

SECTION A – Business Information for Community Economic Development Investment Funds (CEDIF)

Business Name _____

Mailing Address _____

Business Number _____ RJSC Number _____

Contact Person _____ Telephone # _____

Email Address _____

Type of Business: CEDIF

SECTION B – Eligibility Information

Yes No

- 1) Is the proposed offering in compliance with *Nova Scotia Securities Law*?
- 2) Will the shares issued under the ETC program be common voting shares?
- 3) Is all or substantially all of the fair market value of the property of the CEDIF attributable to property used in an active business?
- 4) Are the total assets & revenues of the CEDIF and all associated corporations or associations less than \$25,000,000?
- 5) Will the funds raised under the ETC program be used to purchase an existing business?
- 6) What percentage of all salaries and wages were paid in NS last year? _____
- 7) Estimated amount to be raised _____
- 8) Estimated number of eligible investors _____
- 9) What are the major activities of the CEDIF and what percentage of the total assets are used in each activity?

Activity

Percentage

10) General use of the funds to be raised _____

SECTION C – Inclusions

The following attachments must be included:

- i) Complete financial statements for the preceding taxation year
- ii) A full copy of the T2 income tax return for the preceding taxation year
- iii) A copy of the CEDIF's constitution/articles of incorporation and memorandum of association
- iv) A notarized copy of the current shareholders register showing the dates of ALL TRANSACTIONS (purchases, sales, transfers)
- v) The most recent draft of the Offering Document (must be resubmitted if changes are made in the future)

SECTION D – Certification

I certify that I am an authorized officer of the applicant business, that the information contained in this application and its inclusions is true and correct, and that the applicant business is eligible for Equity Tax Credit registration to the best of my knowledge and belief. I also hereby acknowledge on behalf of the applicant business that any information contained in this application and inclusions has limited confidentiality privileges and the Department of Finance & Treasury Board may disclose this information to any legal, regulatory or other authority at its discretion.

Name (Please Print)

Signature

Date (dd-mmm-yy)

Position

Equity Tax Credit Application Guide

Please refer to the following guide when completing the application for a Certificate of Registration pursuant to the Equity Tax Credit Act (the Act).

SECTION A – Business Information for Community Economic Development Investment Funds

This section must be completed in full. The Department may need to contact the business for additional information.

A CEDIF, or Community Economic Development Investment Fund, is typically a pool of capital that has been raised by a community for local economic development initiatives. Corporations or co-operatives that register as a CEDIF have additional tax benefits but also have additional disclosure requirements.

An individual or a group of related individuals cannot own 20% or more of a CEDIF.

SECTION B – Eligibility Information

- 1) The proposed offering must comply with the provisions of the *Nova Scotia Securities Act and Regulations*.
Please contact the Nova Scotia Securities Commission at (902) 424-7768 if you have questions regarding compliance.
- 2) An eligible investment consists of fully paid, newly issued common voting shares that are non-redeemable and non-retractable, are non-convertible, are not restricted in profit sharing or participation upon dissolution.
Replacement shares are not eligible.
- 3) All or substantially all of the fair market value of the property of the CEDIF must be used in an active business as defined by the *Act*.
- 4) Total assets of the CEDIF, including assets of all associated corporations/associations, must be less than \$25,000,000.
Total revenues of the CEDIF, including revenues of all associated corporations/associations, must be less than \$25,000,000.
- 5) Funds cannot be used to purchase an existing business except under certain legislated conditions.
- 6) At least 25% of wages and salaries must be paid to Nova Scotia residents and CEDIFs must be headquartered in Nova Scotia.
- 7) Estimated amount of money to be raised under the ETC program.
- 8) Estimated number of eligible investors that will make eligible investments under the ETC program.

Note that the Equity Tax Credit is only applicable to the first \$50,000 of an eligible individual's investment, per year. Investments may be made in the calendar year or within 60 days of the end of the year. If a larger amount is invested by an eligible individual then any amount in excess of this will not be eligible for the tax credit.

- 9) See Question 3.
- 10) State the purpose of raising the funds (i.e. what the funds raised under the ETC program will be used for).

SECTION C – Inclusions

Section C contains a list of attachments

Please ensure that all attachments are submitted together with the application form as they are required for certification and will assist in the approval process. Note that i) and ii) are not required for newly incorporated CEDIFs.

SECTION D – Certification

An authorized officer of the CEDIF must sign the application.

SUBMITTING THE APPLICATION PACKAGE

Paper copies of the application package are not required. If you submit paper copies, the administrator will follow up with you for electronic copies.

Email the completed application form and all attachments to the administrator.

Note: Our email system has a limit of 20MB per email. If the attachment sizes total a larger number, please submit the application package in as many emails as necessary.

For more information regarding the ETC program, please contact the Department of Finance & Treasury Board.