

Eligibility certificate application Tax Holiday for Foreign Experts

For administrative use only

Date of receipt _____

File number _____

This tax holiday application form must be filled out and signed by the employer's official representative and the original forwarded to the Ministère du Développement économique, de l'Innovation et de l'Exportation at the following address:

The **Employer's Guide Applying for an Eligibility Certificate** lays down the main conditions for eligibility and for issuance of the eligibility certificate.

The Ministère du Développement économique, de l'Innovation et de l'Exportation is subject to the Act respecting Access to Documents Held by Public Bodies and the Protection of Personal Information and must ensure the confidentiality of the information on this application form and any other document relating to it. Only the staff responsible for administering this measure and the review committee members will have access to the information on the application form and the candidate's curriculum vitae.

Except for the information indicated as being optional, which will be used for statistical purposes and will not be forwarded to the review committee members, all requested information must be provided if the tax holiday measure is to apply. The information is needed for administrative purposes to determine whether the candidate is eligible. If the questions on the form are not answered in whole or in part or if the required documents are not provided, processing of the application may be delayed or the application may be rejected.

The application must be accompanied by the candidate's consent form, duly signed, authorizing the Department to forward the information on the application and his/her curriculum vitae to the review committee members.

The candidate may gain access to his or her file and may have the contents amended if he or she can show that information in the file is inaccurate, incomplete, ambiguous, outdated or unnecessary. A written request must be forwarded to the person responsible for access to information at the Ministère du Développement économique, de l'Innovation et de l'Exportation at the following address: 1150, Grande Allée Ouest, Québec (Québec) G1S 4Y9.

Please read the instructions on appearing on [page 5](#).

1. Employer (N.B. : Write clearly)

Name of the Employer					
Address of the place where the candidate will be conducting scientific research and experimental development (R&D) activities in Quebec					
Number		Avenue, Boulevard, Street, P.O. Box		Apartment, Office	
City or Town, Municipality		Province		Postal Code	
Address of the employer (if different from the address above)					
Number		Avenue, Boulevard, Street, P.O. Box		Apartment, Office	
City or Town, Municipality		Province		Postal Code	
Sectors of Activity					
<input type="checkbox"/> Ms.	Last name of authorized representative		First name		Title or Position
<input type="checkbox"/> Mr. <input type="checkbox"/> Dr.					
E-mail		Website		Area code Phone ext	Area code Fax
Planned date for signing the candidate's employment contract		year month day	Date the candidate is expected to assume duties	year month day	Planned duration of contract
Planned position or title of the candidate					

2. Candidate

<input type="checkbox"/> Ms. <input type="checkbox"/> Mr. <input type="checkbox"/> Dr.	Last name	First name	Citizenship
Address of foreign residence (prior to signing the contract in question) Number Avenue, Boulevard, Street, P.O. Box			Apartment, Office
City or Town, Municipality		Province	Country Postal code
Périod of residence at this address year month day from year month day to			Area code Telephone
Name of previous employer (before the contract in question was signed)			
Address			
<input type="checkbox"/> Company	<input type="checkbox"/> University	<input type="checkbox"/> Agency	<input type="checkbox"/> Other (specify) _____
Employment starting date	year month day	Title ou position	

3. Optional Information Concerning the Candidate

Age of the candidate	Place of birth
Civil status	Anticipated annual salary

4. Candidate's Educational Background

a) University degrees obtained

DEGREE OBTAINED	FIELD	YEAR	UNIVERSITY (name and address)

b) Previous experience tied to the exploitation of SR & ED results

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5. Nature of the employer's activities in R&D and of the exploitation activities that the candidate is expected to conduct

a) Detailed nature of R&D activities conducted in Québec by the employer

b) Detailed nature of the activities in the exploitation of SR&ED results that the candidate is expected to conduct

(use another sheet if necessary)

c) R&D projects for which the expert will conduct exploitation activities and approximate duration of these projects

6. Degree to which the candidate's profile is appropriate as regards the enterprise's requirements in the exploitation of SR&ED results

(Enclose the candidate's curriculum vitae signed by the candidate, attesting that the information therein is accurate and complete. State below the interrelationships between the candidate's special skills and the company's needs as specified in point #5.)

Signature

I declare that the information provided on this form is accurate and complete.

X _____

Signature of the authorized representative Date

Authorization of the Candidate (this section must be signed by the candidate)

I declare that the information provided on this form and in my curriculum vitae are accurate and complete, and I authorize the Department to communicate this information to the members of the Evaluation Committee.

X _____

Signature of the candidate Date

Remember to attach the following to this form :

- the candidate's curriculum vitae ;
- a certified copy of the most recent degree obtained;
- a copy of the company's certificate of incorporation.

INSTRUCTIONS

ELIGIBILITY CERTIFICATE APPLICATION

This duly completed application, along with the required documents, must be sent to the Direction de la recherche et des technologies, ministère du Développement économique, de l'Innovation et de l'Exportation, 380, rue Saint-Antoine Ouest, 4^e étage - Tour sud, Montréal (Québec) H2Y 3X7.

You are to include the following documents with this application :

- the candidate's curriculum vitae, which is to include a section on the candidate's published material and patents. If the candidate has neither, **this is to be clearly indicated**;
- a certified copy of the most recent degree obtained by the candidate;
- a copy of the company's certificate of incorporation.

Refer to the " Employer's Guide- Applying for an Eligibility Certificate, " which outlines the principal requirements for eligibility and for issuing an eligibility certificate.

