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Financing Incentives

Advanced Manufacturing Investment Strategy (AMIS)

Provincial - Ministry of Economic Development

http://www.ontariocanada.com/ontcan/en/progserv_amis_en.jsp

- AMIS is a \$500 million program to encourage companies to invest in leading-edge technologies and processes.
- AMIS provides 30% of the total eligible costs of a project, up to a maximum of \$10 million in the form of a repayable loan.
- AMIS loans are interest free and principal free for five years provided the firm meets agreed-upon job and investment targets.
- Over a 5-year period, projects must create or retain 50 jobs or invest \$10 million.
- Manufacturing companies that are planning to invest in leading edge technologies and processes that will increase their productivity and competitiveness in Ontario are eligible.
- Continuous intake of applications (no need to wait for the next call for proposals).

For more information contact the Ministry of Economic Development at (416) 325-6867 or AMIS@ontario.ca.

Canada New Media Fund

Federal – Department of Canadian Heritage

http://www.telefilm.gc.ca/03/311.asp?lang=en&fond_id=3

- This fund, administered by Telefilm Canada provides conditionally repayable advances for the development, production and marketing of Canadian interactive digital cultural content products intended for the general public, in both official languages.
- Applicants can apply for a grant of up to \$550 000.
- The program has two main components:
- Product Assistance: provides conditionally repayable advances for the development, production and marketing of Canadian interactive digital cultural content products in both official languages that are intended for the general public. Applications for the 2008-2009 fiscal year, had to be submitted by April 25, 2008.
- Sectoral Assistance components: provides conditionally repayable advances and non-repayable advances to contribute to the industrial and professional development of the interactive digital content industry in all regions of Canada.

For more information contact Slavica Ceperkovic at (416) 973-6436.

Canada Small Business Financing Program (CSBF)

Federal - Industry Canada

<http://strategis.ic.gc.ca/epic/site/csbf-pfpec.nsf/en/Home>

- The program makes it easier for small businesses to get loans from financial institutions by sharing the risk with lenders.
- The program also helps businesses get started and stimulate economic growth and create jobs in Canada.
- Available financing can reach \$250 000 for any one business.

- Loans can be used to: purchase or improve land, real property or immovable; purchase leasehold improvements or improve leased property; or purchase or improve new or used equipment. Interest rates on loans may be either floating or fixed.
- Business must be carried out in Canada for the purpose of gain or profit.
- For an existing business gross annual revenues must not exceed \$5 million for the fiscal year in which the loan is approved.
- For a new business estimated annual gross revenues must not be expected to exceed \$5 million in the first 52 weeks of operation.

For more information please contact Industry Canada at (613) 954-5540.

Capital Leasing Pilot Project

Federal - Industry Canada

<http://strategis.ic.gc.ca/epic/site/csbfp-pfpec.nsf/en/la00068e.html>

- The Capital Leasing Pilot Project assists small businesses in financing the cost of various used and new equipment including computer hardware and software and telecommunications equipment for small businesses.
- The maximum amount a small business can access under the Program is \$250 000.
- Under the Program, a small business must apply for a loan or lease to a financial institution or the participating leasing company of its choice.
- If the application is granted, the federal government will guarantee 85 percent of the lender's losses in the event of default. Interest rates on loans can be either floating or fixed.
- Most small businesses starting up or operating in Canada are eligible as long as their estimated gross revenues do not exceed \$5 million during the fiscal year in which they apply.

For more information contact Industry Canada at (613) 954-5540.

Community Futures (CF) Program

Federal - Fednor of Industry Canada

<http://www.ontcfdc.com/frame3.asp?lang=english>

- The Community Futures Program promotes economic development and entrepreneurship in rural and Northern Ontario.
- The program gives new or existing small businesses in these regions access to capital through loans up to \$150 000 to support job retention and creation. The program also works with partners from the private and public sector to implement community-based projects and offers business services.
- The Community Futures Program is ongoing. To gain access to these funds a company must be SME located in Northern or rural Ontario.

For more information contact Community Futures Program at 1-866 668-2332 or info@oacfdc.com.

Emerging Technology Program

Provincial - Northern Ontario Heritage Fund Corporation of the Ministry of Aboriginal Affairs

http://www.aboriginalaffairs.osaa.gov.on.ca/english/news/news_050124b_5.htm

- This program supports innovative initiatives and demonstration projects that will create jobs and economic growth in Northern Ontario.

- Invests are generally up to one third of total project cost. The program will generally provide up to \$50 000 in non-repayable contributions to applicants on a cost-shared basis for research and pre-competitive development technical projects. Funding will be based upon the level of partner investment.
- The Program will work with companies to: increase research and development projects that have a high commercial potential; foster greater commercialization of successful projects; Foster research development collaboration among industry and research institutions; encourage innovation in small companies by supporting commercialization of internationally competitive products, processes and services.
- Emerging technologies include but are not limited to: information and communications technology projects and value projects.

For more information contact Laura Blondeau at (705) 564-7454.

Enterprises North Job Creation Program

Provincial - Northern Ontario Heritage Fund Corporation of the Ministry of Aboriginal Affairs

http://www.aboriginalaffairs.osaa.gov.on.ca/english/news/news_050124b_1.htm

- Program offers capital funding assistance in the form of loans to enterprises that will create jobs in the North.
- Generally, enterprises will receive funding based on the number of full-time jobs created in Northern Ontario, with a maximum loan to any one project of 50 per cent of eligible capital costs up to \$1 million.
- Eligible enterprises include those involved in: technology, processing, telecommunications, and manufacturing.
- Eligible costs include: capital construction costs related to establishment of existing or new businesses in Northern Ontario, leasehold improvements that result in job creation, purchase of new or used equipment/machinery that results in job creation, intellectual capital that results in job creation, other capital investments by an enterprise that results in job creation.

For more information contact Laura Blondeau at (705) 564-7454.

