



# Saskatchewan Technology Startup Incentive

Program Guide

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# Program Overview

**The Saskatchewan Technology Startup Incentive (STSI) is designed to encourage investment in early-stage technology startups that bring new products to market and create jobs in Saskatchewan.**

STSI offers a non-refundable 45 per cent tax credit to Saskatchewan-based investors who invest in Eligible Startup Businesses (ESBs).

The maximum amount of investment an ESB can raise under the program is \$2 million.

An investor can earn up to \$225,000 in tax credits per annual investment in an ESB and claim a maximum of \$140,000 per tax year. The credits for investments made between April 1, 2018 and December 31, 2020 can be claimed over a four-year period. The credits for investments made after January 1, 2021 can be claimed over a seven-year period.

STSI operates on a first-come, first-served basis. The program approves up to \$7 million in investment tax credits annually.

In summary, there are six key steps to the process:

1. An ESB or investor creates a user profile through the STSI [Online Application Portal](#).
2. An ESB or investor completes the application form through the STSI [Online Application Portal](#).
3. Once the application has been approved, an ESB seeks investment from an Eligible Investor. When an Eligible Investor has been identified, an investment agreement (Subscription Agreement, Convertible Note, Simple Agreement for Future Equity) should be signed between the investor and the ESB.
4. The ESB completes a Tax Credit Certificate Application (TCCA) on behalf of its investor(s). The ESB will submit the application and the required proof of investment documents through the STSI [Online Application Portal](#).
  - If the investment was made by a Limited Partnership (LP), the LP is responsible for submitting a TCCA for their investment in an ESB.
5. After the TCCA and proof of investment has been verified, the Program Manager will issue the tax credit certificates to the ESB or LP, who will distribute them to its investors.

ESBs and Limited Partnerships are required to submit an Annual Return through the STSI [Online Application Portal](#) for the four years following an investment.

For any questions about the program, please contact the Program Manager at [stsi@innovationsask.ca](mailto:stsi@innovationsask.ca).

# Eligibility Criteria

## Startup Businesses

To register as an Eligible Startup Business (ESB), a company must

- Have fewer than 50 employees, including full-time, part-time, and contract workers;
  - 50 per cent of these employees must be based in Saskatchewan;
- Have its head office in Saskatchewan and be registered to carry on business in the province;
- Have not previously raised more than \$5 million in equity capital; and,
- Meet the Technology Eligibility Criteria identified below.

### Please Note

If an ESB does not have a physical office space, Innovation Saskatchewan will use the following criteria to determine if the ESB meets the requirement of having a “head office” in Saskatchewan:

- The majority of the company’s employees must be based in Saskatchewan;
- The company’s Chief Executive Officer must be in Saskatchewan; and,
- The company must pay most of its provincial income taxes in Saskatchewan.

An ESB must comply with the above eligibility requirements in the three years following an investment under the program. An ESB may be liable to repay the credits issued to its investors if it violates the requirements above within the three-year period.

## Technology Eligibility Criteria

A startup must be substantially engaged in the research, development, and commercialization of **novel** innovations in **digital or clean technologies** to be considered an ESB:

A technology is considered novel if

- It is an advancement of what currently exists in the marketplace
- It has unique features and benefits that differentiate it from competitors

**Digital technology** is defined as innovative solutions based on the use of electronics, software, computers, artificial intelligence, and other similar information/data systems.

**Clean technology** is defined as innovations that do one or more of the following:

- Increase energy efficiency and conservation
- Reduce greenhouse gas emissions
- Reduce the net environmental impacts of existing industrial processes

Businesses developing clean technologies in the following areas are not eligible for STSI\*:

- Crop development
- Agricultural processing for the purpose of human or animal consumption
- Food and beverage development or manufacturing
- Synthetic or biological stimulants
- Power generation
- Biomedical technologies

\* *Digital technologies in these areas are still eligible for STSI.*

## Investors

### *Individual or Corporate Investors*

Both **individuals** and **corporations** can apply to STSI as an Eligible Investor. To be eligible, they must

- Be based in Saskatchewan (paying Saskatchewan taxes);
- Be an accredited investor; **or**
- Meet the exemption requirements outlined in the National Instrument 45-106, *Prospectus Exemptions*.

