The Saskatchewan Commercial Innovation Incentive (Patent Box) Act

being

Chapter S-10.2 of *The Statutes of Saskatchewan, 2017* (effective June 30, 2017) as amended by the *Statutes of Saskatchewan*, 2024, c 18 and c 4; and 2025, c 16.

NOTE:
This consolidation is not official and is subject to House amendments and Law Clerk and Parliamentary Counsel changes to Separate Chapters that may be incorporated up until the publication of the annual bound volume. Amendments have been incorporated for convenience of reference and the official Statutes and Regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the official Statutes and Regulations, errors that may have appeared are reproduced in this consolidation.

Table of Contents

PART 1
Preliminary Matters

1 Short title
2 Definitions
3 Interpretation

PART 2
Application and Eligibility

4 Approval of technical assessor
5 Application for SCII certificate
6 Review of application – scientific eligibility test
7 Minister's notice to applicant re outcome of scientific eligibility test
8 Information re economic eligibility
9 Repealed
10 Repealed

PART 3
Issuing Certificate and Claiming Tax Rebate

11 Issuance of SCII certificate
12 Claiming tax rebate

PART 4
Administration and Enforcement

13 Change in circumstances
14 Suspension or cancellation SCII certificate
15 Record keeping requirements
16 Power to require information or material
17 Inspectors
18 Routine inspection
19 Warrant
20 Copies of records
21 Cooperation with inspector
22 Offences and penalties
23 Recovery
24 Limitation on prosecution

PART 5
General

25 Immunity
26 Service of notice or documents

PART 6
Regulations and Coming into Force

27 Regulations
28 Coming into force

CHAPTER S-10.2

An Act respecting the Saskatchewan Commercial Innovation Incentive

PART 1
Preliminary Matters

Short title

1 This Act may be cited as *The Saskatchewan Commercial Innovation Incentive (Patent Box) Act*.

Definitions

2 In this Act:

"applicant" means a person who applies for an SCII certificate;

"eligible corporation" means a corporation that meets the following requirements:

(a) the corporation's only activities are the development and commercialization of the intellectual property that is the subject of an application pursuant to this Act;

(b) the corporation is not a corporation all or part of whose income is exempt from tax pursuant to Part I of the *Income Tax Act* (Canada);

(c) the corporation meets any other prescribed requirements;

"minister" means the member of the Executive Council to whom for the time being the administration of this Act is assigned;

"ministry" means the ministry over which the minister presides;

"prescribed" means prescribed in the regulations;

"registered intellectual property" includes intellectual property that is recognized by:

(a) the Canadian Intellectual Property Office and related agencies of the Government of Canada; or

(b) the equivalent competent authorities in jurisdictions outside of Canada;

"scientific eligibility test" means the test described in section 6;

"SCII certificate" means a Saskatchewan Commercial Innovation Incentive certificate issued by the minister to an eligible corporation pursuant to section 11;

"technical assessor" means any body, organization or person approved by the Lieutenant Governor in Council pursuant to section 4.

2017, c S-10.2, s 2; 2025, c 16, s3.

Interpretation

3(1) For the purposes of this Act and the regulations, the definitions and interpretations contained in or made by or pursuant to the *Income Tax Act* (Canada) or *The Income Tax Act, 2000* apply, except if they are at variance with the definitions and interpretations contained in this Act or the regulations.

(2) If there is any conflict between the definitions or interpretations found in the *Income Tax Act* (Canada) and those found in *The Income Tax Act, 2000*, the definitions or interpretations found in *The Income Tax Act, 2000* prevail.

2017, c S-10.2, s 3.

PART 2
Application and Eligibility

Approval of technical assessor

4(1) The Lieutenant Governor in Council may approve any body, organization or person having the appropriate scientific and technological expertise as a technical assessor.

(2) The minister shall cause the name of any technical assessor approved pursuant to subsection (1) to be made public in any manner that the minister considers appropriate, including posting it on the ministry's website.

2017, c S-10.2, s 4.

Application for SCII certificate

5(1) Every person who intends to obtain an SCII certificate shall:

(a) apply to the minister in the form provided by the minister;

(b) pay the prescribed application fee;

(c) provide particulars with respect to the existing or pending legal status and ownership of any registered intellectual property or of intellectual property not subject to registration that is the subject of the application;

(d) provide the minister with any information or material that the minister requests and reasonably considers relevant to the application; and

(e) comply with any prescribed application requirements.

