

Insights on tax planning for R&D

# 4<sup>th</sup> Tax Planning for R&D

Hear the latest effective tax planning opportunities



**Course Leader**  
David W. Regan,  
KPMG LLP



Brian R. Leve,  
Grant Thornton  
LLP



Benjamin  
E. Mak,  
Ridout &  
Maybee LLP



Daphne Mi,  
Janssen Inc.



Dave Sabina,  
MEUK  
Corporation



Earl Viner,  
Viner R&D Tax  
Specialists

as well as:  
Natalie Yunes,  
Bayer Inc.

**APPLICABLE TOWARD CPD REQUIREMENT**

**Workshop Included: Maximizing Your SR&ED Claim**

**participating organizations**

Bayer Inc.  
Grant Thornton LLP  
Janssen Inc.  
KPMG LLP

MEUK Corporation  
Ridout & Maybee LLP  
Viner R&D Tax Specialists

**who should attend**

Executives in charge of Corporate Tax and R&D, Tax Accountants and Tax Lawyers

**course highlights**

- Get insight into areas where effective tax planning opportunities in R&D exist
- Examine the process for calculating the R&D tax credit
- Review the DOs and DON'Ts of structures with a view to maximizing an R&D investment tax credit claim
- International comparison of R&D tax credits
- Examine IP R&D in the context of domestic tax planning
- Hear best practices and lessons learned in SR&ED claims for software development and IT projects
- Improving your ability to distinguish between R&D and SR&ED
- CRA review procedures and what can be done to help smooth out the process
- Recent developments and the implications for tax planning purposes

*"Got some very useful tips & tricks for maximizing success."*

- Gord Mosher,  
Cameco Corporation

*"Great refresher/update. Course materials are fantastic."*

- Glenn Dewar,  
Grant Thornton LLP

*"Nice refresher. Some nuggets and new info."*

- Mike Kukulko,  
Myers Norris Perry LLP

*"I enjoyed it very much and learned a lot of very practical information."*

*"Provided better understanding of practical application of SR&ED criteria."*

### COURSE LEADER

#### DAVID W. REGAN

David W. Regan is a Tax Partner in charge of **KPMG's** R&D Tax Incentives practice based in Toronto. He has been involved in the R&D tax incentive program since 1994.

#### BENJAMIN E. MAK

Benjamin Mak's practice at **Ridout & Maybee LLP** is principally directed towards assisting in patent drafting and prosecution, with an emphasis on electrical, mechanical, biomedical and computer related technology.

#### EARL VINER

Earl Viner's broad tax experience includes almost 25 years of preparing SR&ED investment tax credit claims for both large and small clients. He is currently president of **Viner R&D Tax Specialists**.

### CO-LECTURERS

#### BRIAN R. LEVE

Brian R. Leve, B.Sc, MBA, LLB, CA, is a Partner, Tax Services, at **Grant Thornton LLP**. He is a tax partner specializing in SR&ED claims.

#### DAPHNE MI

Daphne Mi is Senior Financial Analyst, for **Janssen Inc**, pharmaceutical companies of Johnson & Johnson in Toronto. She joined Janssen in 2010 in her current role, and is responsible for tax reporting, budgeting and compliance.

#### NATALIE YUNES

Natalie Yunes is a tax manager with **Bayer Inc**. She has over 15 years of tax experience in both public practice and industry. She is responsible for all areas of taxation including reporting and compliance issues.

#### DAVE SABINA

Dave Sabina is a Director of **MEUK Corporation**. His background encompasses the design and implementation of systems to enable enterprises to document and evaluate their R&D efforts.

## COURSE PROGRAM

### CALCULATING R&D TAX INCENTIVES: CREDITS

There are a number of factors that influence the rates at which the R&D tax incentives are calculated. This session will examine the process for calculating the R&D tax credit in order to enable you to maximize your benefit, by allowing you to understand the circumstances under which you earn the highest credit rates.

- Being aware of the taxable capital limits
- Limiting the amount of annual eligible expenditures
- Monitoring annual taxable income

### STRUCTURING R&D INVESTMENTS

Proper structuring of R&D investments can often lead to significant increases in claims. This session will review of the "do"s and "don't"s of structures with a view to maximizing an R&D investment tax credit claim.

- Proper use of contracts
- Use of employees vs. contractors
- Investments and reimbursements from outside Canada
- Joint ventures and partnerships



### SUPPLEMENTARY COURSE MATERIAL

Federated Press is now providing delegates with access to an innovative new database containing at least 25 interactive multimedia presentations by leading experts and approximately 20 hours of lectures on the topics covered by this course, including all slides and speakers' papers. See the list of presentations on page 4.

Delegates will also receive a trial subscription to the Corporate Tax Channel, a much broader resource representing hundreds of hours of interactive multimedia lectures on leading edge Corporate Tax topics as delivered at our many recent Corporate Tax conferences and courses.

