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PART II/PARTIE II

REVISED REGULATIONS OF SASKATCHEWAN/RÈGLEMENTS RÉVISÉS DE LA SASKATCHEWAN

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SASKATCHEWAN REGULATIONS 88/2025

The Summary Offences Procedure Act, 1990

Section 55

Order in Council 477/2025, dated November 12, 2025

(Filed November 12, 2025)

Title

1 These regulations may be cited as *The Summary Offences Procedure (Service re Certain Tickets) Amendment Regulations, 2025*.

RRS c S-63.1 Reg 2, section 17.1 amended

2 *The Summary Offences Procedure Regulations, 1991* are amended by adding the following subsection after subsection 17.1(2):

"(3) An offence notice or summons ticket served by ordinary mail pursuant to subsection (1) or (2):

(a) is deemed to have been sent to the address referred to on the certificate of offence, being one of the addresses as shown on any of the following:

(i) the records of the administrator as defined in *The Traffic Safety Act*;

(ii) any databases of driver or vehicle registration information outside of Saskatchewan to which the administrator mentioned in subclause (i) or the issuing peace officer has access;

(iii) any police databases to which the issuing peace officer has access; and

(b) is deemed to have been served on the tenth business day after the date of its mailing unless the person to whom it was mailed establishes that, through no fault of the person, the person did not receive the offence notice or summons ticket or received it at a later date**".**

Coming into force

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

SASKATCHEWAN REGULATIONS 89/2025

The Small and Medium (SME) Investment Tax Credit Act

Section 50

Order in Council 478/2025, dated November 12, 2025

(Filed November 12, 2025)

Title

1 These regulations may be cited as *The Small and Medium Enterprise Investment Tax Credit Regulations*.

Definitions and interpretation

2(1) In these regulations:

"Act" means *The Small and Medium Enterprise (SME) Investment Tax Credit Act*;

"applicant" means a business that applies to the minister pursuant to section 4 of the Act;

"associate", if used to indicate a relationship with a person, means:

(a) a corporation of which the person owns, directly or indirectly, shares carrying 10% or more of the voting rights for the election of the directors of the corporation;

(b) a partner of the person;

(c) a participant in a joint venture with the person;

(d) a trust or estate:

(i) in which the person has, in the opinion of the minister, a substantial beneficial interest; or

(ii) for which the person serves as trustee or in a similar capacity;

(e) a spouse, parent, grandparent, child, grandchild or sibling of the person; or

(f) a parent, grandparent, child, grandchild or sibling of the spouse of the person, residing in the same residence as the person;

"eligible sector" means an eligible sector as described in section 4;

"guidelines" means *The Small and Medium Enterprise Investment Tax Credit Program Guide* adopted pursuant to section 3;

"number of employees" means the total of:

(a) the number of full-time employees of the applicant, as evidenced by the applicant to the satisfaction of the minister; and

(b) the number of full-time equivalent employees of the applicant, as calculated pursuant to subsection (6).

(2) For the purposes of the Act and these regulations:

"beverage manufacturing" means the production, formulation, blending or packaging of beverages intended for human consumption, and includes, without limitation:

(a) the brewing, distilling, fermenting, blending or bottling of alcoholic or non-alcoholic beverages; and

(b) the production of intermediate beverage bases, concentrates or syrups for further processing;

but does not include:

(c) retail operations, such as bars, pubs, taprooms or tasting rooms;

(d) the manufacturing of cannabis or other controlled-substance beverages; or

(e) activity such as distribution, storage or retail at or from a facility if that activity is the primary activity at the facility without a manufacturing component;

"food manufacturing" means the processing or transformation of agricultural, aquatic or animal product into edible food goods intended for sale or further distribution, and includes, without limitation:

(a) the manufacture, blending, preservation, cooking or packaging of bakery, confectionery, dairy, meat, grain, fruit or vegetable products; and

(b) the processing of raw food materials into intermediate or finished products for consumption or for use in further manufacturing;

but does not include:

(c) retail or food service operations, including restaurants, retail bakeries or food service operators;

(d) cannabis-based food product processing facilities;

(e) activity such as cleaning, bagging, handling or storing unprocessed agricultural or aquatic products at a facility if that activity is the primary activity at the facility without a manufacturing component;