Entertainment and Creative Cluster Partnership Fund

Provincial - Ontario Media Development Corporation

http://www.culture.gov.on.ca/english/cult_ind/ent_fund.htm

<http://www.omdc.on.ca/Page3231.aspx>

- The Entertainment and Creative Cluster Partnerships Fund is a three-year program, funds allocated for the third round amount to over \$3 million.
- This fund is designed to support alliances between content creators. As it is a partnership based fund, each application must involve at least two representatives from the following eligible organizations: recognized industry trade associations; consortia of two or more non-affiliated private companies whose primary business is in creation and exploitation of media content; educational institutions with existing or proposed programs that are relevant to research, innovation or workforce training in the cluster; industry-recognized events, festivals and conferences; and creator organizations (such as arts service organizations, guilds or professional associations), who can act as secondary partners only.
- Average contributions from the fund range from \$50 000 to \$150 000. Funding will be capped at 50% of the total budget.
- Eligible organizations must meet the following qualifications:
 - Have minimum sales revenue of \$100 000.

- Be a Canadian owned and controlled organization.
- Be able to demonstrate the expertise and capacity to carry out the proposed project.
- Four eligible project categories have been identified:
 - Capacity Building: Includes new approaches to collaborating that increase the collective and individual capacities of cluster companies and reflect new approaches to addressing common opportunities and barriers.
 - Business Innovation: Includes projects that provide early-stage support to the development of innovative entertainment content products, platforms, distribution channels and business models.
 - Domestic and Global Marketing: Projects will address strategies and approaches to opening up markets for specific cultural media products or specific countries or regions.
 - Skills Development: These projects will support the development of advanced entrepreneurship skills on the part of the company and will assist trade organizations and advanced training institutions to develop and implement new training resources.
- Last round Application Deadline: June 27, 2008

For more information contact Matt Hilliard-Ford at (416) 642-6632 or MHilliard-Forde@omdc.on.ca

Export Development Canada (EDC)

Federal - Canadian Crown Corporation

<http://www.edc.ca/english/index.htm>

- This Crown Corporation provides a wide range of loans to Canadian exporters and investors in up to 200 markets worldwide. Export Development Canada offers a range of financing solutions to help Canadian companies and their international customers capitalize on trade opportunities.
- Export Development Canada offers other services in: insurance, bonding, customer/credit information, and assistance in claims.
- Export Development Canada provides services for Canadian companies that export goods and services or invest in other countries.
- Export Development Canada also provides financing services for foreign customers.

For more information contact Export Development Canada at (613) 598-2500.

Going Global Science and Technology Fund

Federal - Foreign Affairs and International Trade Canada

<http://www.infoexport.gc.ca/science/gglobal-en.htm>

- The Program supports projects designed to bring together Canadian researchers to foster identified opportunities for collaborative partnerships with key players in foreign countries.
- Funding is used for the face-to-face encounters needed to solidify the partnership and move it forward to the point where the researchers can begin the R&D phase of the initiative. These meetings may be used to formulate the partnership and conduct detailed planning of their collaborative R&D initiative.
- The maximum amount that is payable to an organization for an approved project is \$50 000. The fund has been renewed until March 31, 2009.
- Eligible beneficiaries are Canadian researchers from private companies, universities and non-government research centres.

- The stacking limit for this program with respect to other government assistance is 75%.
- The merit of each proposal will be based on:
 - Potential in establishing significant collaborative R&D initiatives with foreign partners,
 - Economic benefits to Canada and potential to engage other Canadian participants in the project,
 - Coverage of international relationships and field/sector specific interests that are in accordance with federal science and technologies priorities,
 - Effectiveness,
 - Demonstration that sources of funding for subsequent international collaborative R&D initiatives are being investigated.

For more information contact Krista Miller at (613) 995-9468.

Industrial Research Assistance Program (IRAP)

Federal - National Research Council Canada

http://irap-pari.nrc-cnrc.gc.ca/financialassistance_e.html

- Research and Technology Development Activities
 - Offers a grant to Canadian small medium sized enterprises (SMEs) using technology to commercialize services, products and processes in Canadian and international markets.
 - On a cost-shared basis the fund also provides investment in research and pre-competitive development technical projects.
- Youth Employment Strategy:
 - This program provides a grant to innovative Canadian SMEs for the hiring of post-secondary graduates to work on innovation projects in these firms.
 - Maximum support provided will be \$15 000 to help cover a part of the graduate's salary.
 - Eligible applicants must be a small of medium sized enterprise with less than 500 employees.
 - Must be incorporated and for profit with a wish to enhance innovation capacity.
 - Must be willing to establish a trusting relationship with the National Research Council and the Industrial Research Assistance Program.
 - Youth Employment Strategy in effect until March 31, 2009.

For more information contact the Ontario Industrial Research Assistance Program Office at (416) 973-4484 or 1-877-994-4727.

Innovation Demonstration Fund (IDF)

Provincial - Ministry of Research and Innovation

<http://www.mri.gov.on.ca/english/programs/idf/guidelines.asp>

- The Innovation Demonstration Fund supports the commercialization and demonstration of globally competitive, innovative technology processes and/or products.
- The Innovation Demonstration Fund will provide financial support in the form of a loan (covering up to 50 percent of eligible costs for approved Eligible Projects that have as their goal commercialization. The funding potentially available under IDF ranges from a minimum of \$100 000 to a maximum of \$4 million per project.
- Loans from \$100 000 to \$300 000 may be forgiven at the end of a term if the performance targets determined by the Ministry have been achieved.

- Loans from \$300 000 to \$4 million can be in the following forms: non-interest bearing secured forgivable loan, secured repayable loans, secured incentive term loans, royalty agreements or equity participation.
- The proposed technology at the pilot stage will provide a competitive advantage or other benefits to Ontario.
- The technology is the best in its class and will create a global competitive business and market opportunity.
- Eligible costs include: start-up costs; equipment purchase, installation and retrofitting costs; direct labour costs; maintenance costs; costs associated with the development of codes and standards and regulatory approvals; costs associated with training of skilled resources and public awareness; and monitoring and evaluation costs.

For more information contact the Ministry of Research and Innovation at (416) 326-0841 or idf@ontario.ca.

