



**PROVINCE OF
BRITISH COLUMBIA**

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**Eligible Small Business (ESB)
APPLICATION**

Freedom of Information and Protection of Privacy Act (FIPPA) The information collected on this form is collected under the authority of the *Small Business Venture Capital Act*, RSBC 1996 c. 429 (Act), and is subject to the provisions of the FIPPA. The personal information will be used for the administration of the Act and the issuance of tax credits.
 For more information regarding this form and the FIPPA please contact the Investment Capital Branch, PO Box 9800 Stn Prov Govt, Victoria, BC V8W 9W1

This application is completed by a Venture Capital Corporation (VCC) seeking to invest in an eligible small business (ESB) that is not already registered as an Eligible Business Corporation (EBC) in the Province's Venture Capital Tax Credit Program.

This form should be submitted along with a completed *VCC IPA Release Application and Investment Report* form **prior** to the VCC making its first investment in an ESB.

Upon approval, the administrator confirms that the VCC's investment in the ESB meets the requirements under the *Small Business Venture Capital Act* at the time of application.

SMALL BUSINESS INFORMATION

Name of Small Business	Place of Business Address (Address, City, Province, Postal Code)
Small Business Contact Person Information	Name
	Position
	Phone Numbers Telephone: () Cell: ()
	Email
Fiscal Year End of Small Business (dd/mm)	/

ELIGIBILITY

Please check off one or more of the following business activities that the small business is substantially engaged in, and briefly describe the small business's product or service.

<input type="checkbox"/> Manufacturing or processing	<input type="checkbox"/> Research and development of proprietary technology	<input type="checkbox"/> Destination tourism	<input type="checkbox"/> Development of clean technology
<input type="checkbox"/> Development of an interactive digital media product	<input type="checkbox"/> Community diversification (for businesses located outside the Metro Vancouver Regional District and the Capital Regional District)	<input type="checkbox"/> Advanced commercialization (for businesses located outside the Metro Vancouver Regional District and the Capital Regional District)	

DESCRIPTION OF BUSINESS ACTIVITY

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SMALL BUSINESS REVENUE	TOTAL REVENUE	PORTION FROM CUSTOMERS LOCATED OUTSIDE B.C. (i.e., EXPORT REVENUE)
For most recent completed fiscal year ended (dd/mm/yy) / /	\$	\$
Projected for current year (year 1)	\$	\$
Projected for next year (year 2)	\$	\$

SMALL BUSINESS ASSETS & EXPENSES			
See page 4 for an explanation of qualifying activity assets and expenses	Total per: <input type="checkbox"/> financial statements or <input type="checkbox"/> projections		
	ASSETS	EXPENSES	Qualifying Activity Assets and Expenses
			Total Assets and Expenses
Qualifying Activity Assets and Expenses	\$	\$	%
Total Assets and Expenses	\$	\$	

Percentage of assets located outside B.C.	%
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SMALL BUSINESS ANNUAL EMPLOYMENT	SMALL BUSINESS		AFFILIATES OF SMALL BUSINESS***	
	# of Employees *	Employment Costs**	# of Employees *	Employment Costs**
Total for most recent completed fiscal year ended (dd/mm/yy) / /		\$		\$
Portion reporting to work in B.C.		\$		\$
Total projected for the current year (year 1)		\$		\$
Portion reporting to work in B.C.		\$		\$

* Employees = Number of employees who work at least 20 hours per week
 ** Employment costs = Total of all remuneration, benefits, employer's contributions, etc.
 *** **"affiliate"** a relationship between corporations, means any corporation where one is the subsidiary of the other, or both are subsidiaries of the same corporation, or (a) each of them is controlled by the same person or the same group of persons, or (b) one of them is controlled by one person and the other is controlled by an associate, as defined in paragraphs (e) or (f) of the definition of "associate", of that person;

CERTIFICATION

I have read and understood my obligations under sections 10, 12, 13, 14, 15, 16 and 17 of the *Small Business Venture Capital Act*.

I am a Director or Officer of the VCC applying for an investment in an eligible small business and I am duly authorized to execute this application. I understand that it is an offence and it may expose me to personal liability to make a false or misleading statement in this application.

I acknowledge that in raising equity capital that the VCC is required to comply with the *Securities Act of British Columbia*.

VCC Director or Officer

Signature

Date

REQUIRED ATTACHMENTS

- Summary business plan for the small business
- Central Securities Register

Qualifying Business Activities

The ESB must be substantially engaged in one of the seven qualifying activities for a period of 5 years from the time of receiving the initial investment from the VCC. The seven qualifying activities are set out in section 11 of the *Small Business Venture Capital Regulation* (the “SBVC Regulation”) and are described in [ESB & EBC Policy Statement \(gov.bc.ca\)](#). The qualifying activities are:

1. Manufacturing and processing of goods produced in British Columbia;
2. Destination tourism resort, tourist attraction or a tourist service;
3. Research and development of proprietary technology;
4. Development of interactive digital new media product;
5. Community diversification by an ESB located outside the Metro Vancouver Regional District and the Capital Regional District*;
6. Manufacturing and processing and/or research and development of clean technologies; and
7. Advanced commercialization carried on by an ESB located outside the Metro Vancouver Regional District and the Capital Regional District.

* to qualify for Community Diversification an ESB must be substantially engaged in one of the seven qualifying activities listed above; or, per section 11(2)(e) and (f) of the SBVC Regulation, be substantially engaged in non-traditional agriculture, which is defined as a product that does not have a proven record in BC, and has difficulty attracting investment or debt financing; or retail and commercial services that are not present in the community and promote community diversification.

Substantially Engaged in a Qualifying Activity

To be substantially engaged, more than 50% of the assets and expenses of the business are used in one or more of the prescribed qualifying activities.

$$\text{Formula: } \frac{\text{Qualifying Activity Assets} + \text{Qualifying Activity Expenses}}{\text{Total Assets} + \text{Total Expenses}} > 0.5$$

Where,

Activity Assets = the value of assets of the small business used in B.C. in the prescribed business activity.

Total Assets = the total value of all assets of the small business.

Activity Expenses = the expenses of the small business incurred during the calculation period with respect to the portion of the prescribed business activity carried on in B.C. (some costs incurred outside B.C. by businesses involved in “manufacturing and processing” and “research and development of proprietary technology” can be included as Activity Expenses)

Total Expenses = the total of all expenses of the small business incurred during the calculation period with respect to all operations of the small business.