#### **Please Note**

Founders cannot receive a tax credit for investing in their own company, either directly as an individual or indirectly through a corporation or Limited Partnership (LP).

A founder is defined as:

- A person who owns shares carrying 50 per cent or more of a company's voting rights; or
- Plays a leading role in the strategic direction of the company (e.g., CEO, CFO, president).

The criteria for an accredited investor can be [found here](#) (Section 1.1 - pages 1-3)

The exemption requirements for a non-accredited investor can be [found here](#) (Section 2.6 - pages 26-27).

### *Limited Partnerships*

To be eligible, an LP must

- Have a mechanism to track the ownership interests of each limited partner:
  - Must be able to determine each partner's proportionate share of an eligible investment;
- File a Declaration of Limited Partnership in accordance with the *Business Names Registration Act*;
- Not be benefitting from another provincial tax incentive program;
- Have limited partners who are:
  - Based in Saskatchewan (paying taxes in Saskatchewan);
  - An individual or corporation;
  - Accredited investors or meet the exemption requirements outlined in the National Instrument 45-106, *Prospectus Exemptions*.

#### **Please Note**

An LP can still apply to the program if some of its partners do not meet the above criteria. However, only limited partners who meet the above criteria will be eligible to receive a tax credit.

A General Partner is not eligible to receive a tax credit.

An LP must not alter the ownership interests of its partners or its Declaration of Limited Partnership without prior written approval of the minister

The criteria for an accredited investor can be [found here](#) (Section 1.1 - pages 1-3).

The exemption requirements for a non-accredited investor can be [found here](#) (Section 2.6 - pages 26-27).

# Funding Requirements

**There is no minimum investment required by the STSI program.**

## For an Eligible Startup Business (ESB)

- An ESB can raise up to \$2 million in direct investment under the program.
- Companies that have raised more than \$5 million of equity capital in their lifetime are not eligible under STSI.

### Stacking Policy

ESBs applying to both STSI and the Saskatchewan Advantage Innovation Fund (SAIF) or the Agtech Growth Fund (AGF) are limited to a lifetime cap of \$900,000 combined between these programs (e.g., STSI \$700,000 + SAIF \$200,000).

The total amount of stacked funding will be calculated by:

- (Adding the value of the SAIF/AGF grant) + (The amount of credits being claimed under STSI).

Companies cannot receive more than \$450,000 in grants under SAIF or the AGF.

It is highly recommended that applicants applying to both STSI and AGF and/or SAIF, contact the Program Manager.

## For Individual or Corporate Investors

- An investor can earn up to \$225,000 in tax credits per annual investment in an ESB.
- An investor can claim a maximum of \$140,000 in tax credits per tax year.
- The credits for investments made between April 1, 2018 and December 31, 2020 can be claimed over a four-year period:
  - Year one is the **Applicable Taxation Year** stated on the certificate (i.e., the tax year in which the investment was made). Investors will have another three years after that to claim their credit.
- The credits for investments made after January 1, 2021 can be claimed over a seven-year period:
  - Year one is the **Applicable Taxation Year** stated on the certificate (i.e., the tax year in which the investment was made). Investors will have another six years after that to claim their credit.

## For a Limited Partnership

- A Limited Partnership (LP) cannot claim more than 33 per cent of the total amount of tax credits available in a given year.
- Each limited partner can earn up to \$225,000 in tax credits per annual investment in an ESB and claim a maximum of \$140,000 per tax year.
- The credits for investments made between April 1, 2018 and December 31, 2020 can be claimed over a four-year period:
  - Year one is the **Applicable Taxation Year** stated on the certificate (i.e., the tax year in which the investment was made). Limited partners will have another three years after that to claim their credit.
- The credits for investments made after January 1, 2021 can be claimed over a seven-year period:
  - Year one is the **Applicable Taxation Year** stated on the certificate (i.e., the tax year in which the investment was made). Limited partners will have another six years after that to claim their credit.

