signed Investment Agreement or Term Sheet (Subscription Agreement, Convertible Note, SAFE)
  - Updated Declaration/Amended Declaration of Limited Partnership
- The ESB will be required to submit documentation that verifies the Limited Partnership's investment.

#### **Step 5: Tax Credit Certificate Approval:**

- Once Innovation Saskatchewan has received the necessary proof of investment documentation, a **Tax Credit Certificate Approval Letter** will be issued for each limited partner.
- The GP will distribute these letters to its limited partners:
  - This letter is **NOT** the tax credit certificate. Its purpose is to notify each partner that they have been approved to receive a certificate in December of that year.

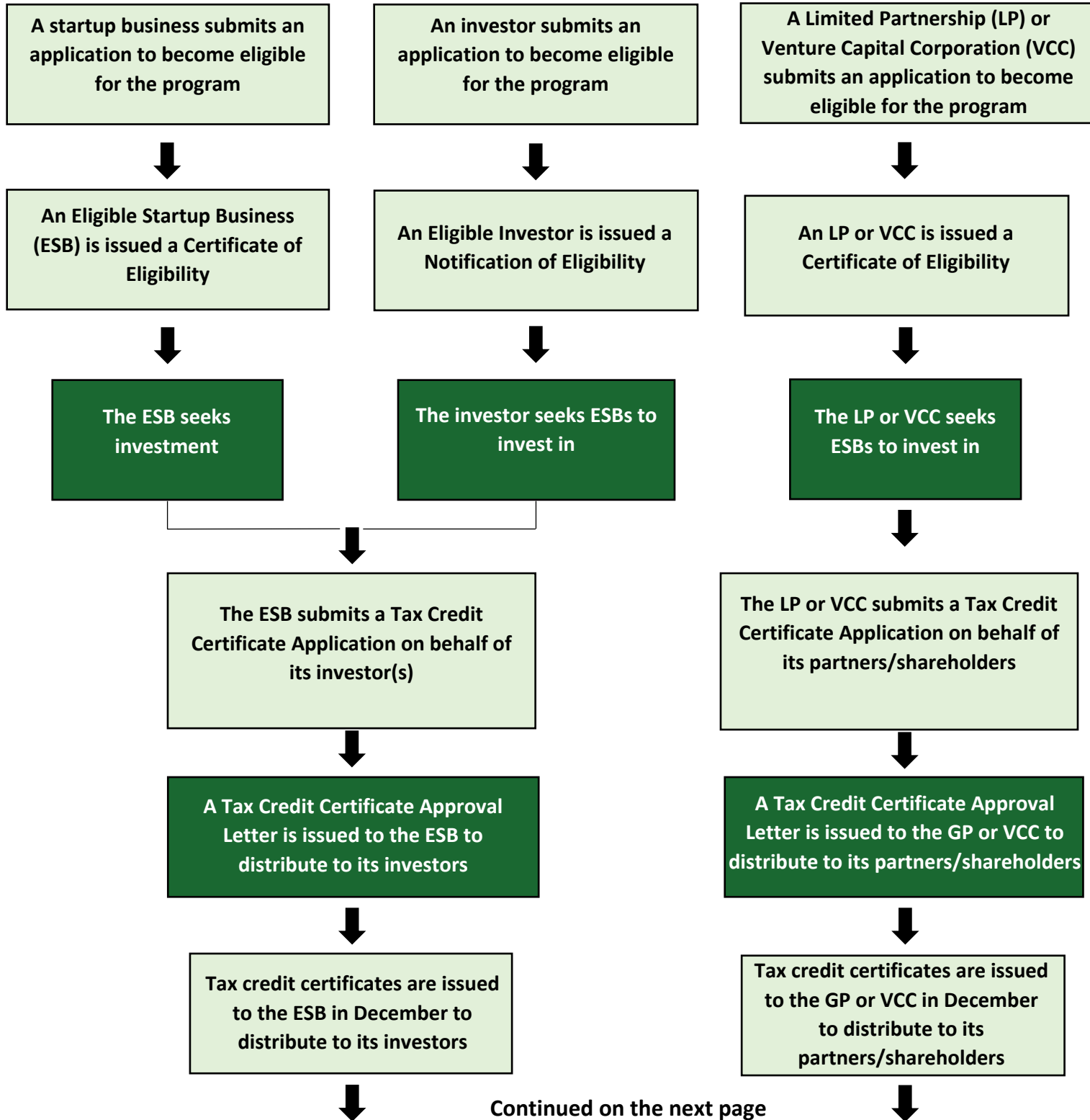
#### **Step 6: Delivery of Tax Credit Certificates:**

