



**PROVINCE OF
BRITISH COLUMBIA**

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**PROCEDURES
FOR ESTABLISHING AND
OPERATING AN
INVESTMENT PROTECTION
ACCOUNT**

Under section 19(1) of the *Small Business Venture Capital Act*, a registered Venture Capital Corporation (VCC) is required to deposit 30% of all amounts it receives from the sale of its treasury shares into a special account called an Investment Protection Account (IPA). Funds may be released from this account only with the Administrator's prior written authorization.

The following documents are included in this package to enable a VCC to establish an IPA at a bank, credit union or other financial institution of its choice:

- 1. "Instructions to Financial Institution for Setting up an Investment Protection Account"**
- 2. "Resolution of VCC Board of Directors"
(authorizing the establishment of an IPA)**
- 3. "Directions for Operation of Investment Protection Account"**
- 4. "Financial Institution's Confirmation"**

The VCC completes the "Resolution of VCC Board of Directors" and "Directions for Operation of Investment Protection Account" and presents these documents, along with the "Instructions to Financial Institution for Setting up an Investment Protection Account", to a financial institution. The financial institution then opens an IPA and completes the "Financial Institution's Confirmation", which provides confirmation to the Venture Capital Tax Credit Program that the IPA has been established and confirms the amount on deposit in the account.

Documentation confirming the establishment of the IPA must be sent to the Venture Capital Tax Credit Program within 30 days of the registration date of the VCC. If you or the financial institution have any questions, please contact our office at (250) 952-0136 in Victoria or toll-free at 1-800-665-6597.