House of Commons
Chambre des communes
CANADA

House of Commons Standing Committee on Finance – Pre-budget Consultations 2013

This brief is submitted by:

○ **an organization** **Organization name:** _____

or

◉ **an individual** **Name:** Nelson Smith (former technology investment banker)

Topic: Innovation and commercialization

*Recommendation 1: Please provide a short summary of your recommendation.

In support of your goal of supporting research and innovation, including through tax incentives, I recommend creating an all-purpose "flow-through share" vehicle to foster risk-capital formation, in the junior equity capital markets, for early-stage technology and health sciences companies that, for whatever reason, are not able or willing to secure funding from venture capitalists. This mechanism has seen significant success in the resources sector, to which it applies exclusively. I believe that, for Canada, "motherhood' should be seen to extend beyond the extractive industries.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

unknown

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Create an all-purpose "flow-through share" vehicle under the Income Tax Act similar to the one currently available only and exclusively to resource companies. Funding would come from a reduction in overall personal income tax revenues.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Early-stage technology and health sciences companies across Canada would benefit from having access to a broader pool of risk capital than they currently enjoy.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

As the government has acknowledged (The Jenkins-chaired "Research and Development Policy Review Panel", for example), support for innovation/technology will have multiple beneficial effects (jobs, productivity, etc.). Financing support is a key element of this.

Topic: Please select from the pull-down menu

Recommendation 2: Please provide a short summary of your recommendation.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

Please select from the drop down menu

Please select from the drop down menu

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Topic: Please select from the pull-down menu

Recommendation 3: Please provide a short summary of your recommendation.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

Please select from the drop down menu

Please select from the drop down menu

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Please use this page if you wish to provide more explanation about your recommendation(s).

*Please note that at least one recommendation must be provided