"machinery manufacturing" means the production, fabrication or assembly of machinery, equipment or mechanical systems designed for agricultural, construction, mining, commercial and service industry purposes, and includes, without limitation:

(a) the manufacture of engines, turbines, pumps, compressors and power transmission equipment;

(b) the manufacture of ventilation, heating, air-conditioning and commercial refrigeration equipment; and

(c) the assembly or fabrication of new machinery or components intended for industrial or commercial purposes;

but does not include:

(d) the repair, maintenance, rebuilding or refurbishment of existing machinery or equipment; or

(e) retail, wholesale or service operations related to machinery maintenance or sales;

"transportation equipment manufacturing" means the design, assembly or production of vehicles, parts or components used in the transportation of goods or people, and includes, without limitation:

(a) the manufacture or assembly of motor vehicles, trailers, buses, rail equipment, aircraft, marine and aerospace vessels; and

(b) the manufacture of engines, drivetrains, frames, trailers or other core transportation components;

but does not include:

(c) the repair, modification or customization of vehicles or equipment for resale or individual use;

(d) the fabrication of generic metal or structural components not specific to a transportation system; or

(e) retail, wholesale or service operations related to vehicle maintenance or sales.

(3) For the purposes of the Act and these regulations, a person is an eligible investor if:

(a) the person is an accredited investor within the meaning of National Instrument 45-106, as adopted pursuant to *The Securities Commission (Adoption of National Instruments) Regulations*; and

(b) in the case of:

(i) an individual, subsection 6(1) of *The Income Tax Act, 2000* applies to the person;

(ii) a corporation, subsection 54(1) of *The Income Tax Act, 2000* applies to the corporation;

(iii) a limited partnership, subsections (4) and (5) and sections 12, 13, 21 and 24 apply to the limited partnership, its limited partners and general partner, as the case may be.

(4) Subject to subsection (5), in the case of an eligible investment made by a limited partnership:

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

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

(5) For the purposes of subclause 6(1)(a)(ii) of the Act, in the case of the purchase of equity shares by a limited partnership, each of the limited partners or the general partner, as the case may be, is deemed to be the eligible investor for the amount calculated in accordance with clause (4)(a).

(6) For the purposes of clause (b) of the definition of "number of employees" in subsection (1):

(a) the minister shall convert the number of permanent, part-time employees to the full-time equivalent for the purposes of that definition, in any manner the minister considers appropriate, based on evidence that is:

(i) provided by an applicant; and

(ii) otherwise satisfactory to the minister;

(b) if the minister determines that the applicant has arranged to have persons performing work or services for the applicant under any arrangement that is not a contract of employment for the purposes of meeting the requirements of section 5, the minister may deem those persons to be full-time equivalent employees; and

(c) if the minister makes a determination pursuant to clause (b), the minister shall:

(i) give notice of that determination to the applicant to which that determination applies; and

(ii) provide the applicant with an opportunity to make representations respecting the minister's determination.

Adoption of guidelines

3(1) *The Small and Medium Enterprise Investment Tax Credit Program Guide* published by the Ministry of Trade and Export Development, as amended from time to time, are adopted.

(2) The minister shall cause the guidelines to be made public in any manner the minister considers appropriate, including publishing them on the ministry's website.

Eligible sector

4 For the purposes of subsection 4(2) of the Act, an applicant must carry on business in one or more of the following sectors:

(a) food manufacturing;

(b) beverage manufacturing;

(c) machinery manufacturing;

(d) transportation equipment manufacturing.

Eligibility requirements re number of employees

5(1) For the purposes of subsection 4(2) of the Act, a business must:

(a) have a permanent establishment in Saskatchewan within the meaning of *The Income Tax Act, 2000*; and

(b) subject to subsection (2), have a number of employees of at least 5 and no more than 49.

(2) At least 50% of the employees mentioned in clause (1)(b) must reside in Saskatchewan.