Investment Accelerator Fund (IAF)

Provincial - Ontario Centres of Excellence (OCE), a Ministry of Research and Innovation supported organization

http://www.oce-ontario.org/documents/eoi/OCE08004_IAF_SellSheet_Sep27.pdf

- This program is part of the \$46 million Market Readiness Program (MRP), launched in fall 2007.
- The IAF finances eligible knowledge-based companies to test and develop their new technology in the early stages, and gain entrepreneurial know-how to take the idea closer to the marketplace.
- Investments of a maximum \$500 000 per company will help companies with technology development, market potential analysis, prototype development, early customer trials, promotion, and patenting costs.
- Investments are generally made as a convertible debenture.
- IAF provides companies with business mentorship until a skilled management team is in place, either temporarily or permanently. The fund also supports assistance to attract later-stage venture capital.

For more information contact Bryan Kanarens, bryan.kanarens@oce-ontario.org

Labour Market Partnerships

Federal - Service Canada

http://www1.servicecanada.gc.ca/en/epb/sid/cia/grants/lmp/desc_lmp.shtml

- This program is a measure used by Service Canada to encourage, support and facilitate human resource planning and labour market adjustments. This measure provides grants to assist employers, employee/employer associations and communities to improve their capacity for dealing with human resource requirements and to implement labour force adjustments.
- Funding may be provided for capital costs to a maximum of \$1 million per year.
- Businesses that wish support to facilitate human resource planning and labour market adjustments which are in the public interest.

For more information contact the local Service Canada Centre at:

http://www1.servicecanada.gc.ca/en/gateways/where_you_live/regions/offices/on.shtml.

Next Generation of Jobs Fund (NGOJF)

Provincial - Ministry of Economic Development

http://www.ontariocanada.com/ontcan/en/nextgen_main_en.jsp

- The \$1.15 billion Next Generation Of Jobs Fund is a five-year program, which assists innovative companies to develop new technologies and services for world markets, while helping Ontario win investment and create jobs.
- Companies within the ICT and digital media sectors are key sectors targeted by the Next Generation Jobs Fund.
- The Next Generation Jobs Fund is a competitive process. Companies must meet several of the following criteria:
 - Help establish Ontario as a global leader in an emerging market.
 - Projects that will invest over \$25 million or that secure at least 100 high quality jobs for Ontarians.
 - Reduce greenhouse gas emissions in certain sectors.
 - Build on existing expertise in areas in which Ontario has a strong research and commercialization base or create new expertise, and
 - Create synergies among researchers, business people and entrepreneurs.
- NGOJF has two component programs relevant to ICT companies:

Jobs and Investment Program (JIP)

Provincial - Ministry of Economic Development

http://www.ontariocanada.com/ontcan/en/nextgen_jip_en.jsp

- Supports research, development and commercialization in innovative industries and attract new investments and jobs in areas of great potential for Ontario.
- JIP can provide up to 15% of eligible project costs.
- For more information please call 1-800-819-8701 or e-mail info@2ontario.com

Strategic Opportunities Program (SOP)

Provincial - Ministry of Research and Innovation

<http://www.mri.gov.on.ca/english/programs/sop/program.asp>

- This is a 5-year discretionary, non-entitlement grant program that supports strategic, industry-led programs and projects in targeted areas of strength for Ontario.
- Projects must have a minimum contribution of 30 percent total project / program costs by participating industry partners.
- SOP can provide up to 25 % of the total eligible project / program costs.
- For more information please call (416) 314-2525 or strategicopportunities@ontario.ca

Northern Ontario Youth Internship and Co-op Program

Provincial - Ministry of Aboriginal Affairs

http://www.aboriginalaffairs.osaa.gov.on.ca/english/news/news_050124b_2.htm

- This program allows young northerners to have access to work placements and internships in Northern Ontario.
- Employers would be provided with a conditional contribution of up to 50 per cent of a wage subsidy to a maximum of \$6.00 per hour to hire post-secondary students for co-op placements and up to 50 per cent of a recent Northern Ontario graduate's salary to a maximum of \$27 500 annually for internships.
- Eligible employers must be located in Northern Ontario and involved in the following areas: health care, social services, value-added manufacturing, emerging technologies, and other

activities that will result in an economic or social development advantage for Northern Ontario.

- Candidates must be secondary school graduates 29 years of age or under, currently attending an accredited college or university for co-op placements, or recently graduated from an accredited college or university for internships.

For more information contact Laura Blondeau at (705) 564-7454.

OMDC Export Fund

Provincial - Ontario Media Development Corporation

<http://www.omdc.on.ca/Page3222.aspx>

- This fund offers digital game developers access to funds for the purpose of assisting them in conducting export activities
- Private, Canadian-owned interactive media developers based in Ontario can receive up to 50% of eligible expenses to attend global industry events, travel to sales meetings, and take part in international trade missions.

For more information contact the Coordinator of Industry Initiatives at (416) 642-6695 or programs@omdc.on.ca

OMDC Interactive Digital Media Fund (IDM)

Provincial - Ontario Media Development Corporation

<http://www.omdc.on.ca/PageFactory.aspx?PageID=3215>

- The OMDC Interactive Digital Media (IDM) Fund is designed to provide interactive digital media content companies with final stage funding to complete their projects.
- Successful applicants will receive a non-refundable contribution of up to \$100 000 to a maximum of 50% of the project budget to create a market-ready interactive digital media content product.
- Eligible applicants must be:
 - a small or medium-sized developer,
 - a primarily screen-based content creation company,
 - an Ontario based organization and a Canadian owned and controlled interactive media developer corporation.
- Projects must be;
 - intended to be experienced by the end user on a digital media platform, network or device;
 - intended for a consumer audience;
 - intended for use by individuals or groups of individuals;
 - intended to educate, inform or entertain;
 - consist of a combination of at least two of text, sound and images;
 - suitable for commercial exploitation.