### Follow-on Investments:

- A limited partner can receive a tax credit for follow-on investments made outside of the LP.
- However, limited partners who use multiple vehicles to invest in the same startup will be subject to the \$225,000 limit across all investment vehicles:
  - E.g., an individual invests \$50,000 into a startup through an LP. The individual invests another \$100,000 into the same startup, outside the LP. These investments would be added together to calculate the individual's total rebate for that year  $(\$50,000 + \$100,000) \times (0.45)$
- Limited partners who wish to receive a tax credit for follow-on investments, must apply to the program as an individual or corporate investor.

## Tax Credit Allocation Procedure

Tax credit certificates will be issued on a first-come, first-served basis:

- The first-come, first-served rule only applies to applications that include ALL the necessary documentation.
- Applications that are missing the required documentation will not be added to the processing queue, regardless of the order they were submitted. These applications will not be processed until the necessary documents are received.

Procedure for when all the available credits have been allocated:

- If all the credits available in a given year have been allocated before a Tax Credit Certificate Application has been processed, the application will be placed on a waiting list.
- Applications on the waiting list will be processed once funds are available at the start of the following fiscal year.

# Investment Requirements

## Eligible Investment Criteria

To be eligible, an investment must meet the following criteria:

- The investment must be fully paid for in cash and come **directly** from the Eligible Investor:
  - Investors who use an intermediary to make their investment (another person or organization) are not eligible for the tax credit.
- The investor must acquire shares/convertible rights directly from the Eligible Startup Business (ESB) through a Share Subscription Agreement, Convertible Note, or Simple Agreement for Future Equity.
- The investor cannot require the ESB to repay the investment, repurchase the shares/convertible rights, or pay any interest associated with the investment within three years of the investment date.
- The investor cannot have previously disposed of shares in the ESB.
- No tax credit can have previously been issued for the shares/convertible rights.
- An investment is **not eligible** if it allows an investor to own shares, either directly or in conjunction with a related person(s), carrying 50 per cent or more of the ESB's voting rights.
- Founders cannot receive a tax credit for investing in their own company, either directly as an individual or indirectly through a corporation or Limited Partnership (LP).
  - A founder is defined as
    - A person who owns shares carrying 50 per cent or more of a company's voting rights; or,
    - Plays a leading role in the strategic direction of the company (e.g., CEO, CFO, president).

## Holding Period Requirements

An investment in an ESB must be held for a **minimum of three years**. All investors (e.g., individuals, corporations, venture capital corporations (VCCs), and LPs) are subject to this holding period. Failing to comply with the holding period will result in the following consequences.

### *Eligible Startup Businesses*

An ESB is liable for repaying the tax credits issued to an investor, if it redeems, acquires, or cancels the investor's shares/convertible rights within three years of the investment date.

### *Individual or Corporate Investors*

An individual or corporation may have their tax credit revoked or be liable to repay their credit, if they

- Dispose of their shares/convertible rights in an ESB within three years of the investment date;
- Require an ESB to repay the investment amount or repurchase the issued shares/convertible rights within three years of the investment date; or,
- Require an ESB to pay any interest associated with the investment within three years of the investment date.



### *Limited Partnerships*

Following an investment, each limited partner is required to hold their interests in the LP for three years. A limited partner is liable to repay their tax credit if they dispose of their interests in the LP within three years of its most recent investment in an ESB.

Each limited partner may have their tax credit revoked or be liable to repay their credit, if the LP

- Disposes of its shares/convertible rights in an ESB within three years of the investment date;
- Requires an ESB to repay the investment amount or repurchase the issued shares/convertible rights within three years of the investment date; or,
- Requires an ESB to pay any interest associated with the investment within three years of the investment date.