Registration requirements – eligible business

6(1) For the purposes of the minister's determination regarding whether the applicant is to be registered as an eligible business in accordance with section 4 of the Act, the applicant must provide:

(a) its business plan, if available, or other documentation that describes the applicant's business strategy in sufficient detail to allow the minister to assess the applicant's eligibility;

(b) a copy of its most recent:

(i) annual financial statements, if any; and

(ii) financial forecast, if any;

(c) evidence that the applicant has a permanent establishment in Saskatchewan;

(d) if available, a copy of its most recent income tax return and the notice of assessment issued by the Canada Revenue Agency for the taxation year for which that return was filed;

(e) a statement of the amount of equity capital to be raised by the applicant by issuing equity shares;

(f) a description of its proposed use of the equity capital raised;

(g) a statement certifying that the applicant is an eligible small business according to the requirements set out in sections 4 and 5;

(h) a statement, signed by an officer of the applicant, attesting to the completeness and accuracy of the information provided in the application and the accompanying documents; and

(i) any additional information, undertakings or documents that the minister considers necessary to determine or verify the applicant's eligibility to issue shares as eligible investments.

(2) The minister shall reject an application if the minister is satisfied that the applicant has failed to comply with any of the requirements of subsection (1).

(3) The minister may, in the minister's sole discretion, determine whether the business carried on by the applicant is in an eligible sector, if doubt exists in that regard.

Register of eligible business

7 The register mentioned in section 5 of the Act must contain the following information with respect to each eligible business:

(a) the corporate name of the eligible business;

(b) the address and contact information of the eligible business;

(c) a description, in summary form, of the information provided by the eligible business pursuant to clause 6(1)(a);

(d) the amount of equity capital that the eligible business intends to raise;

(e) the current number of employees and the percentage of those employees employed in Saskatchewan;

(f) the names of and contact information for the incorporators and officers of the eligible business.

Ineligible investments re section 6 of the Act

8(1) For the purposes of subclause 6(1)(a)(iii) of the Act, an investment is an eligible investment if the equity shares issued do not:

(a) create a debt between the holder or beneficial owner of the equity shares and any person;

(b) reduce the impact of any loss the holder or beneficial owner sustains in holding or disposing of the equity shares; or

(c) require the eligible business to repurchase the shares before the expiry of 3 years after the date of the investment.

(2) For the purposes of clause (1)(a), an investment is deemed to have created a debt if any person is required:

(a) to repurchase the equity shares before the expiry of 3 years after the date of the investment; or

(b) to repay the amount of the investment, including any interest, penalty, fee or other charge with respect to that amount, before the expiry of 3 years after the date of the investment.

(3) For the purposes of clause (1)(b), an investment is deemed to have reduced the impact of any loss the holder or beneficial owner sustains in holding or disposing of the equity shares if any person is required to repurchase the shares or pay any interest, penalty, fee or other charge with respect to the amount of the investment before the expiry of 3 years after the date of the investment.

Minimum investment thresholds

9 For the purposes of clause 6(1)(b) of the Act, the minimum investment threshold is:

(a) $25,000 for an individual; and

(b) $50,000 for a corporation.

Limits on equity capital

10 For the purposes of subsection 7(1) of the Act, an eligible business must not raise equity capital in excess of $4,000,000.

Related persons re section 8 of the Act

11 For the purposes of subsection 8(1) of the Act, an eligible investor must not make or hold an investment in an eligible business in conjunction with any related persons within the meaning of subsections 251(2) to (6) of the *Income Tax Act* (Canada).

Control of eligible business re limited partnership

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

Maximum annual investment re limited partnership

13(1) For the purposes of subsection 9(2) of the Act, in the case of an eligible investment made by a limited partnership, the maximum annual investment set out in that subsection for which a tax credit certificate may be issued is to be applied with respect to each limited partner.

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

Issuance of tax credit certificates – conditions to be met

14(1) Before issuing a tax credit certificate to eligible investors pursuant to subsection 10(1) of the Act, the minister must be satisfied that the following conditions with respect to the eligible business in which the eligible investors have invested have been met:

(a) the eligible business has been registered in accordance with section 4 of the Act;

(b) the eligible business' equity capital has been raised in accordance with section 6 of the Act and does not exceed the limit set out in section 10 of these regulations;

(c) each of the eligible investors in the eligible business acquired the equity shares in accordance with section 7 of the Act;

(d) no tax credit certificate has previously been issued with respect to the equity shares mentioned in clause (c);

(e) the equity capital that is the subject of the application for the tax credit certificate:

(i) is not an eligible investment as defined in *The Labour-sponsored Venture Capital Corporations Act* with respect to which a tax credit has been allowed pursuant to that Act; and

(ii) is not an eligible investment as defined in *The Saskatchewan Technology Start-up Incentive Act* with respect to which a tax credit certificate has been issued or applied for pursuant to that Act;

(f) the eligible business and eligible investors have otherwise complied with the Act and these regulations;

(g) any other reasonable conditions that the minister considers appropriate with respect to the issuing of, and amounts on, the tax credit certificates.

