

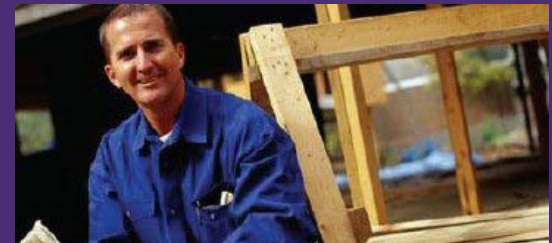
# Manitoba Community Enterprise Development (CED) Tax Credit

Investing in the future  
of  
Manitoba's Communities



# Manitoba Community Enterprise Development (CED) Tax Credit

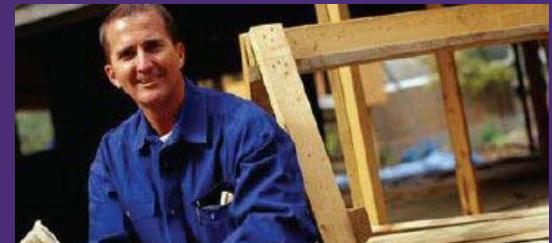
Established Spring 2004 in response to community need for investment capital in Manitoba and to provide tax credit to local investors



# Manitoba Community Enterprise Development (CED) Tax Credit

## What it Does

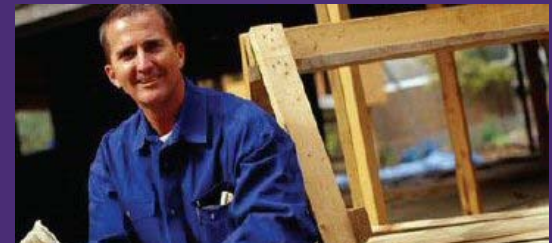
- Helps Manitoba co-ops/entrepreneurs develop ideas/dreams into viable operations.
- Rewards Manitobans for the development of local business opportunities
- Gives Manitobans a direct stake in planning and directing the future of their own communities.



# Manitoba Community Enterprise Development (CED) Tax Credit

## Program Benefits:

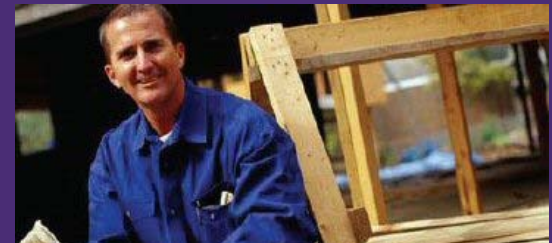
- Assists smaller community-based enterprises to raise local equity capital
- Creates jobs and economic development in Manitoba communities
- Gives individual investors tax credits in return for supporting local enterprise
- Equity vs debt financing



# Manitoba Community Enterprise Development (CED) Tax Credit

## Program Overview:

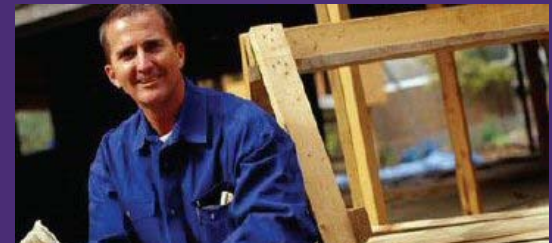
- 30% tax credit
- Maximum investment per individual is \$30,000 per year, providing maximum \$9,000 credit.
- Unused credits can be carried back 3 years or carried forward 10 years.
- Offsets Manitoba income tax payable and is non-fundable



# Manitoba Community Enterprise Development (CED) Tax Credit

## Program Overview

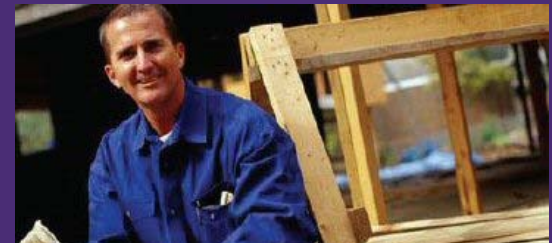
- Maximum eligible investment in a project is \$500,000
- Small vs large investments
- Incremental benefits vs maintenance
- Uses of capital
- Investors limited to 10% of a particular offering