- *This program can be applied towards 9 of the 12 hours of annual Continuing Professional Development (CPD) required by the Law Society of Upper Canada. Please note that these CPD hours are not accredited for the New Member Requirement.*
- *For Alberta lawyers, consider including this course as a CPD learning activity in your mandatory annual Continuing Professional Development Plan as required by the Law Society of Alberta.*
- *Attendance at this course can be reported as 12 hours of Continuing Professional Development (CPD) to the Law Society of B.C.*
- *The Barreau du Québec automatically accredits training activities held outside the Province of Quebec and accredited by another Law Society which has adopted MCLE for its members.*
- *Attendance at this course can be reported as 5 hours of Continuing Professional Development (CPD) to the Law Society of New Brunswick.*

### SR&ED CLAIMS FOR SOFTWARE AND MECHANICAL PROJECTS

This session will focus on best practices and lessons learned in SR&ED claims for software development, information technology and mechanical projects.

- Evaluation of IT and mechanical projects for eligibility
- Structuring of IT and mechanical projects
- Challenges, risks and opportunities in IT and mechanical claims

### DEFINING THE SR&ED PROJECT: CRITERIA & METHODS

CRA's current administration of the SR&ED program places high emphasis on tax payer's ability to distinguish between R&D and SR&ED. This topic is quickly becoming one of the key focal points of CRA's audit protocol for SR&ED claims.

- When to search: recognizing patentable subject matter for an SR&ED project from within the timelines of company R&D
- How to structure the claim: how can a patent or landscape search become potentially eligible within an SR&ED claim
- The potential use of patent searching for data gathering in support of a first hypothesis
- The value of patent searching for baselining

### HOW CONTRACTUAL RELATIONSHIPS AND INTERNATIONAL STRUCTURES IMPACT SR&ED

This session will explore the impact on SR&ED of contractual relationships and international structures.

- SR&ED issues in buying and selling R&D services and intellectual property
- Types and categories of contract payments in an SR&ED context
- Structural issues in international transactions vis-à-vis effect on SR&ED benefits

### INSIGHT INTO CRA REVIEW PROCEDURES

The CRA's technical and financial review staff works as a team to review claims and ensure that claimants receive the tax credits to which they are entitled. This session will look into the CRA review procedures, to highlight what to expect and what can be done to help smooth out the process.

- Determining the scope of the technical portion of the SR&ED review
- What may be involved in a site visit
- Best practices for assisting the CRA in its review

### INTERNATIONAL R&D TAX CREDITS IN KNOWLEDGE ECONOMIES

For Canadian companies operating in more than one province, considering foreign expansion, already operating abroad, or considering a restructuring to gain tax advantage, or for a Canadian subsidiary of a foreign company that may be reorganizing its Canadian operation, it is essential to take advantage of the R&D tax credit schemes in force in international knowledge economies. This session will explore the R&D tax credits in the U.S. and the EU, and focus on what they mean for Canadian companies.

- Understanding tax credit terminology: actual vs. incremental
- Comparing tax credit schemes: deductions, write-offs, ITCs and refundable tax benefits
- Determining which incentive scheme is most useful
- Comparing international incentive examples
- Ranking issues: economic, tax and incentive specific
- Identifying anomalies

### ONTARIO SR&ED TECHNOLOGY CREDITS

The Ontario SR&ED Program uses as its base the Federal SR&ED Program, subject to several specific exceptions and differences that it employs to maximize the benefit corporations operating in Ontario may take advantage of. This session will cover changes to Ontario's R&D tax credit incentives under the Taxation Act, Ontario.

- Refundability of tax credits
- Tax treatment of Federal tax credits
- Harmonization post-2008
- Impact of harmonization on the Federal and Ontario tax pools
- Understanding the different types of R&D tax credits
- Proposed technology-related changes and their impact on tax planning

### THE VIEW FROM INDUSTRY

This discussion will feature tax executives from some of Canada's leading R&D innovators and spenders, discussing their issues and sharing their insights on tax planning for R&D.

- Taxpayer challenges
- Quebec incentives: struggles and issues
- Recent changes to the R&D filing process

### QUEBEC'S RESEARCH AND INNOVATION STRATEGY: QUEBEC SPECIFIC INCENTIVES

In December 2006, the government of Quebec presented its research and innovation strategy. This session will look at best practices for tax planning involving Quebec-specific R&D tax incentives.

- Quebec tax policy underlying R&D tax incentives
- Recent developments in Quebec
- Refundable income tax credit for R&D salaries
- Tax credit for R&D expenditures
- Tax credit for the development of e-business and multimedia titles
- Increase in the level of tax assistance for design activities: refundable tax credit for design work

## WORKSHOP

### MAXIMIZING YOUR SR&ED CLAIM

This interactive workshop will walk attendees through the tax planning and claim process for SR&ED, from determining eligible SR&ED activity and expenses to maximizing the claim procedure. The workshop will cover preparation of a complete SR&ED tax credit claim including four actual project descriptions, related financial documentation and the completed tax forms.