(2) The minister may cause the conditions mentioned in clause (1)(g) to be posted on the ministry's website and to be made known to the public in any other manner that the minister considers appropriate.

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

(a) the names of the general partner and each limited partner in the limited partnership;

(b) a declaration of limited partnership, including the capital contributions and ownership interests of all of the limited partners;

(c) a declaration stating that the limited partners who have made eligible investments are accredited investors as described in clause 2(3)(a);

(d) a copy of the executed limited partnership agreement; and

(e) the amount of each limited partner's eligible investment calculated in accordance with clause 2(4)(a).

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

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

Tax credit certificate not to be issued to general partner

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

Money forgone by tax credit

16(1) In this section, **"fiscal year"** means the period commencing on April 1 in one year and ending on March 31 in the following year.

(2) For the purposes of section 11 of the Act, the maximum amount of money that may be forgone by tax credit is $7,000,000 for each of the 2025-26, 2026-27 and 2027-28 fiscal years.

Prohibited use of funds

17(1) For the purposes of section 12 of the Act, an eligible business must not use equity capital for any of the following purposes:

(a) lending;

(b) purchasing real property, unless the purchase is ancillary to manufacturing and processing scale-up;

(c) depositing in a high interest savings account;

(d) acquiring Guaranteed Investment Certificates;

(e) acquiring or trading in securities not otherwise permitted by the Act or these regulations;

(f) purchasing goods or services from the eligible business' eligible investors, affiliates or other related persons, other than goods or services purchased at fair market value;

(g) paying a debt obligation, unless that payment is considered necessary by the minister for the financial viability of the eligible business;

(h) subject to subsection 22(1), purchasing or redeeming previously-issued shares of the eligible business or its affiliates within 3 years after the date of issue of the equity shares;

(i) paying dividends;

(j) research and development;

(k) retiring any part of a liability to a shareholder of the eligible business or one of its affiliates, or a liability to a shareholder's associate or affiliate;

(l) funding all or part of the purchase by the eligible business of any of the assets of a proprietorship, partnership, joint venture, trust or corporation at a price that is greater than the fair market value of the assets purchased.

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

Permitted transfer of equity shares

18(1) In this section:

(a) **"registered retirement income fund"** means a registered retirement income fund as defined in section 146.3 of the *Income Tax Act* (Canada);

(b) **"registered retirement savings plan"** means a registered retirement savings plan as defined in section 146 of the *Income Tax Act* (Canada);

(c) **"tax-free savings account"** means a tax-free savings account within the meaning of section 146.2 of the *Income Tax Act* (Canada).

(2) For the purposes of subsection 14(1) of the Act, an eligible business may transfer an equity share mentioned in that subsection within 3 years after the date of issue in any of the following circumstances:

(a) the shareholder is insolvent;

(b) the shareholder transfers the equity share to the shareholder's:

(i) tax-free savings account or registered retirement savings plan, but only if the equity share is a qualified investment with respect to the tax-free savings account or registered retirement savings plan; or

(ii) registered retirement income fund, but only if:

(A) the equity share is a qualified investment with respect to the registered retirement income fund; and

(B) the shareholder is no longer eligible to contribute to a registered retirement savings plan;

(c) the shareholder directs a transfer of the equity share to a spousal registered retirement savings plan;

(d) the shareholder is deceased and the personal representative of the shareholder's estate requests a transfer of the equity share to the estate or a named beneficiary;

(e) the eligible business initiates a share exchange, share right or share reorganization as a result of an acquisition or amalgamation that keeps the substantive operations of the eligible business in Saskatchewan.