For more information contact the OMDC at 416-642-6695 or programs@omdc.on.ca

Ontario Commercialization Investment Fund

Provincial-Ministry of Research and Innovation

<http://www.mri.gov.on.ca/english/programs/ocif/program.asp>

- The program facilitates the commercialization of technology derived from research and development performed in Ontario.

- The program provides a grant to leverage seed capital for spin-off technology companies created by faculty, staff or students of research institutes.
- The maximum amount of grant available to one or more Ontario Commercialization Investment Funds Program corporation in respect of a particular eligible business and all businesses related to the eligible business is \$225 000 with a maximum total investment of \$750 000.
- A corporation must satisfy the following conditions:
 - It is a permanent establishment in Ontario and is in compliance with the Business Corporations Act or the Canada Business Corporations Act or the laws of Ontario relating to partnerships (as appropriate) and is in compliance with the Securities Act.
 - It has never previously carried on business other than the business related to obtaining registration under this act.
 - The articles of the corporation/partnership agreement must specify that each shareholder/partner must be an eligible investor and must invest at least \$25 000 either in shares of the corporation or in the partnership.
 - The sponsor(s) must demonstrate that it will be actively involved in the business and affairs of the corporation or partnership.

For more information please contact the Ministry of Research and Innovation at (416) 325-6644.

Ontario Research Fund Research Excellence (ORF-RE)

Provincial - Ministry of Research and Innovation

<http://www.mri.gov.on.ca/english/programs/orf/re/program.asp>

- The ORF-RE program promotes research excellence in Ontario by supporting transformative, internationally significant research of strategic value to the province.
- Ontario publicly assisted universities, Ontario colleges of applied arts and technology, Ontario hospital research institutes, not-for-profit research institutes affiliated with an Ontario university or hospital, excluding those funded primarily by business or industry other Ontario not-for-profit research institutions at the discretion of the ORF Advisory Board are eligible for funding.
- As a general rule, the minimum support provided by the ORF-RE to a project is \$1 million and the maximum support provided is \$8 million. Only in exceptional circumstances will requests over \$8 million be considered.
- The program particularly encourages projects in certain focus areas, including creative industries and digital media.
- The ORF-RE program funds:
 - Direct costs: including salaries and benefits, facilities and equipment, management and administration.
 - Indirect costs: the overhead costs of doing research.
- The program will contribute a maximum of 1/3 of the operating costs, with 1/3 of the remainder coming from the private sector and 1/3 from the institution.
- The next deadline for proposals will be on July 30, 2008.

For more information please contact Mima Vulovic, (416) 314-0634, Stephane Baffier, (416) 325-4883 or Miranda Hotrum, (416) 212-7060.

Ontario Research Fund Research Infrastructure Program (ORF-RI)

Provincial - Ministry of Research and Innovation

<http://www.mri.gov.on.ca/english/programs/orf/ri/program.asp>

- The ORF-RI program will promote research excellence by supporting the eligible capital costs of research for Ontario's universities, colleges, hospitals and research institutes.
- The ORF will contribute a maximum of 40% toward the total eligible costs. The research institution is responsible for obtaining at least 60% from the CFI, any private funding partners, and its own resources.
- Specific-purpose grants received from Ontario government ministries or agencies cannot be used as a match for ORF funding.
- Research Infrastructure grants may be requested for two purposes:
 1. Grants to Attract and Retain Researchers
 2. Research Infrastructure Focussed Funding
- Ontario institutions that are eligible to apply to the CFI Leading Edge, New Initiatives and Leaders Opportunity Funds are also eligible to apply to the Ontario Research Fund for Research Infrastructure funding.

For more information please contact Yassar Muttaqi (416) 314-0633 or ORF.Infrastructure@mri.gov.on.ca

Ontario Targeted Wage Subsidy

Provincial - Ministry of Training, Colleges and Universities

<http://www.edu.gov.on.ca/eng/tcu/employers/wageSubsidy.html>

- This program enables employers to hire people who face barriers to employment (people they might not otherwise hire) by offering temporary wage subsidies.
- Businesses can hire job seekers who are unemployed and established a claim for Employment Insurance benefits within the past three years or established claim for Employment Insurance maternity or parental benefits and were paid benefits within the past five years.

For more information contact Employment Ontario at 1-800-387-5656.

Ontario Venture Capital Fund

Provincial - Ministry of Research and Innovation

http://www.mri.gov.on.ca/english/news/VCF111407_bd1.asp

- This \$165 million fund will help support Ontario's innovative firms in a start-up stage.
- This fund is designed to attract talented fund managers and large investors and ensure that Ontario's emerging companies can find the capital they need to grow in Ontario.

For more information on this fund contact John Marshall, Director, Outreach, Promotion, and Business Development Branch, 416-325-6644 or via email at john.w.marshall@ontario.ca. Further program details will follow.

Rural Economic Development (RED) Program

Provincial - Ministry of Agriculture, Food and Rural Affairs

<http://www.omafra.gov.on.ca/english/food/industry/red-program.htm>

- This program works to remove barriers to community development and economic growth by investing in projects that support sustainable rural economies and community partnerships.
- Companies can receive a 50% grant on project-eligible costs such as: R&D, marketing and promotional costs, professional fees, travel costs, studies, consultants/ sub-contractor fees,

equipment, internship funding, skills upgrading, minor capital, and skills development. Funding can reach up to 90% of project-eligible costs under special circumstances.

- Companies that have projects, which have strong benefits for rural Ontario.
- Applicants must be in a partnership between any combination of individuals, businesses, community organizations and municipalities, with an arm's length relationship from each other.
- All applicants must share in the risks of the project, invest in the project, and have a vested interest in completing the project.
- Individuals or individual businesses are not eligible to apply as sole applicants.

For more information contact the Ministry of Agriculture, Food and Rural Affairs at 1-888-588-4111 or red.omafra@ontario.ca.

Summer Jobs Service

Provincial - Ministry of Training, Colleges and Universities

<http://www.edu.gov.on.ca/eng/document/brochure/summerjobs.html>

- This program provides a \$2/hour wage support for businesses that hire youths aged 15- 24 who take part in the Summer Jobs Service.
- The Summer Jobs Service provides free services to youth to aid them in improving their job-search and self-marketing skills.
- Businesses can receive the \$2/hour wage support if they hire an employee from the Summer Jobs Service aged 15 to 24 years old (up to 29 for a person with a disability) who is planning to return to school in the fall.

