



Introducing the SR&ED Program's Preclaim Project Review Service

More Ways to Serve You!

Pour vous servir encore mieux!



Canada Customs
and Revenue Agency

Agence des douanes
et du revenu du Canada

The Scientific Research and Experimental Development (SR&ED) Program provides tax incentives to Canadian businesses that do SR&ED in Canada. This financial support is designed to encourage businesses, including small and start-up companies, to do work that advances technology in order to develop new or improved products or processes.

Many claimants benefit from greater up-front certainty about the eligibility of their company's research and development for tax credits under the SR&ED Program.

- Do you need guidance in understanding the SR&ED Program requirements and the claim process?
- Would you like to better understand what information you should keep to support your SR&ED claim?
- Are you interested in speeding up the delivery of your SR&ED tax credits?

If you answered *yes* to any of these questions, then the Preclaim Project Review (PCPR) Service, one of the free services offered by the Canada Customs and Revenue Agency (CCRA) under the SR&ED Program, is for you.

The PCPR service was developed as part of the CCRA's ongoing efforts to make the SR&ED Program more responsive to your needs. We will discuss which of your company's research and development (R&D) projects are eligible for SR&ED tax credits. You will also receive valuable guidance from SR&ED Program staff about ways to support your company's SR&ED claim.

What is the PCPR service?

The PCPR service is one of the SR&ED advisory services offered by the CCRA to help make sure you get maximum benefits from the SR&ED Program. It provides an up-front review and a preliminary opinion on the eligibility of projects for SR&ED tax incentives.

The PCPR service is designed to help you in your planning and investment decisions. The service is available before SR&ED tax incentives are claimed, and can be provided before work is started.

The PCPR service is available to all companies.

What are the benefits to your company?

While the CCRA will not prepare your claim, PCPR offers the following benefits:

- more up-front certainty about the eligibility of R&D projects for SR&ED tax incentives;
- the opportunity to receive a preliminary opinion without having to generate extensive paperwork, thus, potentially reducing claim preparation costs;
- open and informal discussions about the eligibility of R&D work for SR&ED tax incentives;
- a better understanding of the SR&ED Program and of the type of R&D projects that qualify;
- a simpler way for companies to participate in the program;
- faster receipt of SR&ED tax incentives after a claim is filed; and
- advice early in the SR&ED process—before work is started, while work is underway, or before a claim is prepared.

How does the PCPR service work?

The PCPR service is particularly useful when a SR&ED project is in the planning stage or when all the project details have not been finalized. The service is designed to be informal, yet informative.

SR&ED Program staff meet with your representatives who are most familiar with the company's work to discuss your proposed project or a project that has started. If required, a financial reviewer from the SR&ED Program will also be available to discuss your SR&ED expenditures.

Based on this discussion, the CCRA gives a verbal preliminary opinion on whether the proposed work may be eligible for SR&ED tax incentives. A written preliminary opinion can also be provided at your request.

The CCRA will also explain the reasons why projects are eligible, or are not eligible, and the type of records that should be kept to support a claim after it is filed.

Is the PCPR service different from an advance tax ruling?

The PCPR service is not an advance tax ruling. The PCPR service simply gives an indication of the eligibility of the work. A final opinion on any SR&ED claim must be based on the work done and can only be made after the claim is filed.

However, claimants can expect that the final opinion will be consistent with the preliminary opinion, as long as the work presented for the PCPR process is not different from the work claimed.

Is the PCPR service a requirement for participating in the SR&ED Program?

The PCPR service is client-driven. In other words, the choice to take advantage of the service is entirely up to you.

How do you take advantage of this service?

The PCPR service is available through CCRA tax services offices across the country. For more details and to ask for the PCPR service, contact any of the following tax services offices:

Halifax	(902) 426-2386
.....1	(866) 433-5986
Québec.....	(418) 648-7151
.....1	(866) 204-0101 ext 648-7151
Montréal	(514) 496-1317
Laval.....	(514) 338-4198
.....1	(888) 784-8709
Ottawa	(613) 598-2295
Toronto	(416) 973-3725
Mississauga.....	(905) 566-6148
Hamilton	(905) 572-2650
Calgary.....	(403) 691-5890
Vancouver	(604) 666-8589

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