Revocation of registration – payment of interest

19(1) For the purposes of subsection 15(1) of the Act, the rate of interest per annum with respect to the payment by an eligible business of an amount equal to the aggregate of all the amounts of tax credit certificates previously issued to the business is the rate equal to the sum of:

(a) the prime lending rate of the bank holding the general revenue fund as determined and adjusted in accordance with this section; and

(b) 3%.

(2) The interest rate set out in this section is to be determined on June 15 and December 15 in each year and:

(a) the interest rate as determined on June 15 applies to interest on the aggregate amount mentioned in subsection (1) accruing from July 1; and

(b) the interest rate as determined on December 15 applies to interest on the aggregate amount mentioned in subsection (1) accruing from January 1 of the following year.

(3) Interest payable pursuant to subsection (1) is payable for the period commencing on the day that is 21 days after the day on which the minister revoked the registration of the eligible business pursuant to section 13 of the Act and ending on the day on which the amount owing pursuant to that subsection is received by the minister responsible for the administration of *The Income Tax Act, 2000*.

Payment of lesser amount re subsection 15(2) of the Act

20 For the purposes of subsection 15(2) of the Act, the circumstances in which the minister responsible for the administration of *The Income Tax Act, 2000* may specify an amount to be paid by an eligible business that is less than the amount determined in accordance with subsection 15(1) of the Act are as follows:

(a) the eligible business has conducted its business and affairs in a manner consistent with the Act;

(b) the equity share issued by the eligible business was not redeemed, acquired or cancelled for at least 12 months.

Repayment of tax credit – limited partnerships

21(1) For the purposes of subsection 18(2) of the Act, in the case of an eligible investment made by a limited partnership, **"equity share"** includes an interest in that limited partnership with respect to which the person is an eligible investor as of the date on which that eligible investment was made.

(2) For the purposes of subsection 18(2) of the Act, in the case of an eligible investment made by a limited partnership, the eligible investor is:

(a) if the limited partnership disposes of the equity share in the eligible business, each limited partner to the extent of that limited partner's proportionate share in the eligible investment, as calculated in accordance with clause 2(4)(a); or

(b) if a limited partner disposes of an interest in the limited partnership with respect to which the person is an eligible investor, that limited partner.

Exceptions to requirement to repay tax credit, payment of interest re section 18 of the Act

22(1) An eligible business may redeem, acquire or cancel an equity share issued pursuant to the Act within 3 years after the date of issue of the equity share without being required to pay the minister responsible for the administration of *The Income Tax Act, 2000* as required by subsection 18(1) of the Act, if:

(a) the shareholder is insolvent; or

(b) the shareholder is deceased and the personal representative of the shareholder's estate consents to the redemption, acquisition or cancellation by the eligible business of the equity share, as the case may be, as a reasonable method of carrying out the personal representative's responsibilities with respect to the winding-up of the estate.

(2) For the purposes of subsection 18(3) of the Act, the interest payable on any amounts that must be paid to the minister responsible for the administration of *The Income Tax Act, 2000* is to be calculated in accordance with subsection 67.3(13) of that Act.

Annual return

23(1) For the purposes of subsection 19(1) of the Act, an eligible business' annual return must be accompanied by all of the following:

(a) a copy of the securities register of the eligible business;

(b) a copy of the most recent financial statements of the eligible business, prepared in accordance with subsection (2);

(c) a copy of the most recent annual return of the eligible business filed with the Registrar of Corporations pursuant to section 14-1 of *The Business Corporations Act, 2021*.

(2) The financial statements mentioned in clause (1)(b) must be:

(a) prepared in accordance with generally accepted accounting principles published by Chartered Professional Accountants of Canada, as amended from time to time; and

(b) reviewed by a member in good standing of a recognized accounting profession that is regulated by an Act.

