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In force date of regulations: As of March 4, 2005*, the date a regulation comes into force is determined by subsection 3(6) of the *Regulations Act*. The date a regulation is made, the date a regulation is approved, the date a regulation is filed and any date specified in a regulation are important to determine when the regulation is in force.

*Date that subsections 3(6) and (7) and Sections 11 and 13 of the *Regulations Act* and amendments to the *Regulations Act* made by Chapter 46 of the Acts of 2004 were proclaimed in force.

N.S. Reg. 20/2020

Made: February 6, 2020

Filed: February 10, 2020

Prescribed Petroleum Products Prices

Order dated February 6, 2020
made by the Nova Scotia Utility and Review Board
pursuant to Section 14 of the *Petroleum Products Pricing Act*
and Sections 16 to 19 of the *Petroleum Products Pricing Regulations*

Order**M09573****In the matter of the *Petroleum Products Pricing Act*****- and -**

**In the matter of prescribing prices for petroleum products
pursuant to Section 14 of the *Petroleum Products Pricing Act* and
Sections 16 to 19 of the *Petroleum Products Pricing Regulations***

Before: Roland A. Deveau, Q.C., Vice Chair

Whereas the purpose of the *Petroleum Products Pricing Regulations* is to ensure just and reasonable prices for specified petroleum products taking into consideration the objectives of preserving the availability of such products in rural areas, stabilizing prices of such products and minimizing the variances in prices of such products across the Province;

And whereas the Nova Scotia Utility and Review Board (“Board”) considered the manner in which it would proceed to set petroleum product prices in its decision, 2006 NSUARB 108, issued on October 16, 2006;

And whereas the Board revised the wholesale margin effective January 4, 2013, in its decision, 2012 NSUARB 213, issued on December 12, 2012;

And whereas the Board revised the retail margin and the transportation allowance effective October 28, 2016, in its decision, 2016 NSUARB 168, issued on September 26, 2016;

And whereas the average of the average of the daily high and low reported product prices (in Canadian cents) for the period ended February 5, 2020, are:

Grade 1 Regular gasoline	52.80¢ per litre
Ultra-low-sulfur diesel oil	56.47¢ per litre

Now therefore the Board prescribes the benchmark prices for petroleum products to be:

Gasoline:	
Grade 1	52.80¢ per litre
Grade 2	55.80¢ per litre
Grade 3	58.80¢ per litre
Ultra-low-sulfur diesel oil	56.47¢ per litre

And now therefore the Board has determined, based on historical data regarding price changes and to achieve revenue neutrality, it is appropriate to apply, and the Board so orders, forward averaging corrections of:

Gasoline:	minus 0.13¢ per litre
Ultra-low-sulfur diesel oil:	nil ¢ per litre

And whereas a winter blending adjustment of plus 1.87¢ per litre is required for ultra-low-sulfur diesel oil;

And now therefore the Board prescribes the prices for petroleum products as set forth in Schedule “A” effective on and after 12:01 a.m., February 7, 2020.

Dated at Halifax, Nova Scotia, this 6th day of February, 2020.

sgd. Lisa Wallace
Clerk of the Board

Schedule "A"

**Prices Prescribed for Petroleum Products
under the *Petroleum Products Pricing Act* and the
Petroleum Products Pricing Regulations
effective on and after 12:01 a.m. on February 7, 2020**