# Manitoba Community Enterprise Development (CED) Tax Credit

## Eligibility Criteria:

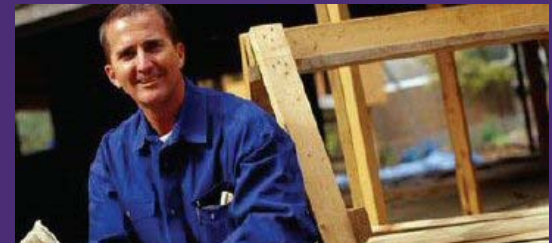
- Maximum of 200 employees and gross assets of \$25M or less - small businesses
- Manufacturing, processing and service industry
- Non-eligible enterprises
- Endorsed or sponsored by a local Community Development Corporation (CDC)



# Manitoba Community Enterprise Development (CED) Tax Credit

## Investor Requirements:

- Only individuals may participate
- Tax credit offsets Manitoba income tax payable and is non-refundable
- Investors receive common shares
- Like minded investors
- Investments are **not** guaranteed by the Province of Manitoba



# Manitoba Community Enterprise Development (CED) Tax Credit

## Holding Period:

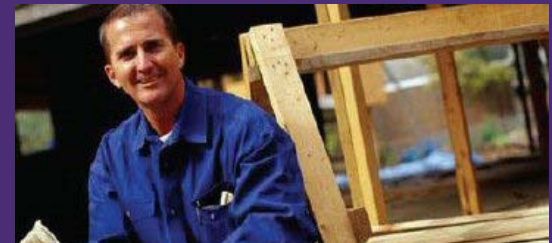
- Minimum holding period of 3 years, same as other government tax credit programs
- Each project may have further holding requirements
- Redemption rights at the discretion of enterprise



# Manitoba Community Enterprise Development (CED) Tax Credit

## How the Program Works:

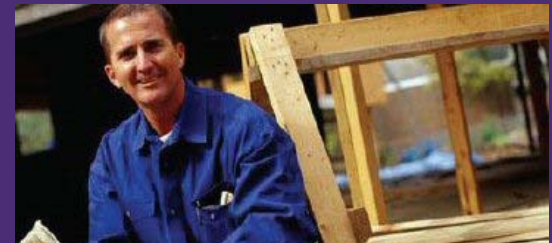
1. Business completes plan and project application which is assessed for eligibility
2. Initial review by program staff
3. Project approved and Offering Memorandum prepared for Manitoba Securities Commission



# Manitoba Community Enterprise Development (CED) Tax Credit

## How the Program Works:

4. Enterprise authorized to proceed with sale of investments
5. Funds released after all conditions have been satisfied. Tax receipts issued to investors
6. Proponents required to provide annual report to sponsors and Province for 5 years
7. Timing



# Manitoba Community Enterprise Development (CED) Tax Credit

## Program Status

- 5 approvals
- 4 under consideration
- Community/commercial services



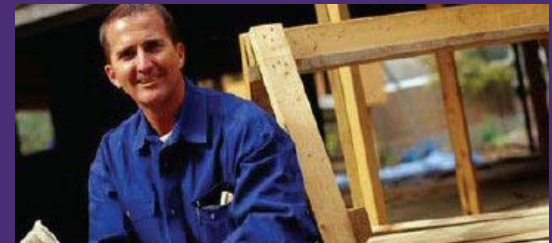
# Manitoba Community Enterprise Development (CED) Tax Credit

## Rural Economic Development Initiative (REDI Program)

Feasibility Studies Program

Rural Entrepreneur Assistance Program

Hometown Manitoba Program



Manitoba  
Agriculture, Food  
and Rural Initiatives



# Manitoba Community Enterprise Development (CED) Tax Credit

For more information:  
1-800-567-7334