Annual return – limited partnerships

24(1) Within 6 months after its fiscal year end, a limited partnership that is an eligible investor must prepare an annual return in a form approved by the minister and file the return with the minister, accompanied by the following information:

(a) the amount of capital raised by the limited partnership;

(b) the aggregate value, at cost, of investments in eligible businesses made by the limited partnership and the names of those eligible businesses;

(c) whether any fees or remuneration were paid to the general partner or limited partners of the limited partnership or to any associate or affiliate of any of them by an eligible business in which the limited partnership made an eligible investment;

(d) whether the declaration of limited partnership was amended in a manner that changed the structure of the limited partnership or altered any rights or restrictions attached to any interests of the limited partnership;

(e) the amount of all dividends received by the limited partnership or limited partners with respect to an eligible investment made by the limited partnership in an eligible business;

(f) whether the limited partnership sold or disposed of equity shares in an eligible business in which it made an eligible investment;

(g) whether the sale or disposal of shares mentioned in clause (f) was reported to the minister;

(h) in relation to the sale or disposal of shares mentioned in clause (f) that was not reported to the minister:

(i) the name of each eligible business whose shares were sold or disposed of; and

(ii) the date of the sale or disposal;

(i) whether a limited partner disposed of its interest in the limited partnership;

(j) whether the disposal of an interest mentioned in clause (i) was reported to the minister;

(k) in relation to the disposal of an interest mentioned in clause (i) that was not reported to the minister:

(i) the name of each limited partner who disposed of an interest; and

(ii) the date of each disposal.

(2) A limited partnership's annual return pursuant to subsection (1) must be accompanied by an updated declaration of limited partnership, including the capital contributions made by, and ownership interests of, each of the limited partners in the relevant fiscal year.

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

Power to require information or material – limited partnerships

25(1) At any time, the minister may require a limited partnership to provide the minister with any information or material the minister reasonably requires for the purposes of the Act or these regulations.

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

Requirements for registration of a venture capital corporation

26(1) For the purposes of subsection 20(2) of the Act, a venture capital corporation must meet the following requirements:

(a) it must have mechanisms in place satisfactory to the minister to track the investments in eligible businesses made on behalf of its shareholders for the purposes of tax credit issuance;

(b) it must have a share structure consisting of one or both of the following:

(i) common shares having no special rights or restrictions;

(ii) common shares having special rights relating only to the redemption of the shares by the corporation.

(2) If an existing corporation intends to be registered as a venture capital corporation, and for that purpose establishes a separate fund for the purposes of raising funds to invest in eligible businesses, the corporation must have articles that restrict the business of the separate fund to assisting the development of eligible businesses by providing business and managerial expertise to eligible businesses in which the corporation has made or proposes to make an eligible investment.

Register of venture capital corporations

27 For purposes of subsection 21(3) of the Act, the register of venture capital corporations must contain the following information with respect to each venture capital corporation on the register:

(a) its legal name;

(b) the date on which it was registered pursuant to Part 3 of the Act;

(c) the physical address of its registered office, consisting of one of the following:

(i) the street address of the registered office, if any;

(ii) if there is no street address, a legal land description of the land on which the registered office is located, including the rural municipality name and number;

(d) the mailing address of its office, if different from the physical address;

(e) its principal place of business;

(f) its email address;

(g) the name, title of office held and contact information for each of the venture capital corporation's officers.

Requirements for venture capital corporations

28(1) For the purposes of subsection 23(1) of the Act, a venture capital corporation:

(a) must maintain its share structure in accordance with clause 26(1)(b); and

(b) must not, in a given year, apply to the minister pursuant to section 30 of the Act for tax certificates representing more than 33% of the total funds available for tax credits pursuant to the Act.

(2) For the purposes of subsection 23(2) of the Act, a share certificate issued by a venture capital corporation must state the following information:

(a) the percentage of the venture capital corporation's equity represented by the share, based on the total number of shares issued by the venture capital corporation;

(b) that the equity shares that are the subject of the share certificate have been issued pursuant to, and the venture capital corporation issuing the share certificate is subject to, the Act.

Investment for certain purposes prohibited

29 For the purposes of subsection 25(1) of the Act, a venture capital corporation must not make or hold an investment in an eligible business if all or part of the proceeds of that investment are directly or indirectly used or intended to be used by the eligible business for any of the following:

(a) lending;

(b) purchasing real property, unless the purchase is ancillary to manufacturing and processing scale-up;

(c) depositing in a high interest savings account;

(d) acquiring Guaranteed Investment Certificates;

(e) acquiring or trading in securities not otherwise permitted by the Act or these regulations;

(f) purchasing goods and services from the venture capital corporation, other than goods or services purchased at fair market value;

(g) paying a debt obligation, unless that payment is considered necessary by the minister for the financial viability of the eligible business;

(h) subject to subsection 22(1), purchasing or redeeming previously issued shares of the eligible business or its affiliates within 3 years after the date of issue of the equity shares;

(i) retiring any part of a liability to a shareholder of the eligible business or one of its affiliates or a liability to a shareholder's associate or affiliate;

(j) paying dividends;

(k) research and development;

(l) funding all or part of the purchase by the eligible business of any of the assets of a proprietorship, partnership, joint venture, trust or corporation at a price that is greater than the fair market value of the assets purchased.