## **Treatment of Convertible Instruments Under the Holding Period**

Simple Agreements for Future Equity (SAFEs) and Convertible Notes may be converted into shares during the three-year holding period. However, the investor must hold the newly issued shares for the remainder of the holding period.

## **Restrictions on Related Persons**

All investors must comply with the restrictions on related persons. A related person includes individuals connected by blood relationship, marriage or common-law partnership, adoption, a corporation, or any two corporations, as per *The Income Tax Act*.

### *Individual or Corporate Investor*

An investor cannot own shares, either directly or in conjunction with a related person(s), carrying 50 per cent or more of an ESB's voting rights. This means that two or more related investors cannot come together to own more than 50 per cent of an ESB's shares.

### *Limited Partnerships*

An LP cannot invest in an ESB if it or any of its partners would own shares, either directly or in conjunction with a related person(s), carrying 50 per cent or more of the ESB's voting rights.

# Ineligible Use of Funds

An Eligible Startup Business (ESB) must not use equity capital (i.e., capital raised under the program) for the following purposes:

- Lending;
- Purchasing real property, unless the purchase is ancillary to the business activities of the ESB;
- Depositing in a high-interest savings account;
- Acquiring Guaranteed Investment Certificates;
- Acquiring or trading in securities not otherwise permitted by the STSI Act and Regulations;
- Purchasing goods or services from the ESB's investors (including venture capital corporation (VCC) shareholders and limited partners), at a price other than fair market value;
- Paying a debt obligation, unless that payment is considered necessary by the minister for the financial viability of the ESB;
- Purchasing or redeeming previously issued shares of the ESB or its affiliates (within three years of the date of issuance);
- Paying dividends;
- Retiring any part of a liability to a shareholder of the ESB or one of its affiliates;
- Funding all or part of the purchase of any assets of a proprietorship, partnership, joint venture, trust or corporation at a price greater than fair market value.

# Proof of Investment Requirements

**Proof of investment documentation must be submitted for each investment made under the program. Failing to comply with the requirements below will slow down the approval process or result in the investment being denied.**

Proof must come in the following forms:

## 1. A copy of the investor's cheque

- The cheque must come directly from the investor and be addressed directly to the startup:
  - Investors who use an intermediary to make their investment (another person or organization) may not be eligible for credit.
  - If a cheque is written under the name of a spouse, proof of a joint account must be submitted.
- The cheque must clearly state the name of the investor, the startup and the amount invested:
  - If the investor's name is not clearly stated, please submit a bank statement from the investor showing the funds being withdrawn from their account.
- The investor's name on the cheque must match the name on the investment agreement (i.e., Share Subscription Agreement, Simple Agreement for Future Equity, or Convertible Note).
- In the case of a wire transfer:
  - Documentation must be submitted showing the funds originated from the investor and that the startup was the recipient.
  - E.g., incoming payment document, outgoing wire transfer request, or customer receipt.

## 2. A bank statement showing the investment was deposited into the startup's account

- The bank statement must show that the startup owns the account in which the funds were deposited.
- It must be clear which deposit corresponds to which cheque:
  - Cheques from investors should be deposited individually. **A lump sum deposit into a bank account is not sufficient proof.**
- In the case of a wire transfer:
  - The bank statement must demonstrate that the startup received the wire transfer.
- If an escrow account was used:
  - Submit documentation that shows the funds were deposited into the escrow account.
  - Submit documentation that shows the funds from the escrow account were transferred and deposited into an account held by the startup.

### Please Note

- Proof of investment documentation must come from a third party (e.g., the bank) to be approved.
- Innovation Saskatchewan reserves the right to deny any investments that do not meet the above requirements or to request additional documentation (e.g., declarations) if it deems it necessary to verify an investment.

# Program Structure and Application Process

## Eligible Startup Businesses (ESBs)

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

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

**Step 2:** Register as an Eligible Startup Business

- Once you have signed up for an account, you will be directed to the STSI Forms page.
- From there, select the *Eligible Startup Business Application* form.
- 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.

### Please Note

- Startups 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 startup.

