

A background image showing a laboratory setting. In the foreground, a person's hand in a white lab coat is writing on a document with a pen. In the background, another person in a lab coat and a blue surgical mask is looking through a microscope. There are also petri dishes and a bottle visible on the lab bench.

Scientific Research & Experimental Development Services

Corporate Tax • Indirect Tax • International Tax • Tax Controversy • **SR&ED**

EVERYTHING COUNTS

The federal Scientific Research and Experimental Development (SR&ED) program encourages innovation with generous tax incentives for businesses. The program supports two distinct activities— Scientific Research and Research and Development (R&D). Many businesses do not realize their experimental development activities may be eligible for tax credits through this program. Is your business one of the many missing out on significant tax refunds?

The SR&ED Tax Incentive Program is available to Canadian businesses of all sizes and across all sectors that conduct scientific research or experimental development in order to to develop new or improved products or processes.

With more than \$3 billion granted annually, the SR&ED program is the largest single source of federal and provincial government funding for business driven research and development. To take full advantage of these funding opportunities and the multitude of available provincial incentives, it is important you work with industry-leading professionals who have the knowledge and experience to ensure you get the most from the program.

WHAT ACTIVITIES QUALIFY?

A wide range of activities are eligible for SR&ED credits, including:

- Developing a new process or improving upon an existing process
- Creating new materials, devices and products or enhancing them by resolving technological challenges
- Basic or applied research

HOW MNP CAN ADD VALUE

The SR&ED program has become more stringent, requiring claimants to fulfill their obligations and fully support their claims. MNP has extensive experience ensuring our clients understand the required processes and that their claims are compliant. While claims can be filed 18 months after the fiscal year end, the sooner MNP is engaged in the process, the easier it becomes to structure compliant claims.

- **Developing Accurate Project Descriptions.** Capturing all the information you need when preparing your SR&ED claim can be a time-consuming process. Your SR&ED advisor assists you in transforming information into sound technical descriptions of your SR&ED activities and compiling the required documentation to support your claim.
 - **Reviewing your SR&ED Claims.** If you prefer to prepare your own claims, MNP will review your technical descriptions for their completeness and compliance with the program.
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- **Training your Team.** MNP can provide your staff with valuable training and advice so they can identify eligible projects and produce the required documentation to support a claim.
 - **Supporting CRA Reviews.** The Canada Revenue Agency occasionally reviews SR&ED claims. Your MNP advisor will be there to help prepare and support you throughout the review process. We also work closely with federal and provincial tax authorities to ensure both parties understand the process you used to conduct SR&ED. Through our in-depth knowledge of tax-related rules and regulations, we help you navigate the review process, foster understanding and help you avoid costly reassessments.
 - **Strategic Tax Planning.** SR&ED tax credits can have a significant impact on your bottom line. That's why planning in advance is critical. To ensure you develop the optimal structure for your SR&ED claim, ask an MNP advisor to assist you with:
 - Advance evaluation of new projects to determine their SR&ED eligibility
 - Establishing control systems and the required support
 - Reviewing your contracts for compliance
 - Optimizing your SR&ED claim when combined with other credits

TAX SAVINGS POTENTIAL

SR&ED tax credits can have a measurable impact on your business' bottom line. While the combined federal and provincial tax credit rates differ based on certain criteria and the province you operate in, the potential savings are significant and can be as high as 70% of eligible R&D expenditure.

Funding issues don't have to keep you from conducting valuable research. The after-tax savings can open up SR&ED opportunities in the form of tax credits to help with cash flow through any stage of the R&D process.



EVERYTHING COUNTS

When it comes to tax, it's all about the details. Knowing the rules and regulations, what qualifies, what doesn't and how to structure your business and claims most effectively. Our specialized teams are focussed on every facet of tax. We have the in-depth knowledge and experience that will allow you to capitalize on all the opportunities available. We know what to look for, right down to the smallest details. And it's the small details that can add up to make a big difference.



ABOUT MNP

MNP is a leading national accounting, tax and business consulting firm in Canada. We proudly serve and respond to the needs of our clients in the public, private and not-for-profit sectors. Through partner-led engagements, we provide a collaborative, cost-effective approach to doing business and personalized strategies to help organizations succeed across the country and around the world.

To find out what MNP can do for you, contact your local business advisor or visit us at MNP.ca

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