Prohibitions re control of eligible businesses by venture capital corporations

30 For the purposes of subsection 26(1) of the Act, the prohibition with respect to investments in eligible businesses applies to related persons within the meaning of subsections 251(2) to (6) of the *Income Tax Act* (Canada).

Prohibitions re non-arm's length investments

31(1) For the purposes of subsection 27(1) of the Act, a venture capital corporation must not make or hold an investment in an eligible business if any of the shares of the venture capital corporation are held by:

(a) a major shareholder of the eligible business;

(b) an associate of a major shareholder of the eligible business;

(c) a voting trust for which the trustee votes shares of the eligible business; or

(d) the eligible business or an associate or affiliate of the eligible business.

(2) For the purposes of subsection 27(2) of the Act, a related person is a related person within the meaning of subsections 251(2) to (6) of the *Income Tax Act* (Canada).

Tax credit certificates

32 For the purposes of subsection 30(3) of the Act, the minister shall issue a tax credit certificate if the minister is satisfied that all of the following requirements have been met:

(a) the venture capital corporation is complying with the Act and these regulations;

(b) no tax credit certificate pursuant to that subsection has been previously issued with respect to the shares of the shareholders of the venture capital corporation;

(c) the equity capital that is the subject of the application for the tax credit certificate:

(i) is not an eligible investment as defined in *The Labour-sponsored Venture Capital Corporations Act* with respect to which a tax credit has been allowed pursuant to that Act; and

(ii) is not an eligible investment as defined in *The Saskatchewan Technology Start-up Incentive Act* with respect to which a tax credit certificate has been issued or applied for pursuant to that Act;

(d) the shareholder mentioned in subsection 30(1) of the Act acquired the shares directly from the venture capital corporation or its agent acting on its behalf;

(e) the shareholder mentioned in subsection 30(1) of the Act, if an individual, was resident in Saskatchewan on the date on which the shareholder subscribed for the shares.

Interest on repayment of tax credit amounts – venture capital corporations

33 For the purposes of subsection 31(3) of the Act, section 19 of these regulations applies, with any necessary modification.

Liability to repay tax credits

34 A venture capital corporation is liable to pay the minister responsible for the administration of *The Income Tax Act, 2000* pursuant to section 33 of the Act if it fails to notify the minister within 30 days after:

(a) it ceases to maintain a permanent establishment, as defined in *The Income Tax Act, 2000*;

(b) it changes its registered office pursuant to *The Business Corporations Act, 2021*;

(c) it acquires a different or additional place of business or permanent establishment, as defined in *The Income Tax Act, 2000*, in Saskatchewan or elsewhere;

(d) it changes its fiscal year end;

(e) it directly or indirectly acquires, redeems or cancels one of its own shares; or

(f) it fails to comply with section 23, 24, 25, 26 or 27 of the Act.

Revocation or suspension of registration of a venture capital corporation

35 In addition to the circumstances set out in clauses 34(1)(a) to (d) of the Act, the minister may suspend or revoke the certificate of registration of a venture capital corporation if:

(a) the venture capital corporation has been ordered by a court of competent jurisdiction to dissolve or otherwise wind up its business and affairs;

(b) the venture capital corporation is insolvent; or

(c) the shareholders of the venture capital corporation pass a resolution to dissolve or otherwise wind up its business and affairs.