For more information call the Employment Ontario Hotline at 1-800-387-5656.

Sustainable Development Technology Canada

Not-for-profit foundation that reports through Department of Natural Resources

<http://www.sdte.ca/>

- Foundation finances and supports the development and demonstration of clean technologies that provide solutions to issues of climate change, clean air, water quality and soil, and which deliver economic, environmental and health benefits.
- Aim of the foundation is to de-risk clean technologies to attract downstream private-sector investment and open up opportunities for commercial success.
- The Foundation may fund, on average across its portfolio of funded projects, up to 33% of eligible project costs and never more than 50% of eligible project costs.
- Applicants should demonstrate that:
 - the proposed project is technically sound and undertaken by an applicant with the necessary technical, financial and management capacity;
 - the proposed project will be undertaken in a collaborative and innovative manner;
 - the new technology and related intellectual property will be diffused in a timely manner in the relevant market sectors; and
 - the funding is necessary to ensure that the project proceeds in a manner to ensure broad benefits to Canadians nationally or regionally.

For more information contact Sebastien Prince-Richard at (613) 234-6313 ext. 232 or s.prince-richard@sdte.ca.

Teacher's Science and Technology Outreach Program (TSTOP)

Provincial - Ministry of Research and Innovation

Last Updated: October 17, 2008
Ministry of Economic Development

<http://www.mri.gov.on.ca/english/programs/tstop/program.asp>

- The program provides Ontario elementary and secondary science and technology teachers with opportunities to participate in leading-edge research in publicly funded institutions.
- Ontario elementary and secondary school teachers who teach science and technology courses are eligible to apply.
- The program provides successful applicants with funds to support "Teacher Research Experience" expenses, such as daily commuting costs, and "Student Outreach Experience" costs, such as travel costs to visit the host institution during the school year.

For more information contact Diane DeMelo at (416) 326-4442 or diane.demelo@ontario.ca

Youth Science and Technology Outreach Program (YSTOP)

Provincial - Ministry of Research and Innovation

<http://www.mri.gov.on.ca/english/programs/ystop/program.asp>

- The program provides youth with face-to-face interactions with Ontario's leading-edge researchers and technologists in meaningful hands-on science and technology experiences beyond the classroom and curriculum.
- The program provides successful applicants up to \$150,000 over three years to cover eligible project cash expenditures.
- The following non-profit Ontario-based organizations are eligible to apply: post-secondary institutions, non-profit research institutions, science awareness organizations, industry or professional associations, boards of education, non-profit community organizations supporting youth at-risk.
- Funded projects must:
 - Connect youth with researchers and technologists who can help them explore post-secondary choices leading to careers in science and technology.
 - Engage youth across Ontario - with an emphasis on youth living in rural and remote communities, and youth at-risk.
 - Provide youth with hands-on science and technology experiences in Ontario's leading-edge research institutes.
 - Connect the general public with researchers and technologists through youth-focused activities.

For more information contact Vic Tyrer at (416) 314-0630 or Vic.Tyrer@ontario.ca

Tax Incentives

Apprenticeship Job Creation Tax Credit (AJCTC)

Federal - Canada Revenue Agency

<http://www.cra-arc.gc.ca/whtsnw/pprntcshp-eng.html>

- The AJCTC is a non-refundable tax credit equal to 10% of the eligible salaries and wages payable to eligible apprentices in respect of employment after May 1, 2006. The maximum credit is \$2 000 per year for each eligible apprentice.
- An "eligible apprentice" is someone who is working in a prescribed trade in the first two years of their apprenticeship contract. This contract must be registered with a federal, provincial or territorial government under an apprenticeship program designed to certify or license individuals in the trade.

- A prescribed trade includes the trades currently listed as [Red Seal Trades](#). The Minister of Finance may, in consultation with the Minister of Human Resources and Social Development, prescribe other trades.
- "Eligible salaries and wages" are those payable by the employer to an eligible apprentice for the apprentices' employment in Canada in the tax year and during the first 24 months of the apprenticeship. It does not include remuneration based on profits, bonuses, and taxable benefits including stock options, and certain unpaid remuneration.

For more information contact the Canada Revenue Agency at 1-800-959-5525.

Ontario Apprenticeship Training Tax Credit (ATTC)

Provincial - Ministry of Training, Colleges and Universities

<http://www.rev.gov.on.ca/english/credit/atcc/index.html>

- The ATTC encourages employers to hire and train apprentices in certain skilled trades including those in the ICT Sector.
- The ATTC reimburses businesses 25% of eligible expenditures paid or payable after May 18, 2004 and before January 1, 2015, up to a maximum tax credit of \$5 000 per qualifying apprentice per taxation year, for the first 36 months of the apprenticeship program.
- For businesses that have total salaries and wages for the previous taxation year of \$400 000 or less, the rate of the tax credit is increased to 30%.
- Eligible expenditures are:
 - Salaries and wages, including taxable benefits paid or payable to an apprentice in a qualifying skilled trade for services performed after May 18, 2004 and before January 1, 2015,
 - Eligible expenditures also include fees paid or payable to an employment agency by a business for services performed by the apprentice in a qualifying apprenticeship after May 18, 2004 and before January 1, 2015.
- An apprentice's employment with a business must commence before January 1, 2012.
- Businesses with permanent establishments in Ontario subject to Ontario corporate income tax are eligible.
- A business that pays a fee to an employment agency for the services of an apprentice is deemed to be the eligible employer and to employ the apprentice, not the employment agency.

For more information contact the Canada Revenue Agency at 1-800-959-5525.

