



# DIRECT EQUITY TAX CREDIT

- APPLICATION FORM -  
CERTIFICATION OF A CORPORATION

## PART A - Identification

CORPORATE NAME: \_\_\_\_\_

CORPORATE INCOME TAX ACCOUNT #: \_\_\_\_\_

MAILING ADDRESS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_  
TELEPHONE: ( ) \_\_\_\_\_  
FACSIMILE: ( ) \_\_\_\_\_  
E-MAIL ADDRESS: \_\_\_\_\_

## PART B - Application Information

1. The Proposed Share Offering meets all of the following (True/False) \_\_\_\_\_
  - new common voting shares issued after October 30, 2000;
  - non-redeemable and non-convertible;
  - not restricted in profit sharing or participation upon dissolution;
  - other than the RRSP program, not eligible for other credits or deductions; and
  - to be fully paid for in cash.
  
2. Issuances under the Proposed Share Offering will not be placed with individual/corporate investors who have disposed of shares of the applicant business after March 22, 2000 / March 27, 2003 and before the specified share issuance (True/False) \_\_\_\_\_
  
3. The applicant corporation (True/False) \_\_\_\_\_
  - is a Canadian controlled corporation and is not a publicly traded corporation;
  - has a permanent establishment in Newfoundland and Labrador;
  - has less than \$20 million in assets, including associated corporations;
  - will utilize in the province all of the capital raised from the specified issuance;
  - has no more than 50 full time equivalent positions;
  - has at least \$25,000 of either or both of shareholder equity and shareholder loans before applying for certification; and
  - is engaged in, and will utilize funds for, qualifying activities.
  
4. The corporation is not primarily engaged in, and does not intend to use funds raised under this program for, the following (True/False) \_\_\_\_\_
  - wholesale;
  - retail;
  - food and beverage services;
  - real estate marketing and development;
  - oil and gas development and production;
  - mineral resource exploration and extraction;
  - financial services; and
  - fish harvesting and primary fish processing (except processing of underutilised species as designated by the Minister).
  
5. How much capital is anticipated to be raised with the specified share issuance? \_\_\_\_\_
  
6. Certification would be for only three months. Over what three month period is it intended that the corporation would raise this capital? \_\_\_\_\_

7. Funds raised will not be used for any of the following purposes (True/False)\_\_\_\_\_
- lending;
  - paying dividends;
  - the purchase or redemption of shares;
  - the payment of debt, debt reduction or refinancing an existing debt;
  - the purchase of all or part of a business as a going concern;
  - the purchase of all or substantially all of the assets of a previously existing proprietorship, partnership, joint venture, trust or company, except where that firm is in receivership or bankruptcy; and
  - the purchase of assets or services by the eligible business for a price greater than fair market value.
8. Is the proposed offering in compliance with the Securities Commission of Newfoundland (Yes/No)? \_\_\_\_\_

### **PART C - Inclusions**

Please attach the following information with this application :

- names and addresses of all directors of the corporation;
- copy of the certificate of incorporation;
- financial statements for the most recent year end of the corporation and all associated corporations together with a review engagement report or auditor's report;
- income tax returns and schedules for the preceding taxation year for the corporation and all associated corporations;
- the amount to be raised by the specified issue;
- detailed description of the proposed business activities;
- detailed description of the proposed use of funds raised; and
- the proposed locations for the utilization of funds

### **PART D - Information Returns**

Eligible businesses shall file financial statements, as required by the Minister. Upon request, eligible businesses shall supply information confirming the use or disposition of capital raised under the Direct Equity Tax Credit program, to ensure compliance with requirements such as qualifying business activities and prohibited uses of funds. Eligible businesses shall also provide a detailed status report of shareholdings for five years after specified share issuances.

### **PART E - Disclaimer**

The Province of Newfoundland and Labrador in no way guarantees the value of any shares issued by an eligible business. Nor does it in any way express an opinion as to the financial condition of the issuing company or the merits of an investment in shares of the issuing company.

### **PART F - Certification**

I have read and understand the disclaimer in Part E. I certify that I am an authorized officer of the applicant company and that the information contained in this application and its attachments is true and correct to the best of my knowledge and belief. I hereby consent on behalf of the applicant for the Department of Finance to provide to the Securities Commission of Newfoundland any information contained in this application.

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

#### **Regulations on Internet:**

<http://www.gov.nl.ca/hoa/regulations/rc010026.htm>

#### **Please submit application and related information to:**

Government of Newfoundland and Labrador  
Department of Finance  
Tax Administration Division  
P. O. Box 8700  
St. John's, NL, A1B 4J6