BOAST

Everything You Need to Know About

SR&ED Tax Credits

What Are SR&ED Tax Credits?

SR&ED: Scientific Research & Experimental Development

Canadian Research and Development Tax Credit

Commonly Pronounced "SHRED"

95%

Approximately 95% of SR&ED claims are considered Experimental Development

$4B

$4 Billion Annually
The Canadian government provided $3BB in assistance to 20,000 claimants.

SR&ED Tax Incentives = Investment Tax Credits (ITCs)

Who Can Claim SR&ED?

3 Criteria to Identify SR&ED Eligibility

Technological Uncertainty
A qualified person working to overcome technical challenges that could not predict the outcome with their existing knowledge.

Technical Content
The work was performed in a systematic or iterative process with documentation.

Technological Advancement
The project advances the current understanding of underlying technologies and furthers technical knowledge.

APPLICABLE INDUSTRIES

- Software Development & ICT
- Manufacturing
- Biotechnology
- Oil & Gas and Energy
- Agriculture
- And more

TYPES OF COMPANIES THAT CAN CLAIM

CCPC
Canadian Controlled Private Corporation

NON-CCPC
Foreign and/or Publicity Owned Corporation

What Can You Claim?

Recoverable Amounts on Qualifying Expenditures

CCPC		NON-CCPC
64%	SALARIES	36%
32%	SUB CONTRACTORS	18%
42%	MATERIALS	24%
Refundable ITCs		Non-Refundable ITC (Except provincial portion in Ontario, Manitoba, and Nova Scotia)

DID YOU KNOW

Unused non-refundable ITCs may be carried back 3 years or carried forward 20 years.

What Should You Document?

SR&ED Documentation Requirements

- Highlight technological uncertainties and time put against them in order to find a solution.
- Document all technical challenges as the work progresses.

What Should You Claim?

Turnaround Times

Deadline to claim SR&ED = 18 months past fiscal year end

SR&ED claims will be processed by the CRA (Canadian Revenue Association) within 60 calendar days of filing. Within those 60 days, the CRA may choose to Accept the Claim as Filed (AAF), or they may choose to do a review of the claim. If the claim is selected for review, the CRA will work to complete that review within 180 calendar days from the claim's filing date.

CCPC
Once the SR&ED claim is AAF, there will be no additional audits or reviews unless there is evidence of fraud.

NON-CCPC
Even if the SR&ED claim is AAF, the CRA retains the right to open a review of the claim up to 365 calendar days from the filing date.

THE CRA TAKES

60 Days

On average to process all SR&ED Claims

DID YOU KNOW?

90%

CRA's commitment at meeting these turnaround times

CASE EXAMPLE

SR&ED's Impact on Your Bottom Line

Company X has	Claiming SR&ED, the company can earn
$210K/Year	$135K of Refundable ITCs/Year
of eligible SR&ED expenditures	(That's the equivalent of 2 employees)

That's $405K of ITCs in Just 3 Years

ITC calculation based on: CCPC in British Columbia (10% provincial rate); 2019 fiscal year expenditures; spent 100% of time on R&D (64% recoverable amount of salaries)

SR&ED—The Easy Way

Your R&D System of Record

Boast helps innovative companies recover their R&D costs from the government. Our team of engineers and accountants leverage our proprietary software platform to proactively prepare and estimate your claims throughout the year, allowing you to access your accrued SR&ED credits as quarterly advanced funding, 12-16 months early. Using Boast, our clients have maximized their SR&ED claims with less time and audit risk.

Why work with Boast?

- Larger Refunds
- Reduced Audit Risk
- Less Time
- SR&ED Expertise
- AI Platform
- Technology Integrations
- Quarterly Advanced Funding

CONTACT US FOR A FREE SR&ED ASSESSMENT:

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