Ontario Capital Tax Elimination for Manufacturing and Resources Activities

Provincial - Ontario Ministry of Revenue

<http://www.rev.gov.on.ca/english/notices/ct/6029.html>

- In its 2008 Budget, the government proposed to retroactively eliminate the Capital Tax, effective January 1, 2007, for companies primarily engaged in manufacturing and resource activities.
- The capital tax elimination applies to corporations whose Ontario manufacturing labour costs represent 50 per cent or more of their total Ontario labour costs.
- For corporations whose Ontario manufacturing labour costs comprise less than 50 per cent, but more than 20 per cent of their total Ontario labour costs, the capital tax is reduced proportionately on a straight-line basis.

For more information call 1 800 263-7965

Ontario Business Research Institute Tax Credit (OBRITC)

Provincial - Ontario Ministry of Revenue

<http://www.rev.gov.on.ca/english/credit/obritc/>

- A 20% refundable tax credit for SR&ED incurred in Ontario under an eligible contract with an eligible research institute.
- With an annual \$20 million cap on qualifying expenditures, the maximum tax credit a corporation or an associated group of corporations can claim is \$4 million.
- Small businesses may claim the 20% OBRITC in addition to the 10% Ontario Innovation Tax Credit for a combined tax credit of 30% of qualifying expenditures.
- An eligible company:
 - carries on business in the taxation year through a permanent establishment in Ontario and is not exempt from tax under the Corporations Tax Act,
 - enters into or is a member of a partnership that enters into an eligible contract with an eligible research institute.

For more information contact the Ministry of Finance at (905) 433-6618.

Ontario Computer Animation and Special Effects Tax Credit (OCASE)

Provincial - Ontario Media Development Corporation of the Ministry of Culture

<http://www.omdc.on.ca/Page3402.aspx>

- The OCASE Tax Credit is a refundable tax credit based upon eligible Ontario labour expenditures incurred by a qualifying corporation during a taxation year with respect to eligible computer animation and special effects activities.
- The OCASE Tax Credit is calculated as 20% of the eligible Ontario labour expenditures incurred by a qualifying corporation with respect to eligible computer animation and special effects activities.
- Eligible Ontario labour expenditures incurred prior to May 12, 2005 cannot exceed 48% of the cost of eligible activities net of government assistance. However, there is no cap for eligible Ontario labour expenditures incurred after May 11, 2005.
- Eligible animation or visual effects means effects created primarily with digital technologies but does not include:
 - audio effects;
 - in-camera effects credit rolls, subtitles;
 - animation or visual effects all or substantially all of which are created by editing activities, or;
 - animation or visual effects for use in promotional material for the eligible production.
- Qualifying labour expenditures include:
 - Salaries and wages, directly attributable to eligible activities carried on by the qualifying corporation that are paid to Ontario residents.
 - 50% of remuneration incurred after May 4, 1999 paid to freelancers with respect to qualifying activities performed in Ontario.

For more information contact the Ontario Media Development Corporation at (416) 314- 6858 or taxcredits@omdc.on.ca.

Ontario Co-Operative Education Tax Credit

Provincial - Ministry of Revenue

<http://www.rev.gov.on.ca/english/credit/cetc/>

- This refundable tax credit is available to employers who hire students enrolled in a recognized Ontario University or College co-operative education program.
- An eligible employer may claim a refundable tax credit for each qualifying work placement ending in the tax year equal to the lesser of: 10% to 15% of eligible expenditures made for the work placement or \$1 000.
- If a qualifying work placement ended in the tax year, the eligible employer may claim this credit to a maximum of \$1 000 for each four months of employment, with a minimum employment of 10 weeks.
- Eligible expenditures include:
 - Salaries and wages including taxable benefits,
 - Fees paid or payable to an employment agency in respect of the qualifying work placement for the services of a student carried out primarily at an Ontario place of business.
- Eligible employers must
 - Have permanent establishment in Ontario and be subject to Ontario Income Tax,
 - Incur eligible expenditures associated with hiring co-op students enrolled in an Ontario university or college.
 - Hold a certified document from an eligible educational institution confirming that the employer has provided a placement to a student.

For more information contact the Ministry of Revenue at (905) 837-3814.

Ontario Current Cost Adjustment (OCCA)

Provincial - Ministry of Revenue

<http://www.rev.gov.on.ca/english/bulletins/ct/3005.html>

- This tax deduction is an incentive to assist corporations with the costs involved in purchasing new pollution control equipment for use in Ontario.
- The eligible cost of the equipment is the capital cost of the equipment, restricted to \$20 million of acquisitions for each taxation year. The \$20 million limit is prorated for short taxation years. If the \$20 million limit is not used in a particular year, the unused amount cannot be carried forward to a following year.
- The deduction is with respect to the eligible cost to the corporation of all eligible assets acquired by the corporation for the taxation year. The deduction is in addition to the capital cost allowance deductions allowed for federal and Ontario income tax purposes.
- An eligible asset is prescribed pollution control equipment acquired by the corporation after May 17, 1989.

For more information contact the Ministry of Finance at (905) 837-3888.

Ontario Employer Health Tax Exemption

Provincial - Ministry of Revenue

http://www.rev.gov.on.ca/english/bulletins/ehf/frost_0404.html

- This tax exemption on stock option benefits is provided to research-intensive employers. The exemption will be available until 2009 provided that those benefits arise from employee stock options granted before May 18, 2004.
- For non-Canadian Controlled Private Corporations the exemption would be available on employee stock options granted before May 18, 2004 provided that the options are exercised after May 2, 2000 and on or before December 31, 2009.
- For Canadian Controlled Private Corporations under the *Income Tax Act (Canada)*, a taxable benefit is deemed to be received in the year in which the employee disposes of or exchanges

the shares. The exemption would be available on employee stock options granted before May 18, 2004, provided that the subject shares are disposed of or exchanged by the employee after May 2, 2000 and on or before December 31, 2009.

For more information contact the Ministry of Finance at 905-436-4535.

