

Following the passage of an Order in Council on April 11, 2017, the following changes to the Alberta Investor Tax Credit program have come into force.

Amendment I: Definition on “having previously carried on business”

Previously under the *Investing in a Diversified Alberta Economy Act*

Under section 4(b) of the *Investing in a Diversified Alberta Economy Act* a requirement for registration of a corporation as a venture capital corporation is that the corporation must not have previously carried on business.

Amendment

As per section 1(7), in order for a corporation to be considered to not have previously carried on business the corporation cannot have received any investments from investors in exchange for shares and have not made any investments into businesses.

Amendment II: Clarification on “required amendments to articles of incorporation”

Previously under the AITC Regulations

Sections 1(3) and 5(1) of the Regulation, requiring changes to articles of incorporation, were interpreted to apply to both Venture Capital Corporations (VCC) and Eligible Business Corporations (EBC).

Amendment

Section 1(3), 5(1), (2), (3) have been amended to clearly state that they apply only to VCCs.

Amendment III: Enabling companies that have received funding from Alberta Enterprise Corporation (AEC) to be eligible for the AITC program

Previously under the AITC Regulations

Sections 1(5)(a)(ii), 5(4) and section 16 of the Regulation, did not allow EBCs, VCCs or Limited Partnerships (LP) that receive or have received funds, directly or indirectly, from the Alberta Enterprise Corporation (AEC) after January 1, 2017 to be eligible for the AITC.

Amendment

Sections 1(5)(a)(ii), 5(4) and 16 have been repealed