## Documents Required Upon Registration

- Shareholder Registry (that outlines 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 company's most recently completed year-end financial statements (if available).
  - The company's most recent income tax return and Notice of Assessment (if available).
- Business Plan
- Pitch Deck

**Step 3:** Raise Equity Capital

- The ESB will seek investment capital from an Eligible Investor.
- 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 the *Eligible Startup Business Tax Credit* form available on the STSI [Online Application Portal](#).
- The ESB will complete the form and attach all the required documents via the portal.

**See page 10 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:
  - E.g., 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 missing the required documentation will be placed on hold until the necessary documents are received.

**Step 5:** Delivery of Tax Credit Certificates

- 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 STSI Online Application Portal

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

**Step 2:** Register as an Investor

- Once you sign up on the STSI Portal, select the *Individual and Corporate Investor Application*.
- Fill out the application and submit requested attachments (corporate investors only).
- Once the application is submitted, it will undergo an 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 Startup Businesses

- The investor will seek 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 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 (page 7)
  - Proof of Investment Requirements (page 10)
- 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 submit the application and the required proof of investment documentation to Innovation Saskatchewan via the STSI [Online Application Portal](#).

### 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 missing the required documentation will be placed on hold until the necessary documents are received.

**Step 5:** Delivery of Tax Credit Certificates

- Innovation Saskatchewan will email tax credit certificates to the startup.
- Startups will distribute tax credit certificates issued by Innovation Saskatchewan to their investors.

**Please Note**

- Only one taxpayer's name can appear on a certificate. Jointly held investments will be split between the participating investors:
  - E.g., a husband and wife make a joint investment of \$50,000. They will both 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.

## Limited Partnerships

### Step 1: Create a user account through the STSI 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 STSI [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, select the *Limited Partnership Investor Application* form.
- 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 Manager.

## 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 Startup Businesses

- The LP will seek 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 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 (page 7)
  - Proof of Investment Requirements (page 10)
- 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 an LP Tax Credit Certificate Application form through the STSI Online Application Portal on behalf of its partners.
- The GP will complete the form and attach all the required documents via the portal.

### Step 5: Delivery of Tax Credit Certificates

- All certificates will be sent to the GP via email.
- The GP is responsible for distributing the certificates to its LPs.



# How to Claim the Tax Credit

- Step 1:** Startups will distribute tax credit certificates issued by Innovation Saskatchewan to their investors.
- Step 2:** File your personal or corporate income tax return for the tax year in which the investment was made.
- Step 3:** Once you have received a Notice of Assessment from the Canada Revenue Agency, complete an STSI Claim Form.
- Step 4:** Submit the following documents to the Saskatchewan Ministry of Finance:
- Tax credit certificate(s);
  - STSI Claim Form; and,
  - Notice of Assessment from the Canada Revenue Agency.
- Step 5:** The Ministry of Finance will verify the claim and provide a rebate calculation in accordance with the program legislation.

STSI Claim Forms and supporting documentation can be:

- Emailed to: [STSI.claim@gov.sk.ca](mailto:STSI.claim@gov.sk.ca); or
- Mailed to:  
 Ministry of Finance  
 Revenue Division  
 PO Box 200  
 REGINA SK S4P 1Z6

## Processing Time for Claim Forms

- The Ministry of Finance is committed to processing STSI claims according to the Taxpayer Service Commitments and Standards Code.
- To obtain a refund, an investor is required to provide **complete** and **accurate** information on their claim.
- Once a refund amount has been established, it will be processed **within 21 business days**.
- If your refund is not paid within 21 days, please contact the Program Manager at [stsi@innovationsask.ca](mailto:stsi@innovationsask.ca).
- If your refund claim is denied, you will be notified of the reason by letter.

## Claiming Period

- Unused credits may be carried forward. The length of the carry forward period is dependent on when the investment was made.
- The credits for investments made between April 1, 2018 and December 31, 2020 can be claimed over a four-year period:
  - Year one is the **Applicable Taxation Year** stated on the certificate (i.e., the tax year in which the investment was made). Investors will have another three years after that to claim their credit.
- The credits for investments made after January 1, 2021 can be claimed over a seven-year period:
  - Year one is the **Applicable Taxation Year** stated on the certificate (i.e., the tax year in which the investment was made). Investors will have another six years after that to claim their credit.

