

EVERYTHING YOU NEED TO KNOW ABOUT

SR&ED

TAX CREDITS

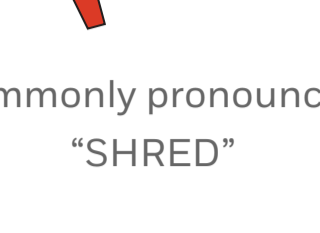
What are SR&ED Tax Credits?

SR&ED

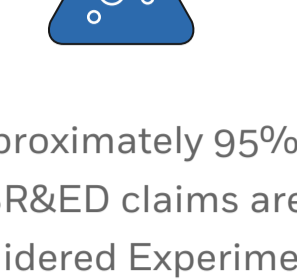
SCIENTIFIC RESEARCH AND EXPERIMENTAL DEVELOPMENT



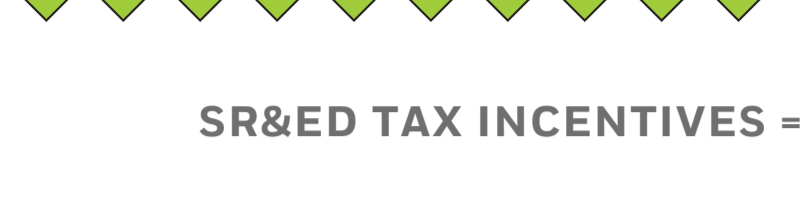
Canadian Research and Development Tax Credit



Commonly pronounced "SHRED"



Approximately 95% of SR&ED claims are considered Experimental Development



\$3 BILLION ANNUALLY
The Canadian government provided \$3B in assistance to 20,000 claimants.

SR&ED TAX INCENTIVES = INVESTMENT TAX CREDITS (ITCs)

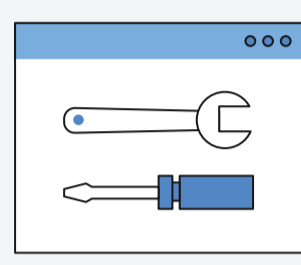
Who Can Claim SR&ED?

3 CRITERIA TO IDENTIFY SR&ED ELIGIBILITY



Technological Uncertainty

A qualified person working to overcome technical challenges that could not predict the outcome with their existing knowledge.



Technical Content

The work was performed in a systematic or iterative process with documentation.



Technological Advancement

The project advances the current understanding of underlying technologies and furthers technical knowledge.

APPLICABLE INDUSTRIES



Software Development & ICT



Manufacturing



Biotechnology



Oil & Gas and Energy



Agriculture



ETC And more

TYPES OF COMPANIES THAT CAN CLAIM



CCPC

Canadian Controlled Private Corporation

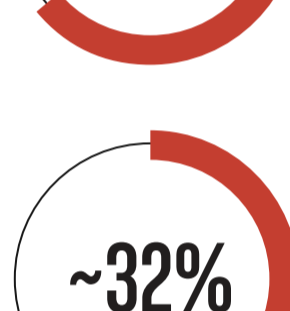
NON-CCPC

Foreign and/or Publicly Owned Corporation

What Can You Claim?

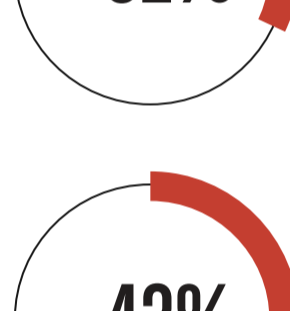
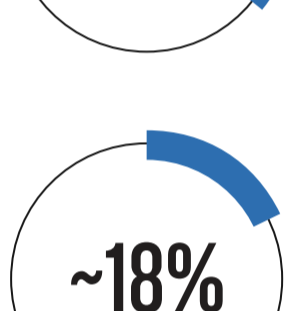
RECOVERABLE AMOUNTS ON QUALIFYING EXPENDITURES

CCPC

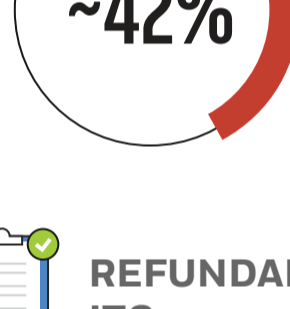
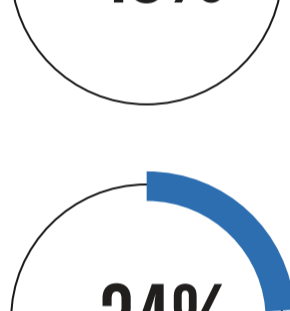


SALARIES

NON-CCPC



SUB-CONTRACTORS



MATERIALS



REFUNDABLE ITCs

NON-REFUNDABLE ITC (except provincial portion in Ontario, Manitoba, SK, and Nova Scotia)

