

## Scientific Research and Experimental Development (SR&ED)



# \$20,000 to \$500,000

...is the range of tax refunds our clients get when applying for the SR&ED Canadian Tax Credits Incentive Program

Each year the federal and provincial governments pay out \$4 Billion to companies that attempt (**SUCCESSFUL & UNSUCCESSFUL attempts**) to **innovate/improve products or processes** in their respective industries. The SR&ED program is a federal tax incentive program to encourage Canadian businesses of all sizes and in all sectors **to undertake activities in Canada** that will lead to **new and/or improved products or processes**.

### **RECEIVE THE AGGREGATE OF UP TO:**

**68% of Qualifying Salaries**

**42% of Contractor Payments**

**42% of Cost of Materials Consumed**

Cdn. SR&ED Consultants Inc. has a totally dedicated team that focuses on getting you the maximum refundable amounts that you are entitled to. We are not an accounting firm and thus our focus is strictly on the SR&ED claims. We do not replace your accountant.

Working in coordination with your accountant, **we will prepare the technical report, capture the relevant expenditure amounts and prepare the appropriate tax forms to be added to your corporate tax return.**

**We work on a contingency basis. We only get paid when your claim has been approved by Canada Revenue Agency.**

**ACT TODAY!**

**CALL US FOR A FREE CONSULTATION**

**Itzhak (Isaac) Rosenbaum, PEng, MBA, CA**  
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## **Scientific Research and Experimental Development (SR&ED)**

### **Our“One-Stop” service**

#### **We will:**

- ✓ Identify all activities and projects that qualify for SR&ED tax credit
- ✓ Review previously filed claims
- ✓ Maximize your refund by uncovering all qualifying expenses
- ✓ Write the SR&ED technical report for each activity or project that clearly demonstrating that each activity or project fulfills the SR&ED guidelines
- ✓ Prepare the supporting financial expenditures claimed
- ✓ Prepare the required tax forms to be included in the tax return
- ✓ File the claim with Canada Revenue Agency
- ✓ Attend ALL meetings with Canada Revenue Agency
- ✓ Ensure your staff are adequately prepared for an on-site review
- ✓ Defend your claims during technical and financial reviews
- ✓ Improve the productivity of your SR&ED activities

## **EXAMPLE OF SR&ED PROJECTS/ACTIVITIES**

### **Information Technology/Software**

- Development of new algorithms, constructs, architectures or database management techniques
- Extension of the performance/functionality of existing technologies/systems
- Reducing response time from 3 seconds to 1 second
- Modify Microsoft System Dev Kits to suit specific needs
- Algorithm to extract raw text data from Microsoft Baseline Security Analyzer (MBSA)
- Algorithm for querying the logs in order to optimize firewall rules
- Modify/integrate existing obfuscated accounting package
- Reduction of processing load and memory consumption
- Database/Data Mining Systems
- Messaging Systems
- Gaming Platforms (e.g. XNA, Unreal, etc.)
- Mobility (Android, Brew, WinCE, etc.)

### **Hardware**

- Radio Frequency Identification (RFID)
- Global Positioning Systems (GPS)
- Very Large Scale Integration (VLSI)
- Communications (802.11, Bluetooth, etc.)
- Electronic Control Systems
- Manufacturing Automation Systems

### **Manufacturing**

- Automation of manufacturing a part at a rate of 7 to 8 seconds
- Automation of punching a part at a rate of 10-30 seconds
- Increase output from screw machine from 20 seconds/part to 3 seconds/part.
- Modify existing equipment for new application
- Design a valve system that does not use air so as to avoid the freezing in the winter

### **Packaging**

- Automated system to feed, fold and sort greeting cards of various sizes
- Automated process to print onto nylon/silicone film
- Automate process to seal oversized cartons
- Automate system to package cake and muffins
- Improve process for inserting Velcro strips into extruded polyurethane

### **Automotive/Tool & Die/Machining**

- Highly complex die that would require forming multiple ribs
- Multiple heights while maintaining flatness in certain areas
- Extend the limits of a laser cutting machines
- Increase the tool's operational pressure range from 150 psi to 500 psi
- Hold a draw tolerance of  $\pm 0.5$ mm on the trim area

## **EXAMPLE OF SR&ED PROJECTS/ACTIVITIES**

### **Plastic Industry**

- Experimenting with interaction of unknown components/processes
- Design and development of specialized molds
- Encountering issues with yield, formulation, strength (plastic) and interaction (chemical)
- Investigating different resin types and blends to realize mechanical properties of finished product
- Optimizing process parameters to reduce cycle times and improve product quality
- Modifications to tooling (feed screws, dies, vacuum sizers, etc) to enable a process or improve an existing process
- Experimentation with incorporation of post-consumer recycled content or new polymers
- Development of polymer components to replace existing metal components to achieve a function improvement (weight reduction, increased product life, etc)
- Incorporation of secondary finishing operations (punching, cutting, & setting inserts, etc)

