

Start-up Visa Program

April 1, 2013

Overview

The Start-Up Visa program was launched by Citizenship and Immigration Canada, now Immigration, Refugee and Citizenship Canada (IRCC) on April 1st 2013, with participation of the National Angel Capital Organization (NACO), with the intent of supporting the efforts of angel investor groups to bring innovative young companies and their entrepreneurs to Canada to support our innovation and entrepreneurial ecosystem.

In order to participate in the program, prospective entrepreneurs must be able to secure a specific funding commitment from a designated Angel group. Therefore, this program is driven by the investment decision of the designated investors and is **not intended as a general application for prospective immigrants**. The program will focus on high quality applications and not the quantity of applicants. Prospective applicants must be ready to provide detailed information regarding their entrepreneurial background and venture including: business plans, financial documents, incorporation documents, references, and any other relevant information the investor may require to make the investment decision.

Before applying to the program, **potential applicants must have secured an investment commitment of \$75,000 or more from a designated angel investor group. Applications that have not secured funding from a designated angel group will not be deemed eligible to apply.**

Applicants may apply as either a single entrepreneur or as an entrepreneurial team of up to five members. **Each applicant must be an active member of the venture team with at least 10% of the voting rights to qualify.** The combination of the applicant and the designated investor/investors **must also hold at least 50% of the voting rights in the proposed venture to qualify.**

Angel investors typically invest in innovative high growth companies in knowledge based industries with strong track records and evidence of market readiness or early market traction, including customer sales. Companies in the early stages of commercialization, with early revenues would be ideal candidates for this program.

Successful applicant companies will typically meet the following criteria when approaching designated angel investor groups:

- The company has been established and incorporated and/or are planning to incorporate in Canada
- The company has demonstrated pre-existing financial resources as well as traction for their product/service
- The company is looking for follow-on funding to continue development or accelerate the growth of their venture
- The company is engaged in a high growth industry or has a reasonable potential for exponential growth

- The company has a well-developed market, financial and company growth strategy
- The company has a defined competitive advantage that is sustainable in its industry
- The company would benefit strategically from relocation to Canada

For more information on the Start-up Visa such as details and designated angel group details, please go to <http://www.cic.gc.ca/english/immigrate/business/start-up/index.asp>

Documents Required:

In order for applicants to move forward with the Start-up Visa program, the applicant must prepare the following documents.

1. Formal Business Plan
2. Financial Plan – minimum 3 year projected revenue, expenses and cash flow
3. Communications Plan
4. Corporate Documents
 - a. Incorporation
 - b. Shareholders Agreement
5. Due diligence Report covering
 - a. Customers and Suppliers
 - b. Material contracts
 - c. Intellectual Property
 - d. Corporate Financing
 - e. Employees and Benefit Plans
 - f. Management Team
6. Term Sheet

The protocol with respect to processing an SUV application through GTAN is as follows, regardless of whether or not the application is received directly from an entrepreneur or is advanced from a GTAN member:

- The deal must be reviewed by, and pass GTAN's Selection Committee
- The deal must be presented in person by the entrepreneur applicant(s) to a GTAN investor meeting
- The deal must meet the minimum funding requirement (currently \$75,000 as established by IRCC) by a group of GTAN members, or by the GTAN member who advanced the deal
- The deal requires final sign-off by GTAN's Board prior to issuance of a Commitment Certificate by a GTAN officer