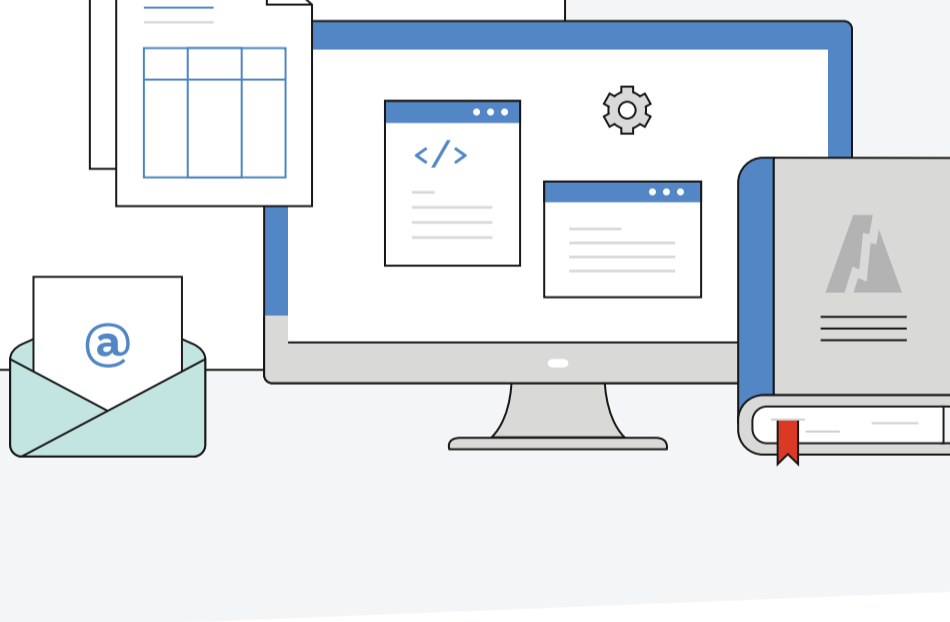
DID YOU KNOW

Unused non-refundable ITCs may be carried back 3 years or carried forward 20 years.

What Should You Document?

SR&ED DOCUMENTATION REQUIREMENTS

- Highlight technological uncertainties and time put against them in order to find a solution
- Document all technical challenges as the work progresses



When Should You Claim?

TURNAROUND TIMES

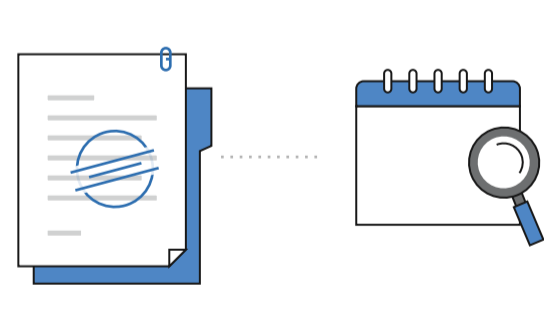
DEADLINE TO CLAIM SR&ED = 18 MONTHS PAST FISCAL YEAR END

SR&ED claims will be processed by the CRA within 60 calendar days of filing. Within those 60 days, the CRA may choose to Accept the Claim as Filed (AAF) or they can choose to do a review on the claim. If the claim is selected for review, the CRA will work to complete that review within 180 calendar days from the claim's filing date.



CCPC

Once the SR&ED claim is AAF, there will be no additional audits or reviews unless there is evidence of fraud.



NON-CCPC

Even if the SR&ED claim is AAF, the CRA retains the right to open a review on the claim up to 365 calendar days from the filing date.

THE CRA TAKES

60 days

ON AVERAGE TO PROCESS ALL SR&ED CLAIMS!

DID YOU KNOW

90%

CRA's commitment at meeting these turnaround times

CASE EXAMPLE

SR&ED'S IMPACT ON YOUR BOTTOM LINE



Company X has **~\$210K/YEAR** of eligible SR&ED expenditures.

Claiming SR&ED, the company can earn **~\$135K OF REFUNDABLE ITCs/YEAR** (That's the equivalent of 2 employees)

THAT'S \$405K OF ITCs IN JUST 3 YEARS!

*ITC calculation based on: CCPC in British Columbia (10% provincial rate); 2019 fiscal year expenditures; spent 100% of time on R&D (64% recoverable amount of salaries)

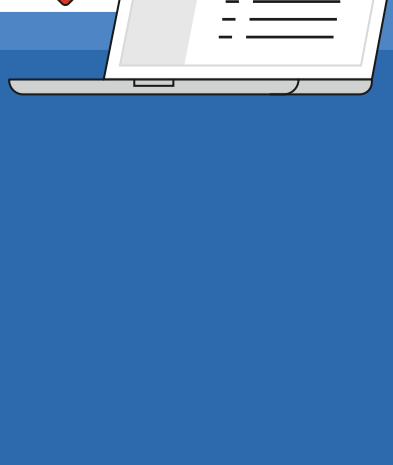
Your SR&ED on Autopilot

BOAST.AI

Boast.AI helps innovative companies recover their R&D costs from the government. Our team of engineers & accountants leverage our proprietary Boast.AI software platform to proactively prepare and estimate your claims throughout the year allowing you to access your accrued SR&ED benefits as quarterly advanced funding, 12-16 months early. Using Boast.AI, our clients have maximized their SR&ED claims with less time and audit risk.

WHY WORK WITH US?

- Larger Refunds
- Reduced Audit Risk
- Less Time
- SR&ED Expertise
- Quarterly Advanced Funding



CONTACT US FOR A FREE SR&ED ASSESSMENT:

INFO@BOAST.AI

RESOURCES:

SR&ED Tax Incentive - Overview <https://www.canada.ca/en/revenue-agency/services/scientific-research-experimental-development-tax-incentive-program/overview.html>

CRA SR&ED New Service Standards <https://www.canada.ca/en/revenue-agency/services/scientific-research-experimental-development-tax-incentive-program/new-sred-service-standards.html>