(2) The minister shall reject an application if the minister:

(a) has reason to doubt the applicant's legal authority to deal with the intellectual property that is the subject of the application; or

(b) is satisfied that the applicant has failed to comply with the other requirements of this section.

(3) If the application is rejected pursuant to subsection (2), the minister shall inform the applicant, in writing, providing reasons for the rejection.

(4) If the minister is satisfied that the applicant has complied with this section, the minister shall:

(a) inform the applicant, in writing, that the application is to proceed to the scientific eligibility test; and

(b) review the application to determine if the intellectual property that is the subject of the application meets the scientific eligibility test.

(5) No new applications are to be submitted or accepted pursuant to this section after 10 years following the date on which this Act comes into force.

2017, c S-10.2, s 5; 2024, c 18, s 2; 2025, c 16, s5.

Review of application – scientific eligibility test

6(1) To be considered for an SCII certificate, the applicant must satisfy the minister that the intellectual property that is the subject of the application qualifies as an exceptional innovation.

(2) For the purposes of this section, the minister shall forward the application to the technical assessor for its opinion.

(3) The technical assessor may conduct a review of the application forwarded to it pursuant to this section in accordance with the regulations.

(4) The applicant shall provide the technical assessor with any information that the technical assessor may reasonably require to form an opinion.

(5) On completing its review of the application, the technical assessor shall provide an opinion to the minister with respect to whether the applicant's proposed innovation qualifies as an exceptional innovation.

2017, c S-10.2, s 6.

Minister's notice to applicant re outcome of scientific eligibility test

7 On reviewing an opinion provided by the technical assessor pursuant to subsection 6(5), the minister may:

(a) if the minister is satisfied that the intellectual property that is the subject of the application has met the scientific eligibility test, inform the applicant, in writing, that its application is to be assessed for economic eligibility pursuant to section 8; or

(b) if the minister is not satisfied that the intellectual property that is the subject of the application has met the scientific eligibility test, inform the applicant, in writing, that the application is rejected, providing reasons for the rejection.

2017, c S-10.2, s 7; 2025, c 16, s6.

Information re economic eligibility

8(1) For the purposes of the evaluation of the economic benefits of an innovation pursuant to this section, the applicant shall provide evidence satisfactory to the minister that it:

(a) is an eligible corporation; or

(b) has incorporated an eligible corporation for the purposes of developing and commercializing the intellectual property that is the subject of the application.

(2) **Repealed.** 2025, c 16, s7.

(3) The minister may request any further information and material that the minister determines is appropriate for the purposes of this section.

(4) The applicant shall respond to a request of the minister mentioned in subsection (3) within 90 days after the date on which the request is made.

(5) If the applicant fails to respond to a request of the minister within the period mentioned in subsection (4), the minister may reject the application, and subsection 5(3) applies, with any necessary modification.

2017, c S-10.2, s 8; 2025, c 16, s7.

9 Repealed. 2025, c 16, s8.

10 Repealed. 2025, c 16, s8.

PART 3
Issuing Certificate and Claiming Tax Rebate

Issuance of SCII certificate

11(1) Subject to section 12, if the minister is satisfied that the applicant or the corporation it has incorporated is an eligible corporation, the minister shall issue to the eligible corporation a Saskatchewan Commercial Innovation Incentive certificate.

(2) An eligible corporation that has satisfied the requirements of this Act and the regulations and been issued an SCII certificate is eligible for a reduction in its income tax, as calculated in accordance with section 64.6 of *The Income Tax Act, 2000*, for a period of 10 years.

(3) An eligible corporation that has satisfied the requirements of this Act and the regulations and been issued an SCII certificate and that provides evidence satisfactory to the minister that at least a prescribed percentage of the research and development associated with the intellectual property that is the subject of its application was conducted in Saskatchewan is eligible for a reduction in its income tax, as calculated in accordance with section 64.6 of *The Income Tax Act, 2000*, for a period of 15 years.

(4) The SCII certificate issued by the minister pursuant to subsection (1) is to set out the period mentioned in subsection (2) or (3), as the case may be.