- Review of eligible SR&ED activities & expenditures
- Calculation of related SR&ED incentives
- Rules and recommendations for allocations of current & capital expenses
- Discussion and illustration of areas requiring exercise of judgment to optimize claims
- Best practices for compiling projects, including use of online documentation tools & how to create a "team" approach
- SR&ED tax cases

## MULTIMEDIA PRESENTATION

Your registration includes an interactive multimedia database comprising the following presentations from recent Federated Press courses and conferences. They are presented in their entirety with complete audio or video and accompanying slides. You may also purchase the multimedia proceedings of the course which will be available on CD-ROM 60 days after the course.

### Tax Traps and How to Avoid Them

Bruce R. Sinclair, *Borden Ladner Gervais LLP*

### Taxation of Cross Border Financing and Investment

Richard Marcovitz,  
*PricewaterhouseCoopers LLP*

### Taxation of Innovative Investment Strategies

Stephen J. Fyfe, *Borden Ladner Gervais LLP*

### Partnering With Outside Tax Advisors

Paula Moore,  
*Cott Corporation*

### Developments in Cross Border Taxation – CDN

Nelson Ong & Martin P. Skretkowitz,  
*PricewaterhouseCoopers LLP*

### Overview of the Tax Treatment of Costs and Expenses

Stanley R. Ebel,  
*Osler, Hoskin & Harcourt LLP*

### Taxation of Oil Sands Investments

Douglas Richardson,  
*Stikeman Elliott LLP*

### Understanding Natural Resources

#### Taxation: Recent Cases

Christopher R. Post,  
*KPMG LLP*

### Natural Resources Taxation

#### Flow-Through Shares

Denise Dunn McMullen,  
*Burnet, Duckworth & Palmer LLP*

### Identifying and Obtaining Patents for Tax Planning for R&D Practitioners

Benjamin E. Mak,  
*Ridout & Maybee LLP*

### Taxpayer Challenges in the SR&ED Environment

Jacques Bernier,  
*Bennett Jones LLP*

### Software & High Tech: Commodity Tax & Customs Issues

Audrey Diamant,  
*PricewaterhouseCoopers LLP*

### Commodity Tax Litigation

Robert G. Kreklewetz,  
*Millar Kreklewetz LLP*

### Update On Commodity Tax & Customs Issues for Manufacturers & Exporters

Jamie M. Wilks,  
*McMillan LLP*

### Effective Tax Structuring of Inbound Investments

Jamie Mitchell,  
*PricewaterhouseCoopers LLP*

### Calculating R&D Tax Incentives (Credits)

Brian R. Leve,  
*Grant Thornton LLP*

### Structuring R&D Investments

David W. Regan,  
*KPMG LLP*

### Defining The SR & ED Project: Criteria & Methods

David R. Hearn,  
*Scitax Advisory Partners LP*

### SR & ED Claims for Software & Mechanical Projects

Alex Dhanjal & Paul Bernard,  
*KPMG LLP*

### How Contractual Relationships & International Structures Impact SR & ED

Peter Weissman,  
*Cadesky & Associates LLP*

### Ontario SR & ED Technology Credits

Brian R. Leve,  
*Grant Thornton LLP*

### International R&D Tax Credits in Knowledge Economies

Anna C. Petryshyn,  
*Scitax Advisory Partners LP*

### The View From Industry

Deborah Van Damme, *Honeywell Canada*;  
Natalie Yunes, *Natalie Yunes*

### Quebec's Research & Innovation Strategy: Quebec Specific Incentives

Carl Deslongchamps,  
*KPMG LLP*

### Taxation of Cross Border Financing & Investment

Richard Marcovitz,  
*PricewaterhouseCoopers LLP*

**Registration:** To reserve your place, call Federated Press toll-free at 1-800-363-0722. In Toronto, call (416) 665-6868 or fax to (416) 665-7733. Then mail your payment along with the registration form. Places are limited. Your reservation will be confirmed before the course.

**Location:** Courtyard by Marriott Downtown Toronto, 475 Yonge Street, Toronto, ON, M4Y 1X7

**Conditions:** Registration covers attendance for one person, the supplementary course material as described in this document, lunch on both days, morning coffee on both days and refreshments during all breaks. The proceedings of the course will be captured on audio or video. Multimedia proceedings with all slides and handouts can be purchased separately on a CD-ROM which will also include the course material.

**Time:** This course is a two-day event. Registration begins at 8:00 a.m. The morning sessions start promptly at 9:00. The second day ends at 4:00 p.m.

**Cancellation:** Please note that non-attendance at the course does not entitle the registrant to a refund. In the event that a registrant becomes unable to attend following the deadline for cancellation, a substitute attendee may be delegated. Please notify Federated Press of any changes as soon as possible. Federated Press assumes no liability for changes in program content or speakers. A full refund of the attendance fee will be provided upon cancellation in writing received prior to November 8, 2011. No refunds will be issued after this date.

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## TO REGISTER FOR TAX PLANNING FOR R&D

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Approving Manager Name \_\_\_\_\_  
Approving Manager Title \_\_\_\_\_  
Organization \_\_\_\_\_  
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COURSE: \$1975

COURSE + PROCEEDINGS CD-ROM:  
\$1975 + \$175 = \$2150

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