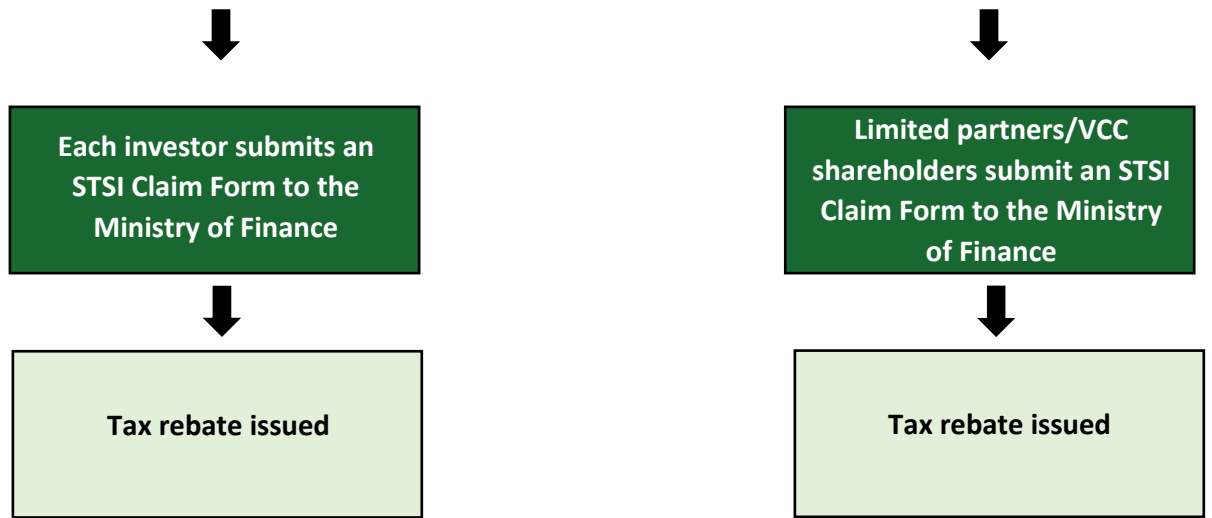
- Tax credit certificates will be distributed **in December**:
  - Certificates issued for **investments made in the previous calendar year**, will be sent to the GP immediately rather than being held until December.
- All certificates will be sent to the GP via email.
- The GP is responsible for distributing the certificates to its limited partners.

#### **Please Note:**

- All tax credits will be rebated based on the date of investment.
- Those who receive a certificate for an investment made in a previous year, will be able to claim the credit against the previous year's taxes:
  - For example, a limited partner who is issued a certificate in 2021 for an investment made in 2020, will be able to claim the credit against their 2020 taxes.
- A limited partner will receive one tax credit certificate per ESB they invest in:
  - If a limited partner makes multiple investments in the same ESB over the course of one year, those investments will be added together on one tax credit certificate.
  - The partner's rebate will be calculated from the combined investment.

# Application Process Flow Chart





For a complete overview of the program requirements, please see the [STSI Program Guide](#). For any questions about the application process, please contact the Program Manager at [stsi@innovationsask.ca](mailto:stsi@innovationsask.ca)