If the space provided in sections 4, 5 and 6 is inadequate, you may use an extra sheet and attach it to the application.

NOTE : The candidate must complete the section " Authorization of the Candidate" at the bottom of the application.

Extracts from the Employer's Guide

Employer Eligibility

An application for the tax holiday for foreign experts may be made by any employer who carries on a business in Canada and conducts R&D in Québec, with the exception of :

1. a municipality or Canadian public agency exercising government functions;
2. a corporation, commission or association, at least 90% of shares, capital or assets of which are held by a government or a municipality in Canada;
3. a corporation, the issued capital stock of which all belongs to a corporation, commission or association mentioned above.

It should be noted that the tax holiday will not be granted to foreign experts for research activities carried out, directly or indirectly, with an eligible university entity or an eligible public research centre (section 1029.8.1, paragraph f) within the meaning of the Taxation Act.

Eligibility for the tax holiday for foreign experts requires that an expertise present at least one research results development program stemming from one or more scientific research and experimental development projects¹ that are either ongoing or about to be completed.

The enterprise and its activities must also satisfy the following conditions:

- the activities must be linked to the enterprise's usual activities or be part of its business plan;
- the R&D projects must represent an important aspect of the enterprise's growth.

Eligibility of Experts

To be eligible for the tax holiday, the expert must fulfil the following conditions:

1. be an expert who, under the Taxation Act, was not a resident² of Canada immediately prior to signing the employment contract or immediately prior to starting his duties as an employee of the employer who conducts the marketing of SR&ED results in Québec. The employment contract must have been entered into after March 9, 1999, and the employee is to assume his duties under the contract after that date;
2. carry out his or her duties as an employee of the eligible employer exclusively or almost exclusively, and continuously, within the enterprise's SR&ED results activities;
3. conduct, in Québec, activities to develop the R&D results for which the enterprise hired him;
4. Canadian citizens are also eligible to this program as long as they are Canadian non-resident.

Eligibility Certificate

The application will also be evaluated on the basis of the following additional information, taking into consideration the enterprise's requirements :

- the expert is hired for developing one or more research projects designed by the enterprise with a view to positioning itself in the market;
- the expert has very good knowledge of the market of the field in which he or she is to work (market strategy and market penetration, among others), alliances, funding, etc.;
- the expert dominates his field of knowledge, having acquired widely recognized in-depth knowledge and outstanding abilities through extensive experience and practice in this field;
- the innovation(s) stem(s) from one or more research projects, with the term "R&D project" meaning a project that complies with the taxation definition of qualified expenditures made in respect of scientific research and experimental development
- the tasks associated with the development of R&D results must be connected with the project(s) for which the expert was recruited and must not be among the tasks that are currently carried out in managing the enterprise's operations. They generally exclude the financing and/or commercialization of the projects, products or processes as a whole that do not result from the R&D project(s) for which the expert was recruited. However, the size of the enterprise will be taken into account in interpreting this criterion ;
- the expert is able to draw on all possible resources, worldwide, in order to develop the enterprise's scientific research and experimental development results. He is to possess proven expertise in at least one of the following fields :
 - the management of innovation (in general) connected with enterprise-employer activities;
 - commercialization
 - the financing (he should be able to draw on all existing funding sources for the enterprise's innovations, in both North America and abroad);
 - the establishment of strategic alliances;
 - the transfer of leading-edge technologies;
 - any other activity related to the development of the results of the enterprise's R&D.

A very good knowledge of technological markets is thus mandatory.

¹ « R&D project » means one that complies with the taxation definition in the Québec Taxation Act.

² The ministère du Revenu du Québec is responsible for determining whether or not the researcher is considered a Canadian resident.

The example below is commonly cited:

"An individual who sojourns (i.e. is temporarily present) in Canada for a total of 183 days or more in any calendar year is deemed by the Income Tax Act to be resident in Canada for the entire year."-Extract from Interpretation Bulletin IT-221R2-Determination of an individual's Residence Status.

APPENDIX

1. Scientific Research and Experimental Development (R&D)

Scientific research and experimental development activities are defined as systematic investigations or searches carried out in a field of science or technology through experiment or analysis. Technology refers to the systematic study of the application of scientific knowledge to industrial processes or product development.

R&D activities can be divided into three categories :

- basic research, namely, work undertaken to advance scientific knowledge without a specific practical application in view;
- applied research, namely, work undertaken to advance scientific knowledge with a specific practical application in view;
- experimental development, that is, using the findings of pure or applied research to create new materials, devices, products or processes, including improvements to them.

Activities with respect to engineering, design, operations research, mathematical analysis, computer programming and psychological research are eligible for the program where such work is directly in support of the R&D activities defined above.

R&D does not include activities related, for example, to:

- market research or sales promotion;
- quality control or routine testing of materials, devices or products;
- research in the social sciences or the humanities;
- routine data collection.

The elements defining scientific research and experimental development are taken from the Revenue Canada, Taxation, information circular 86-4R3, dated May 24, 1994.

2. Candidate's Fields of Specialization

Specializations in the pure sciences are understood to be those normally found in science faculties and include chemistry, physics, biology, mathematics, informatics, geology, and others. Specializations in applied sciences are those found generally in engineering faculties.

Fields or specialities viewed as being related to pure and applied sciences are, for example, agriculture, food, forestry, and the biomedical sector. Eligible scientific research and experimental development activities may require researchers from other fields or specialities.