### **Chemical Industry**

- Chemical Design & Synthesis
- Formulation Chemistry for applications in numerous industries (cleaning, beauty, etc)
- Materials Engineering: Metallurgy, Ceramics, Plastics, Composites, Paper & Wood
- Industrial Biotechnology: Biocatalysis, Fermentation, Bioproducts, Biomaterials
- Nanomaterials & Processes

### **Food, Beverage and Consumer Goods**

- New product, packages and/or process development
- Productivity improvement, product line extension.
- Formulation alterations
- Manufacturing modifications or equipment design changes
- Ingredient substitution
- Shelf life extension or modification for other temperate zones
- Overcoming issues with product stability, consistency in quality, flavor, texture, form

### **Cosmetics**

- Reduce eye irritation in eye products
- Increase wearing life of lipstick/nail products
- Reduce allergic reaction skin cleanser
- Shampoo/sunscreen product using “natural raw materials”
- Increase shelf life
- Shampoo product that would stimulate hair growth
- Reduce inflammation in after shave balm product

### **Pharmaceutical**

- Immune support products made of natural ingredients
- Convert existing vitamins and minerals into nano-molecules to allow instant absorption
- Ingestible arthritis joint product using natural ingredients
- Digestive enzyme product using natural ingredients
- Anti-bruising cream that does not rub off for at least 4-5 hours
- Improve anti-acne products

## **EXAMPLE OF SR&ED PROJECTS/ACTIVITIES**

### **Printing and Finishing Activities**

- Experimentation with colour profiles/colour calibration, heat, speed, pressure settings of the printer
- Experimentation with Lamination – film thicknesses and types
- Experimentation with gluing, cutting, trimming, punching, folding of various media
- Experimentation with ink/water proportions
- Modifications to printers (digital, UV, large format) laminators, collators, offset presses
- Experimentation with various media – printing on vinyl, textile, canvas, self-adhesive material, magnetic material, etc.

### **Electrical and Electronics Expertise**

- High Voltage Transformers, Switchgear and Circuit Breakers
- Power converters, rectifiers and conditioning devices
- Dry and Liquid filled transformers, bushings and insulation products
- Power Semiconductors
- AC / DC Drives and Motors
- Instrumentation and Controls

### **Medical/Clinical**

- New procedures/protocols for
  - Pain relief
  - Fertility
  - Weight loss
  - Hair loss
  - Laser treatment

### **Textile Industries**

- Experiments with new fiber or special properties, i.e. width, thickness, tensile strength
- New spinning process
- New dye type

### **Agricultural, Farming and Greenhouse Industries**

- Animal Husbandry and Veterinary Science
- Biopharming
- Experimenting with new varieties/cultivar of plants
- Testing and monitoring of the following variables
  - Yield (weight, size, number of flowers/stems)
  - Propagation research (increasing number of cuttings, seeds)
  - Fertilizer content, Biological controls (bees, bugs), Soil Mixture
  - Light/Shading/Temperature
  - Resistance to diseases/fungus/parasites

## **EXAMPLE OF SR&ED PROJECTS/ACTIVITIES**

### **Environmental/Green Technologies**

- Environmental & Geological Engineering
- Energy & Fuels
- Marine & Ocean Engineering
- Environmental Biotechnology & Bioremediation
- Environmental Diagnostics & Sensing Devices

### **Design & Construction**

- Systems/methods/techniques to enhance structural strength or durability of building elements
- Machines/equipment/tools to facilitate construction
- Technology for restoration of worn out components to preserve building look
- Technology for manufacturing building elements (for example clay or metal roof plates)
- Technology for waterproofing building components
- Using new materials and prefabricated building elements to improve building functionality (for example - using hollow concrete slab to provide ventilation to the building)
- Enhancement of mechanical systems: Heating, Ventilating, Air Conditioning, Water supply.

### **Other**

- Adding softening agents to a liquid laundry detergent/ New agents to increasing cleaning ability
- Changing existing soap formulation to reduce costs by X%
- Transfer large colour images onto a fabric/hard surfaces
- Non-UV tanning system that would be easy to operate and eliminate the streaking
- Grow tulips in a hydroponics system in Canadian environment
- Modify equipment to machine complex dental implants
- Water feature applications, a bubble ring, a vortex effect and waterwall effect

## SR&ED CHECK LIST

Have You	Yes <input type="checkbox"/>
Developed new part/tool/product/process?	
Modified your product formulation?	
Improved your production process (reduced time/costs)?	
Extended the shelf life of your products?	
Improved your product (reduce calories, reduce eye irritation? etc.)?	
Automated your production?	
Developed a new computer application?	
Integrated various data bases/applications?	
Modified existing products/machines to new applications?	
Improve response time of your web application?	
Machined/fabricated parts/dies using new materials?	
Machined/fabricated parts/dies to meet higher tolerances	
Undertaken a clinical study to investigate new ways to cure cancer/pain relief /diet?	

**If the answer to any of these is YES then you may have a SR&ED Claim!**

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