Ontario Innovation Tax Credit (OITC)

Provincial - Ontario Ministry of Revenue

<http://www.rev.gov.on.ca/english/credit/oitc/>

- This tax credit is available to small and medium sized corporations, for eligible expenditures on scientific research and experimental development (SR&ED) carried out in Ontario.
- Provides 10% refundable tax credit for qualifying public and private corporations having a permanent establishment in Ontario. The tax credit is calculated on qualifying expenditures made in the taxation year, with an annual maximum of \$3 million.
- Corporations are eligible to claim the full OITC where their Ontario taxable paid-up capital and federal taxable income in the preceding taxation year do not exceed \$25 million and \$400 000 respectively.
- The annual qualifying expenditure limit of \$3 million is progressively reduced for those corporations:
 - Whose Taxable Paid-up Capital or Adjusted Taxable Paid-up Capital in the preceding taxation year, is greater than \$25 million but less than \$50 million; and
 - Whose federal taxable income is more than \$400,000 but less than \$700,000 in the preceding taxation year.
- Expenditures for which the taxpayer is eligible for the SR&ED tax credit qualify for the Ontario Innovation Tax Credit.
- OITC is not restricted to Canadian-controlled private corporations.

For more information contact the Ontario Ministry of Finance at 1-800-262-0784.

Ontario Interactive Digital Media Tax Credit (OIDMTC)

Provincial - Ontario Media Development Corporation of the Ministry of Culture

<http://www.omdc.on.ca/Page3400.aspx>

- This is a refundable tax credit available to Canadian and foreign corporations for Ontario labour and marketing expenditures on interactive products.
- A qualifying small corporation doesn't have neither annual gross revenues in excess of \$20 million or total assets in excess of \$10 million during the preceding taxation year. Small companies developing original proprietary content are eligible for a 30% credit.
- Large companies or companies developing products under a fee-for-service model receive a 20% credit, and 25% credit for qualifying expenditures incurred after March 25, 2008.
- There is no limit on the amount of eligible Ontario labour expenditures which may qualify and there are no per project or annual corporate limits on the amount of the OIDMTC which may be claimed. Eligible marketing and distribution expenses are capped at \$100 000 per eligible product.
- To be eligible for the OIDMTC a product must be an interactive digital media product whose primary purpose is to educate, inform, or entertain, and that achieves its primary purpose by presenting information in at least two of: (i) text, (ii) sound and (iii) images.
- The tax credit is payable upon completion of the project. Labour expenditures are eligible if they were incurred in the 24 months prior to completion, and 36 months for products completed after March 25, 2008. Marketing expenditures must be completed in the 24 months prior and 12 months following the completion of the product to be eligible.

For more information contact the Ontario Media Development Corporation at (416) 314-6858 or taxcredits@omdc.on.ca.

Ontario New Technology Tax Incentive

Provincial - Ontario Ministry of Revenue

http://www.rev.gov.on.ca/english/bulletins/ct/ontti_frost_9812.html

- Tax incentive that allows a 100% immediate write-off of the eligible cost of qualifying intellectual properties acquired in the course of an intellectual property transfer.
- An intellectual property transfer is an acquisition of qualifying intellectual property by a corporation from an unrelated person for the purpose of implementing an innovation or an invention in the corporation's business that is carried on in Ontario.
- The expenditure limit for a taxation year is \$20 million.
- Intellectual Property does not include:
 - A property that is used primarily to earn rent or royalties;
 - A trademark, an industrial design, a copyright, or other similar property.

For more information contact the Ministry of Finance at (905) 433-6513.

Ontario Research Stock Option Credit (ORES0)

Provincial - Ministry of Revenue

<http://www.rev.gov.on.ca/english/credit/oreso/index.html>

- ORES0 is intended to help Ontario high technology companies attract and retain highly skilled research employees.
- ORES0 reduces or eliminates Ontario personal income tax arising from the exercise or disposition of stock options, granted to employees of research and development (R&D)-intensive companies, and capital gains arising from the sale of shares acquired through exercising eligible stock options.
- Eligible research employees of eligible R&D-intensive companies can receive a refund of their Ontario personal income tax on up to \$100 000 of taxable income each year up to and including the 2009 taxation year from taxable stock option benefits and taxable capital gains arising from the sale of shares acquired through exercising eligible stock options.
- The stock options must have been granted after December 21, 2000 and before May 18, 2004.
- An eligible stock option agreement is a stock option agreement that:
 - is entered into by an eligible employer or by a corporation that does not deal at arm's length with the eligible employer after December 21, 2000, and before May 18, 2004
 - provides for the sale or issue of shares to an individual who is an eligible employee of the eligible employer when they entered into the stock option agreement
 - is granted to an employee by virtue of his or her employment with the eligible employer, and
 - is not to replace a stock option agreement that was entered into on or before December 21, 2000.
- A company is eligible if the company:
 - is a corporation;
 - carries on business through a permanent establishment in Ontario, either by itself or as a member of a partnership, in a taxation year in which it enters into the stock option agreement;

- directly undertakes scientific research and experimental development (R&D) at a permanent establishment in Ontario, either by itself or as a member of a partnership, in the taxation year immediately preceding the year in which it enters into the stock option agreement; and
- incurs an amount of eligible expenditures of at least \$25 million or 10% of total revenue.

For more information contact the Ministry of Finance at 1-800 263-7965.

Ontario Retail Tax Exemption on R&D and Manufacturing Equipment

Provincial - Ontario Ministry of Revenue

http://www.reddi.gov.on.ca/financing_rd.htm

- R&D and manufacturing equipment used exclusively for R&D and/or for manufacturing is exempt from retail sales tax.

For more information contact the Ministry of Finance at (905) 433-6313.