Annual return

36 For the purposes of section 35 of the Act, a venture capital corporation's annual return with respect to the preceding fiscal year must be accompanied by a statement respecting all of the following, pertaining to the venture capital corporation's activities pursuant to the Act and these regulations:

(a) the amount of equity capital raised by the venture capital corporation;

(b) the aggregate value at cost of investments made by the venture capital corporation, the name of each eligible business the shares of which the venture capital corporation sold and the value at cost of those shares;

(c) the aggregate amount of expenses incurred by the venture capital corporation and the amount paid as management fees;

(d) whether any fees or remuneration were paid to the shareholders, officers or directors of the venture capital corporation or to any associate or affiliate of any of them by an eligible business in which the venture capital corporation made an eligible investment;

(e) whether the articles of the venture capital corporation were amended in a manner that changed the share structure of the venture capital corporation or altered any rights or restrictions attached to any share of the venture capital corporation;

(f) the amount of all dividends received by the venture capital corporation with respect to an eligible investment made by it in an eligible business;

(g) whether the venture capital corporation redeemed any of its shares;

(h) whether a share redemption mentioned in clause (g) was reported to the minister;

(i) in relation to a share redemption mentioned in clause (g) that was not reported to the minister:

(i) the name of each investor whose shares were redeemed;

(ii) the date of each redemption;

(iii) the number of shares redeemed in each redemption;

(iv) the investor's cost of each share redeemed in each redemption; and

(v) the consideration paid by the venture capital corporation with respect to the redemption;

(j) whether the venture capital corporation paid any expenses to any person or group of persons who, on the date on which the payment was made, directly or indirectly controlled the venture capital corporation.

Release of information, etc. re section 49 of the Act

37(1) For the purposes of section 49 of the Act, returns, records or information submitted by an eligible business, an eligible investor, or a venture capital corporation may be disclosed by the ministry to another government institution within the meaning of *The Freedom of Information and Protection of Privacy Act*:

(a) for the purposes of determining the eligibility of an applicant as an eligible business;

(b) for the purposes of verifying the accuracy of business information of the applicant as an eligible business;

(c) for the purposes of calculating or varying the amount to be included on a tax credit certificate issued to an eligible investor;

(d) for the purposes of collecting a debt or assisting in the collection of a debt, including interest, owing to the Crown in right of Saskatchewan or a government institution within the meaning of *The Freedom of Information and Protection of Privacy Act*;

(e) for the purposes of protecting against, or for the prevention, detection or suppression of, fraud, market manipulation or unfair trading practices;

(f) for the purposes of investigating any amalgamation of corporations;

(g) for the purposes of investigating any parent-subsidiary corporate structure;

(h) for the purposes of determining whether an applicant as an eligible business is carrying on business in an eligible sector and, if so, meets the requirements of section 5 with respect to the number of employees;

(i) for a use consistent with the purposes of the Act; and

(j) for the purposes of planning, evaluating and facilitating the incentive program as authorized by the Act and these regulations.

(2) Without limiting the generality of subsection (1) but subject to subsection (3), the minister may disclose to and receive from all or any of the following any information necessary to confirm that there is no duplication in tax credits for which an eligible investor may be entitled:

(a) the minister responsible for the administration of sections 67.2 and 67.3 of *The Income Tax Act, 2000*;

(b) the minister responsible for the administration of *The Saskatchewan Technology Start-up Incentive Act*.

(3) For the purposes of subsection (2), information that may be disclosed or received does not include the information mentioned in clauses 67.2(3)(a) and (b) and 67.3(3)(a) and (b) of *The Income Tax Act, 2000*.

Provision of records

38(1) If the minister receives a request from any person for a copy of any of the following information respecting any business, investor, venture capital corporation or any other person who has an interest affected by the Act or these regulations and considers it appropriate and in the public interest to do so, the minister may, on any terms that the minister considers appropriate, provide that information to that person:

(a) the number of tax credit certificates issued;

(b) the minimum and maximum amounts contained in the tax credit certificates mentioned in clause (a);

(c) the average amount contained in the tax credit certificates mentioned in clause (a).

(2) Subject to section 7, information respecting the names of any of the persons mentioned in subsection (1) is not to be disclosed.

Coming into force

39(1) Subject to subsection (2), these regulations come into force on the day on which section 1 of *The Small and Medium Enterprise (SME) Investment Tax Credit Act* comes into force.

(2) If these regulations are filed after the day on which section 1 of *The Small and Medium Enterprise (SME) Investment Tax Credit Act* comes into force, these regulations come into force on the day on which they are filed with the Registrar of Regulations.

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