2017, c S-10.2, s 11; 2025, c 16, s9.

Claiming tax rebate

12(1) Subject to subsections (2) and (3), an eligible corporation that has been issued an SCII certificate is entitled to claim the SCII rebate for a taxation year in accordance with section 64.6 of *The Income Tax Act, 2000*.

(2) The taxation year for which the first claim mentioned in subsection (1) is made is the first year of the incentive period, and the incentive is to be in effect:

(a) with respect to a rebate claimed pursuant to subsection 11(2), for 10 consecutive taxation years; or

(b) with respect to a rebate claimed pursuant to subsection 11(3), for 15 consecutive taxation years.

(3) An eligible corporation that claims an SCII rebate for a taxation year pursuant to section 64.6 of *The Income Tax Act, 2000* must submit to the minister responsible for the administration of that Act:

(a) a copy of its SCII certificate;

(b) a copy of its full T2 corporate income tax return, including all schedules;

(c) its Canada Revenue Agency notice of assessment for that taxation year; and

(d) any other information and records that the minister responsible for the administration of *The Income Tax Act, 2000* may require in order to determine the amount of the rebate.

2017, c S-10.2, s 12.

PART 4
Administration and Enforcement

Change in circumstances

13(1) Every eligible corporation that has been issued an SCII certificate and that applies or intends to apply for the tax rebate mentioned in section 12 shall immediately notify the minister of any change in circumstances that might affect the continued eligibility of the eligible corporation for the tax rebate.

(2) On receiving a notification pursuant to subsection (1), the minister shall promptly provide the details included in that notification to the minister responsible for the administration of *The Income Tax Act, 2000*.

2017, c S-10.2, s 13; 2025, c 16, s10.

Suspension or cancellation SCII certificate

14(1) Subject to subsection (2), at any time after the minister has issued an SCII certificate, the minister may suspend or cancel the certificate if:

(a) the minister has reasonable grounds to believe that there has been a change in circumstances relating to the eligible corporation that affects its continued eligibility for the tax rebate mentioned in section 12; or

(b) the eligible corporation otherwise fails to comply with this Act or the regulations.

(2) Before suspending or cancelling the SCII certificate of an eligible corporation, the minister shall give the corporation an opportunity to make written representations.

(3) After considering the representations mentioned in subsection (2), the minister shall issue a written decision with reasons and serve a copy of the decision on the eligible corporation as soon as is practicable after the decision is made.

(4) The minister shall promptly advise the minister responsible for the administration of *The Income Tax Act, 2000* of the suspension or cancellation of the SCII certificate of an eligible corporation.

2017, c S-10.2, s 14; 2025, c 16, s11.

Record keeping requirements

15(1) An eligible corporation that intends to apply for the tax rebate mentioned in section 12 shall:

(a) maintain any records that relate or may relate to:

(i) the status or eligibility of the eligible corporation to receive the tax rebate; or

(ii) the amount of any tax rebate; and

(b) forward to the minister for the purpose of inspection, examination or audit, any records required to be maintained pursuant to clause (a), or any extract from those records, at the time and in the manner that the minister considers appropriate.

(2) The records mentioned in subsection (1) are to be maintained in the prescribed form and are to contain the prescribed information.

(3) The minister may specify that an eligible corporation required to maintain records pursuant to this section must maintain those records in Saskatchewan unless other suitable arrangements are made with the minister, and, if the minister so specifies, the eligible corporation shall maintain those records in Saskatchewan.

(4) The records required to be maintained pursuant to subsection (1) must be retained until the later of:

(a) 6 years after the end of the taxation year for which the eligible corporation is allowed a tax rebate pursuant to section 12; and

(b) the final disposition of any objection, appeal or other proceedings to which the records may be relevant.

2017, c S-10.2, s 15.

Power to require information or material

16(1) At any time, the minister may direct an applicant or eligible corporation to provide the minister with any information or material the minister reasonably requires for the purposes of this Act and the regulations.

(2) Every applicant or eligible corporation shall comply with the direction of the minister within the period and in the manner that the minister may require as set out in the direction.

2017, c S-10.2, s 16.

Inspectors

17(1) Inspectors required for the administration of this Act may be appointed in accordance with *The Public Service Act, 1998*.