## Carry Forward Procedure

- After submitting an STSI Claim Form, an investor will receive an STSI Rebate Letter from the Ministry of Finance. This letter will state the rebate amount the investor is eligible to carry forward.
- Investors will need to submit an STSI Claim Form and the associated documents to the Ministry of Finance **each year** until the total credit amount is utilized or the carry forward period expires.

# Reporting Requirements

## Reporting requirements for Eligible Startup Businesses (ESBs)

### Investment Reporting Requirements

- An ESB is required to notify Innovation Saskatchewan if any investors:
  - Dispose of their equity shares/convertible rights within three years of the investment date.
  - Require the ESB to repay the investment amount or repurchase the investor's shares/convertible rights within three years of the investment date.
  - Require the ESB to pay any interest associated with the shares/convertible rights within three years of the investment date.
- ESBs are responsible for reporting to Innovation Saskatchewan immediately once they have reached the following STSI cap amounts:
  - \$2 million under the STSI program per the STSI Regulations subsection 6.
  - \$5 million in total equity capital raised in an ESB's lifetime per the STSI Act subsection 4(2)(a)(iii).
- ESBs are subject to full repayment of approved tax credits that were applied after the date they exceeded the investment limits.

### Annual Return

- An ESB must submit an Annual Return in the four years after its most recent investment under the program.
- Within six months of its fiscal year end, an ESB must complete an Annual Return through the STSI [Online Application Portal](#). *A reminder will be sent 30 days before the due date.*
- An ESB must upload the following attachments:
  - Updated Shareholder Registry/Capitalization Table (must outline the percentage of shares held by each shareholder);
  - Most recent Financial Statements;
  - Annual Return Data Report (Innovation Saskatchewan will send this to the ESB to fill out);
  - Most recent Annual Return filed with the Corporate Registry (ISC); and,
  - Tax Returns:
    - GST and PST returns (if available);
    - Corporate T2 tax returns (if available); and,
    - T4 summaries for employees (if available).
- 30 days before the submission deadline, ESBs will be sent a reminder to complete the Annual Return.
- Failing to submit an Annual Return may result in the suspension of an ESB's eligibility or the revocation of tax credits from its investors.

## *Reporting Requirements for Limited Partnerships*

- A Limited Partnership (LP) must submit an Annual Return through the STSI Online Application Portal every four years after its most recent investment under the program.
- Within six months of its fiscal year end, a General Partner (GP) must complete an Annual Return through the STSI [Online Application Portal](#). *A reminder will be sent 30 days before the due date.*
- An LP must upload the following attachments:
  - Most recent Declaration/Amended Declaration of Limited Partnership
  - Document outlining each limited partner's ownership percentage
- 30 days before the submission deadline, the GP will be sent a reminder to complete the Annual Return.
- Failing to submit an Annual Return may result in the suspension of a Partnership's eligibility or the revocation of tax credits from its limited partners.

### **Please Note**

- Financial documents submitted with an Annual Return must be:
  - Prepared in accordance with generally accepted accounting principles, published by The Chartered Professional Accountants of Canada.
  - Reviewed by a member in good standing of a recognized accounting profession.

# Additional Information

For any questions regarding the program, please contact the Program Manager:

- [stsi@innovationsask.ca](mailto:stsi@innovationsask.ca) or 1-306-221-2170

Alternatively, you can contact Innovation Saskatchewan's Head Office at 1-306-933-6609 or visit the STSI website at <https://innovationsask.ca/programs/stsi>.

## Program Legislation

- [Saskatchewan Technology Startup Incentive Act](#)
- [Saskatchewan Technology Startup Incentive Regulations](#)
- [Income Tax Act, 2000](#) (subsection 67.2)