Scientific Research and Experimental Development (SR&ED) Tax Credit

Federal - Canada Revenue Agency

<http://www.cra-arc.gc.ca/txcrdt/sred-rsde/menu-eng.html>

- The Scientific Research and Experimental Development (SR&ED) program is a federal tax credit program that encourage Canadian businesses of all sizes and in all sectors to conduct research and development (R&D) in Canada that will lead to new, improved, or technologically advanced products or processes.
- A Canadian-controlled private corporation (CCPC) can earn an investment tax credit (ITC) of 35% up to the first \$3 million of qualified expenditures for SR&ED carried out in Canada, and 20% on any excess amount. Other Canadian corporations, proprietorships, partnerships, and trusts can earn an ITC of 20% of qualified expenditures for SR&ED carried out in Canada.
- The ITC earned by a Canadian corporation that is not a CCPC is non-refundable, but may be used to reduce any taxes payable. The ITC earned by a proprietorship or certain trusts may be partially refunded after applying these tax credits against taxes payable.
- Claimants can apply for tax credits for expenditures such as wages, materials, machinery, equipment, some overhead, and SR&ED contracts.
- Work that qualifies for SR&ED includes:
 - experimental development to achieve technological advancement to create new materials, devices, products, processes, or improve existing ones;
 - applied or basic research to advance scientific knowledge with a specific practical application in view;
 - support work in engineering, design, operations research, mathematical analysis, computer programming, data collection, testing, or psychological research that supports experimental development or applied or basic research.
- Work that is not eligible for benefits includes:
 - social science and humanities research;
 - commercial production of a new or improved material, device, or product, or the commercial use of a new or improved process;
 - style changes;
 - market research or sales promotion;
 - quality control or routine testing of materials, devices, products, or processes;

- routine data collection;
- prospecting, exploring, or drilling for or producing minerals, petroleum, or natural gas; and
- development based solely on design or routine engineering practice.

For more information contact the local CRA tax services office. Ottawa: (613) 598-4090
 Toronto: (416) 973-1717 Hamilton: (905) 572-2650 Toronto West and Mississauga: 905-566-6010.

Other Incentives

Business Mentorship and Entrepreneurship Program (BMEP)

Provincial - MaRS, a Ministry of Research and Innovation supported organization

<http://www.marsdd.com/MaRS-Services/Business-Advisory-Services/entrepreneurs.html>

- This program is part of the \$46 million Market Readiness Program (MRP), launched in fall 2007.
- The program is designed to help entrepreneurs obtain the necessary management skills to take their new high-tech product or service through to the marketplace and consists of the following four elements:
 - a. Entrepreneur Training: offers peer-to-peer mentoring and training courses for entrepreneurs with varying levels of experience.
 - b. Business Mentorship: helps business managers in new, innovative companies to understand and solve specific business and technology development problems to take the company to the next stage of product development.
 - c. Global Network Program: build a national and international network of expatriate entrepreneurs and investors to support and invest in entrepreneurs and companies located in Ontario.
 - d. Angel Network: connects high-potential entrepreneurs with "angel investors", who provide both capital and valuable business expertise at the toughest stage of a company's growth. The program provides support to further develop angel networks across Ontario.

For more information contact Amie Sergas at (416) 673-8182

BizPaL

Federal & Provincial - Industry Canada and Service Ontario

http://www.bizpal.ca/index_e.shtml

- BizPaL helps companies generate a personalized list of the business documents needed for the levels of government - local, provincial/territorial, and federal – that they may have to deal with in order to grow or start up their businesses.
- It also helps businesses verify that they have all the correct permits and licences. BizPaL is designed to save businesses time and money and improve business planning.

For more information contact BizPaL at bizpal-perle@ic.gc.ca or bizpal@mqs.gov.on.ca.

Communications Research Centre Canada's Innovation Centre

Federal - CRC an Agency of Industry Canada

<http://www.crc.ca/en/html/crc/home/innovation/innovation>

- CRC Innovation Centre helps dynamic young Canadian companies develop their potential through on-site technology incubation.
- The centre is located in Ottawa's west end and offers:
 - office equipment and laboratory space at affordable rates;
 - more than 150 research scientists, engineers and technologists, all leading experts in their fields;
 - a sophisticated portfolio of patents and protected technologies ready for commercial exploitation;
 - unique testbeds;
 - business development assistance;
 - networking opportunities like direct links to universities and the centre's R&D partners;
 - and centralized support services.
- Canadian Corporations are eligible if they have: a specific need for CRC technology, expertise, or access to test beds, a business plan, a centre sponsor or mentor willing to support their proposal.
- A sponsor mentor may be found through consultation with the Communications Research Centre to see if there is a researcher working in a compatible R&D area.

For more information contact Marie Lussier at (613) 991-1635 or marie.lussier@crc.ca.

New Exporters to Border States (NEBS)

Provincial - Ministry of International Trade and Investment

http://www.ontarioexportsinc.com/oei/redirect.jsp?page=English/Preparing_To_Export/New_Export.html

- This program is a practical, hands-on introduction to the basics of exporting to the United States.
- Over two days at a U.S. entry point the program covers: new market opportunities, pricing, selecting agents and distributors, banking and legal considerations, warehousing and distribution, export financing and insurance, customs clearance procedures, provincial and federal government support.
- Participant firms must have been in business for at least a year and have a manufacturing or service base in Ontario.
- Workshops are regularly scheduled.

For more information contact Barbara St. Bernard at (416) 325-6665 or Barbara.st.bernard@ontario.ca.

Technology Transfer Office (TTO)

Federal - Communications Research Centre Canada (CRC) an Agency of Industry Canada

http://www.crc.ca/en/html/crc/home/tech_transfer/tech_transfer

CRC's Technology Transfer Office (TTO) is dedicated to commercializing the R&D that is generated in its world-class laboratories. This office is the primary point of contact for companies and that wish to acquire technologies and make use of expertise and facilities under various forms of collaborative agreements and license arrangements.

- TTO offers:
 - Innovative Technology and Prototype Development.
 - R&D Collaboration.
 - Unique R&D facilities and test beds.

- More than 90 inventions protected by more than 200 patents, available for licensing.
- An Innovation Centre for start-ups and other SMEs.
- Collaborative R&D opportunities are available in the following fields:
 - Advanced antennas
 - VLSI/ASICS/FPGA
 - Wireless Systems Engineering
 - Microwave integrated circuits, MMIC/MHMIC
 - Software Defined Radio
 - Audio quality testing
 - Video image processing
 - Optical components and devices.

For more information contact the Communications Research Centre at (613) 991-3313 or infor@crc.ca.