(2) The minister may designate any person or category of persons to be an inspector or inspectors pursuant to this Act.

2017, c S-10.2, s 17.

Routine inspection

18 Subject to subsection 19(4), for the purpose of ensuring that any person governed by this Act and the regulations is complying with this Act and the regulations, an inspector may do all or any of the following:

(a) enter at any reasonable time and inspect any premises used by the person;

(b) audit or examine any records that relate or may relate to the application for an SCII certificate;

(c) require any person, including any agent, representative, director, officer or employee of an eligible corporation, to provide reasonable assistance;

(d) make any inquiries of a person mentioned in clause (c);

(e) after giving a receipt, remove any records mentioned in clause (b) and retain them for any time the inspector considers appropriate in order to examine them and make copies in accordance with section 20.

2017, c S-10.2, s 18.

Warrant

19(1) If a justice or a provincial court judge is satisfied by information on the oath or affirmation of an inspector that there are reasonable grounds to believe that an offence against this Act or the regulations has occurred and that evidence of that offence is likely to be found, the justice or the provincial court judge may issue a warrant to do all or any of the following:

(a) enter and search any place or premises named in the warrant;

(b) stop and search any vehicle described in the warrant;

(c) seize and remove anything that may be evidence of an offence against this Act or the regulations.

(2) With a warrant issued pursuant to subsection (1), an inspector may:

(a) enter at any time and search any place or premises named in the warrant;

(b) stop and search any vehicle described in the warrant;

(c) open and examine any trunk, box, bag, parcel, closet, cupboard or other receptacle that the inspector finds in the place, premises or vehicle;

(d) require the production of and examine any record that the inspector believes, on reasonable grounds, may contain information related to an offence against this Act or the regulations;

(e) remove, for the purposes of making copies, any records examined pursuant to this section; and

(f) seize and remove from any place, premises or vehicle searched anything that may be evidence of an offence against this Act or the regulations.

(3) Subject to subsection (4), an inspector may exercise all or any of the powers mentioned in subsection (2) without a warrant if:

(a) the conditions for obtaining a warrant exist; and

(b) the inspector has reasonable grounds to believe that the delay necessary to obtain a warrant would result in the loss, removal or destruction of evidence.

(4) An inspector shall not enter a private dwelling without the consent of the occupant or without a warrant obtained pursuant to this section.

2017, c S-10.2, s 19.

Copies of records

20(1) If any records are removed pursuant to section 18 or 19, the inspector may make copies of those records.

(2) The inspector shall:

(a) make copies of the records with reasonable dispatch; and

(b) promptly return the originals of the records to:

(i) the place from where they were removed; or

(ii) any other place that may be agreed to by the inspector and the person who provided the records or from whom they were seized.

(3) A record certified by the inspector to be a copy made pursuant to this section:

(a) is admissible in evidence without proof of the office or signature of the person making the certificate; and

(b) has the same probative force as the original record.

2017, c S-10.2, s 20.

Cooperation with inspector

21 No person shall resist, obstruct, hinder or interfere with an inspector who is acting in the course of his or her duties.

2017, c S-10.2, s 21.

Offences and penalties

22(1) Every person is guilty of an offence who:

(a) makes or assists in making a statement in any document required by or for the purposes of this Act or the regulations that:

(i) at the time and in the light of the circumstances pursuant to which the statement was made, is false or misleading with respect to a material fact; or

(ii) omits to state any material fact, the omission of which makes the statement false or misleading;

(b) is required to keep records pursuant to this Act and fails or refuses to:

(i) keep those records; or

(ii) forward those records or extracts from those records to the minister when required by the minister to do so;

(c) resists, obstructs, hinders or interferes with an inspector who is acting in the course of his or her duties; or

(d) contravenes any provision of this Act or the regulations.

(2) Every person who is guilty of an offence is liable on summary conviction to:

(a) in the case of an individual, a fine not exceeding $10,000 and, in default of payment, to imprisonment for a term not exceeding 90 days; and

(b) in the case of a corporation, a fine not exceeding $100,000.

(3) If a corporation commits an offence pursuant to this Act, any officer or director of the corporation who directed, authorized, assented to, acquiesced in or participated in the commission of the offence is guilty of the offence and liable on summary conviction to the penalties mentioned in this section whether or not the corporation has been prosecuted or convicted.

