



PRINCE EDWARD ISLAND  
ÎLE-DU-PRINCE-ÉDOUARD

# **INNOVATION PEI ACT GENERAL REGULATIONS**

## PLEASE NOTE

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This document is *not* the official version of these regulations. The regulations and the amendments printed in the *Royal Gazette* should be consulted on the Prince Edward Island Government web site to determine the authoritative text of these regulations.

For more information concerning the history of these regulations, please see the *Table of Regulations* on the Prince Edward Island Government web site ([www.princeedwardisland.ca](http://www.princeedwardisland.ca)).

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**INNOVATION PEI ACT**  
**Chapter I-2.2**

**GENERAL REGULATIONS**

Pursuant to section 18 of the *Innovation PEI Act* R.S.P.E.I. 1988, Cap. I-2.2, Council made the following regulations:

**1. Definitions**

- (1) In these regulations
- (a) “**Act**” means the *Innovation PEI Act* R.S.P.E.I. 1988, Cap. I-2.2;
  - (b) “**affiliate**” means any person
    - (i) directly or indirectly controlling, or controlled by, or
    - (ii) under direct, indirect or common control with,a person making an application pursuant to the Act and these regulations;
  - (c) “**employee of the Government**” includes an employee or officer of any agency of the Crown, including any Crown corporation;
  - (d) “**fiscal year**” means, in respect of the Corporation, the fiscal year as defined in the *Financial Administration Act* R.S.P.E.I. 1988, Cap. F-9;
  - (e) “**person**” includes any
    - (i) individual, partnership, body corporate or cooperative association, and
    - (ii) any syndicate formed or existing for the purpose of jointly acquiring or administering assets.

**Affiliated body corporate**

- (2) For the purposes of these regulations,
- (a) one body corporate is affiliated with another body corporate if
    - (i) one of them is the subsidiary of the other or both are subsidiaries of the same body corporate, or
    - (ii) each of them is controlled by the same person;
  - (b) if two bodies corporate are affiliated with the same body corporate at the same time, they are deemed to be affiliated with each other;
  - (c) a body corporate is controlled by a person or by two or more bodies corporate if
    - (i) securities of the body corporate to which are attached more than fifty per cent of the votes that may be cast to elect directors of the body corporate are held,

- other than by way of security only, by or for the benefit of that person or by or for the benefit of those bodies corporate, and
- (ii) the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate;
- (d) a body corporate is the holding body corporate of another if that other body corporate is its subsidiary; and
- (e) a body corporate is a subsidiary of another body corporate if
- (i) it is controlled by
    - (A) that other body corporate,
    - (B) that other body corporate and one or more bodies corporate each of which is controlled by that other body corporate, or
    - (C) two or more bodies corporate each of which is controlled by that other body corporate, or
  - (ii) it is a subsidiary of a body corporate that is a subsidiary of that other body corporate. *(EC39/15)*

## 2. Economic sector

Each of the following sectors of the economy of Prince Edward Island is designated as an economic sector for the purposes of clause 14(f) of the Act:

- (a) agriculture;
- (b) fisheries and aquaculture;
- (c) tourism and small business;
- (d) financial and business services. *(EC39/15)*

## FINANCIAL ASSISTANCE

### 3. Applications

- (1) An application to the Corporation for financial assistance shall be made in writing and shall be in the form and provide the information and supporting documentation that the Chief Executive Officer requires for the proper assessment of the application, which may include, but is not limited to, financial information, shareholder information and business plans.

#### Applications by employees of Government

- (2) An applicant for financial assistance who is an employee of the Government shall, in his or her application, advise the Corporation that the applicant is an employee of the Government.

#### Review of application by staff

- (3) Every application to the Corporation for financial assistance shall be reviewed by the staff of the Corporation before the application is referred
- (a) to the Chief Executive Officer for his or her review and determination under subsection 4(1); and
  - (b) to the Deputy Minister or Minister for his or her review and determination under subsection 4(2) or (3). *(EC39/15)*



**4. Financial assistance \$500,000 or less**

- (1) The Chief Executive Officer shall review and determine any application to the Corporation for financial assistance in an amount not exceeding \$500,000 and may advance financial assistance to an applicant where the total amount of financial assistance provided to the applicant in the fiscal year in which the application is made does not exceed \$500,000 in the aggregate.

**Financial assistance in excess of \$500,000 but not more than \$1,000,000**

- (2) The Deputy Minister shall review and determine any application to the Corporation for financial assistance in an amount that exceeds \$500,000 but does not exceed \$1,000,000 and may advance financial assistance to an applicant where the total amount of financial assistance provided to the applicant in the fiscal year in which the application is made does not exceed \$1,000,000 in the aggregate.

**Idem, in excess of \$1,000,000**

- (3) The Minister shall review and determine any application to the Corporation for financial assistance in an amount that exceeds \$1,000,000 and may, with the approval of Treasury Board, advance financial assistance to an applicant where
  - (a) the amount of financial assistance requested by the applicant exceeds \$1,000,000; or
  - (b) the total amount of financial assistance provided to the applicant in the fiscal year in which the application is made exceeds \$1,000,000 in the aggregate. *(EC39/15)*

**5. Funding for grants or contributions**

- (1) Any financial assistance provided by the Corporation in the form of a grant or contribution shall be expended from the funds available to the Corporation.

**Expending amounts from approved program budget**

- (2) Any financial assistance provided by the Corporation in the form of a grant or contribution shall be expended only from the budget approved by the Legislative Assembly for the purposes of the Corporation's programs under the Act. *(EC39/15)*

**FINANCIAL ASSISTANCE ELIGIBILITY RESTRICTIONS****6. Ineligibility for financial assistance**

Financial assistance shall not be provided by the Corporation to any person for any business activity involving

- (a) the supply of residential accommodations;
- (b) the supply of business premises to non-related persons; or
- (c) the lending of money or other activities of a finance company, loan company or trust company,

or any other business activity excluded by the Corporation or by the Minister. *(EC39/15)*

**GENERAL****7. Annual audit report**

In preparing an annual audit report for a fiscal year pursuant to subsection 12(2) of the Act, the Chief Executive Officer shall

- (a) include in the annual audit report the independently audited financial statements of the Corporation for the fiscal year; and
- (b) address in the annual audit report such other matters as the Minister may request. *(EC39/15)*

**8. Power of Corporation on default**

Upon default in the obligations owed to the Corporation by any person, the Corporation may take steps to enforce the performance of the obligations and to realize on any security held by the Corporation in accordance with policies and procedures adopted by the Board. *(EC39/15)*

**9. Revocation**

The *Innovation PEI Act* General Regulations *(EC562/09)* are revoked. *(EC39/15)*

