

## EXPLANATORY NOTES

### BILL No. 17

#### *An Act to amend *The Saskatchewan Commercial Innovation Incentive (Patent Box) Act**

#### Clause of Bill

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1 *The Saskatchewan Commercial Innovation Incentive (Patent Box) Amendment Act, 2025.*

2 *The Saskatchewan Commercial Innovation Incentive (Patent Box) Act.*

3 **Existing Provision**

**Definitions**

2 In this Act:

“economic eligibility test” means the test described in section 9;

2017, cS-10.2, s.2

**Explanation**

Remove “economic eligibility test” definition.

4 **Existing Provision**

**Application for SCII certificate**

5 (5) No new applications are to be submitted or accepted pursuant to this section after 8 years following the date on which this Act comes into force.

2017, cS-10.2, s.5; 2024, c18, s.2.

**Explanation**

This amendment extends the program by two years.

5 **Existing Provision**

**Minister’s notice to applicant re outcome of scientific eligibility test**

7 On reviewing an opinion provided by the technical assessor pursuant to subsection 6(5), the minister may:

- (a) if the minister is satisfied that the intellectual property that is the subject of the application has met the scientific eligibility test, inform the applicant, in writing, that its application is to be assessed for economic eligibility pursuant to section 9; or

2017, cS-10.2, s.7.

### **Explanation**

This amendment changes the reference to “section 9” in subsection (a) to “section 8” as section 9 is removed from the act.

## **6 Existing Provision**

### **Information re economic eligibility test**

8(2) An applicant may submit the information and material requested by the minister for the purposes of satisfying the minister that:

- (a) it or the corporation it has incorporated is an eligible corporation; and
- (b) in developing and commercializing the intellectual property that is the subject of the application, it or the corporation it has incorporated meets the economic eligibility test.

2017, cS-10.2, s.8.

### **Explanation**

Reference to “test” is removed from the title of section 8. Section 8, subsection 2 which is intended to provide authority for the Minister to request any information from the applicant to confirm if the applicant meets the economic eligibility test is removed to align with the removal of “economic eligibility test” from the act.

## **7 Existing Provision**

### **Economic eligibility test**

9(1) The minister shall review the information and material submitted pursuant to section 8 to determine whether the eligible corporation, subject to the regulations, meets at least 2 of the following economic growth benchmarks with respect to the innovation:

- (a) it has created and maintained in Saskatchewan the prescribed number of new full-time or full-time equivalent positions that are a direct result of the innovation and those positions meet any prescribed requirements;
- (b) it has made the prescribed amount of capital expenditures in Saskatchewan that are directly associated with the eligible corporation’s innovation;
- (c) it has paid the prescribed amount in new Saskatchewan corporate income tax;
- (d) it has spent the prescribed amount in new research and development expenditures in Saskatchewan;
- (e) it has met a prescribed economic growth benchmark.

(2) Notwithstanding that an eligible corporation fails to meet any of the economic growth benchmarks set out in subsection (1), if the minister is satisfied that a new economic

benefit to Saskatchewan has resulted from the eligible corporation's development of its innovation, the minister may consider that economic benefit as satisfying 1 or more of the economic growth benchmarks set out in that subsection.

2017, cS-10.2, s.9.

### **Explanation**

Section 9 of the act is removed from the act as it pertains to the economic eligibility test.

## **8 Existing Provision**

### **Failure to meet economic benefit benchmarks**

**10(1)** If the minister determines that the applicant or the corporation it has incorporated does not meet the economic eligibility test, the minister shall inform the applicant, in writing, of that fact and provide details regarding the eligible corporation's failure to meet the economic eligibility test.

(2) With respect to an applicant or a corporation it has incorporated that has not met the economic eligibility test, the applicant may, at a later time, make the submissions set out in section 8 for the purposes of having the minister make a further determination respecting the economic eligibility test, without having to again satisfy the requirements of sections 5 and 6.

2017, cS-10.2, s.10.

### **Explanation**

Section 10, which establishes how the Minister will proceed in cases where an applicant failed to secure its economic eligibility status, is removed from the act. This aligns with the removal of the economic eligibility test from the act.

## **9 Existing Provision**

### **Issuance of SCII certificate**

**11(1)** Subject to section 12, if the minister is satisfied that the applicant or the corporation it has incorporated meets the economic eligibility test and is an eligible corporation, the minister shall issue to the eligible corporation a Saskatchewan Commercial Innovation Incentive certificate.

2017, cS-10.2, s.11.

### **Explanation**

Delete "meets the economic eligibility test and" from the first paragraph.

## **10 Existing Provision**

### **Change in circumstances**

**13(1)** Every eligible corporation that has been issued an SCII certificate and that applies or intends to apply for the tax rebate mentioned in section 12 shall immediately notify the minister of:

- (a) any change in circumstances that might affect the continued eligibility of the eligible corporation for the tax rebate; and

- (b) any change in the eligible corporation's affairs, business, status or circumstances that causes it to no longer meet the criteria set out in section 9.

2017, cS-10.2, s.13.

**Explanation**

Section 13 is amended to remove subsection 1(b) and to remove the "and" at the end of (1)(a) and add a period.

**11 Existing Provision**

**Suspension or cancellation SCII certificate**

**14(1)** Subject to subsection (2), at any time after the minister has issued an SCII certificate, the minister may suspend or cancel the certificate if:

- (a) the minister is satisfied on reasonable grounds that there has been:
  - (i) any change in circumstances relating to the eligible corporation that affects its continued eligibility for the tax rebate mentioned in section 12; or
  - (ii) any change in the affairs, business, status or circumstances of the eligible corporation that causes that corporation to no longer meet the criteria set out in section 9; or

2017, cS-10.2, s.14.

**Explanation**

Section 14 is amended to remove subsection (1)(a)(ii).

**12 Existing Provision**

**Regulations**

**27** The Lieutenant Governor in Council may make regulations:

- (f) for the purposes of subsection 9(1):
  - (i) prescribing the number of new full-time or full-time equivalent positions and prescribing requirements for those positions;
  - (ii) prescribing the amount of capital expenditures in Saskatchewan;
  - (iii) prescribing the amount in new Saskatchewan corporate income tax paid;
  - (iv) prescribing the amount in new research and development expenditures in Saskatchewan;
  - (v) prescribing other economic growth benchmarks;

2017, cS-10.2, s.27.

**Explanation**

Section 27 is amended to remove subsection (f) which references the removed section 9.

**13 Existing Provision**

**Coming into force**

**28** This Act comes into force on proclamation.

2017, cS-10.2, s.28.

**Explanation**

The amendment to section 28 changes the coming into force to assent and makes it retroactive to June 30, 2017. The amendment includes provision for section 5 to come into force on assent.

Prepared by the Ministry of Trade and Export Development.