2017, c S-10.2, s 22.

Recovery

23(1) If a corporation obtains an SCII tax rebate to which it is not entitled pursuant to this Act, the amount of the tax rebate is a debt due to the Crown in right of Saskatchewan and may be recovered:

(a) by deducting that amount from any payments or tax credits pursuant to *The Income Tax Act, 2000* for which the corporation is eligible;

(b) by any other manner authorized by *The Financial Administration Act, 1993*; or

(c) by filing with the Court of King's Bench, at any judicial centre, a certificate of the minister certifying the amount of the tax rebate, together with interest at the prescribed rate to the date of the certificate.

(2) A certificate filed pursuant to clause (1)(c) has the same force and effect as if it were a judgment obtained in the Court of King's Bench for the recovery of a debt in the amount specified in the certificate, together with any reasonable costs and charges with respect to its filing.

2017, cS-10.2, s23; 2024, c4, s32.

Limitation on prosecution

24 No proceeding to enforce any provision of this Act or the regulations is to be commenced more than 6 years after the facts on which the proceeding is based first came to the knowledge of the minister.

2017, cS-10.2, s24.

PART 5
General

Immunity

25 No action or proceeding lies or shall be commenced against the Crown in right of Saskatchewan, the minister, the ministry, a technical assessor, an inspector or any other person acting pursuant to the authority of this Act or the regulations, for anything in good faith done, caused, permitted or authorized to be done, attempted to be done or omitted to be done by that person or by any of those persons pursuant to or in the exercise or supposed exercise of any power conferred by this Act or the regulations or any responsibility imposed by this Act or the regulations.

2017, cS-10.2, s25.

Service of notice or documents

26(1) Any notice, decision or other document required by this Act or the regulations to be given or served is to be served personally or mailed by ordinary or registered mail to the last known address of the person being served or by any other prescribed means.

(2) A document served by ordinary mail or registered mail is deemed to have been received on the 14th day following the day of its mailing, unless the person to whom it was mailed establishes that, through no fault of the person, he or she did not receive the document or that he or she received it at a later date.

(3) Irregularity in the service of a notice, decision or other document does not affect the validity of an otherwise valid notice, decision or other document.

2017, cS-10.2, s26.

PART 6
Regulations and Coming into Force

Regulations

27 The Lieutenant Governor in Council may make regulations:

(a) defining, enlarging or restricting the meaning of any word or expression used in this Act but not defined in this Act;

(b) prescribing the amount and requiring the payment of application fees and other fees payable by applicants or eligible corporations for other services provided by the minister or any other person acting pursuant to the authority of this Act or the regulations;

(c) prescribing requirements to be met by a corporation in order to be an eligible corporation;

(d) for the purposes of clause 5(1)(e), prescribing application requirements;

(e) for the purposes of subsection 6(3), respecting the manner by which the technical assessor may conduct a review of the application and accompanying information and material;

(f) **Repealed.** 2025, c 16, s12.

(g) for the purposes of subsection 11(3), prescribing a percentage;

(h) for the purposes of subsection 15(2), prescribing the information and records that must be maintained and the form in which they must be maintained by an eligible corporation;

(i) prescribing any rate of interest that is to be prescribed and the method by which it is to be calculated;

(j) for the purposes of section 26, prescribing other means of serving notices, decisions or other documents;

(k) with respect to any matter governed by this Act:

(i) adopting, as amended from time to time or otherwise, all or any part of any code, standard or guideline;

(ii) amending for the purposes of this Act or the regulations any code, standard or guideline adopted pursuant to subclause (i);

(iii) requiring compliance with a code, standard or guideline adopted pursuant to subclause (i);

(l) prescribing any matter or thing required or authorized by this Act to be prescribed in the regulations;

(m) respecting any other matter or thing that the Lieutenant Governor in Council considers necessary to carry out the intent of this Act.

2017, c S-10.2, s 27; 2025, c 16, s12.

Coming into force

28 This Act comes into force on proclamation.

2017, c S-10.2, s 28.

Regina, Saskatchewan
Printed by the authority of
The King's Printer
Copyright©2025