Nova Scotia Petroleum Price Schedule								
Petroleum Prices in Cents/Litre					Self-Service Pump Prices		Full-Service Pump Prices	
					(Pump Prices includes 15% HST)			
	Base Wholesale Price	Fed. Excise Tax	Prov. Tax	Wholesale Selling Price	Min	Max	Min	Max
Zone 1								
Regular Unleaded	60.92	10.0	15.5	86.42	105.2	107.4	105.2	999.9
Mid-Grade Unleaded	63.92	10.0	15.5	89.42	108.7	110.9	108.7	999.9
Premium Unleaded	66.92	10.0	15.5	92.42	112.1	114.3	112.4	999.9
Ultra-Low-Sulfur Diesel	66.86	4.0	15.4	86.26	105.1	107.2	105.1	999.9
Zone 2								
Regular Unleaded	61.42	10.0	15.5	86.92	105.8	108.0	105.8	999.9
Mid-Grade Unleaded	64.42	10.0	15.5	89.92	109.3	111.5	109.3	999.9
Premium Unleaded	67.42	10.0	15.5	92.92	112.7	114.9	112.7	999.9
Ultra-Low-Sulfur Diesel	67.36	4.0	15.4	86.76	105.6	107.8	105.6	999.9
Zone 3								
Regular Unleaded	61.82	10.0	15.5	87.32	106.3	108.5	106.3	999.9
Mid-Grade Unleaded	64.82	10.0	15.5	90.32	109.7	111.9	109.7	999.9
Premium Unleaded	67.82	10.0	15.5	93.32	113.2	115.4	113.2	999.9
Ultra-Low-Sulfur Diesel	67.76	4.0	15.4	87.16	106.1	108.3	106.1	999.9
Zone 4								
Regular Unleaded	61.92	10.0	15.5	87.42	106.4	108.6	106.4	999.9
Mid-Grade Unleaded	64.92	10.0	15.5	90.42	109.8	112.0	109.8	999.9
Premium Unleaded	67.92	10.0	15.5	93.42	113.3	115.5	113.3	999.9
Ultra-Low-Sulfur Diesel	67.86	4.0	15.4	87.26	106.2	108.4	106.2	999.9
Zone 5								
Regular Unleaded	61.92	10.0	15.5	87.42	106.4	108.6	106.4	999.9
Mid-Grade Unleaded	64.92	10.0	15.5	90.42	109.8	112.0	109.8	999.9
Premium Unleaded	67.92	10.0	15.5	93.42	113.3	115.5	113.3	999.9
Ultra-Low-Sulfur Diesel	67.86	4.0	15.4	87.26	106.2	108.4	106.2	999.9
Zone 6								
Regular Unleaded	62.62	10.0	15.5	88.12	107.2	109.4	107.2	999.9
Mid-Grade Unleaded	65.62	10.0	15.5	91.12	110.7	112.8	110.7	999.9
Premium Unleaded	68.62	10.0	15.5	94.12	114.1	116.3	114.1	999.9
Ultra-Low-Sulfur Diesel	68.56	4.0	15.4	87.96	107.0	109.2	107.0	999.9

N.S. Reg. 21/2020

Made: February 11, 2020

Filed: February 11, 2020

Innovation Equity Tax Credit Regulations—replacement

Order in Council 2020-045 dated February 11, 2020

Repeal and replacement of regulations made by the Governor in Council pursuant to Section 37A of the *Income Tax Act*

The Governor in Council on the report and recommendation of the Minister of Finance and Treasury Board dated December 7, 2019, and pursuant to Section 37A of Chapter 217 of the Revised Statutes of Nova Scotia, 1989, the *Income Tax Act*, is pleased, effective on and after April 1, 2019, to

- (a) repeal the *Innovation Equity Tax Credit Regulations*, N.S. Reg. 13/2019, made by the Governor in Council by Order in Council 2019-12 dated January 17, 2019; and
- (b) make new regulations respecting the innovation equity tax credit in the form set forth in Schedule “A” attached to and forming part of the report and recommendation, except for subsections 16(3) and 16(4), which are effective on and after January 1, 2019.

Schedule “A”

**Regulations Respecting Innovation Equity Tax Credits
made by the Governor in Council under Section 37A
of Chapter 217 of the Revised Statutes of Nova Scotia, 1989,
the *Income Tax Act***

Citation

1 These regulations may be cited as the *Innovation Equity Tax Credit Regulations*.

Definitions

2 In these regulations,

“Act” means the *Income Tax Act*;

“active business” means any business carried on by a corporation other than the following:

- (i) a business with a principal purpose of deriving income, including dividends, interest and rents, from property and that does not employ more than 5 full-time employees throughout the year,
- (ii) a personal services business as defined in the *Income Tax Act* (Canada);

“affiliate” of a person means any of the following:

- (i) a corporation of which the person owns, directly or indirectly, shares carrying 10% or more of the voting rights for the election of the directors of the corporation,
- (ii) a business partner of the person,
- (iii) a participant in a joint venture with the person,

- (iv) a trust or estate
 - (A) in which the person has, in the opinion of the Minister of Finance and Treasury Board for the Province, a substantial beneficial interest, or
 - (B) for which the person serves as trustee or in a similar capacity,
- (v) a spouse, parent, grandparent, child, grandchild, brother or sister of the person,
- (vi) if residing at the same residence of the person, a parent, grandparent, child, grandchild, brother or sister of the person's spouse;

“application for approval” means an application by a corporation under subsection 37A(2) of the Act to the Minister of Finance and Treasury Board for the Province for approval under subsection 37A(3) of the Act;

“associated corporation” means an associated corporation within the meaning of Section 256 of the *Income Tax Act* (Canada), except that the relevant time for determining the association is the date on which the corporation applies for approval rather than the taxation year of the corporation;

“certificate of registration” means a certificate issued under Section 9 to signify the approval of the corporation;

“full-time contractor” includes a contractor or consultant for a corporation whose only client is the corporation or who provides services to the corporation in excess of 20 hours per week;

“head office” of an eligible corporation means

- (i) the place listed with the Registry of Joint Stock Companies as its registered office, or
- (ii) if a law office is listed as the registered office, the place where the majority of the its employees report to work;

“holding period” means the period prescribed in subsection 4(2) during which an eligible investment must be held by an eligible investor;

“individual” does not include any trust other than a trust that is governed by a registered retirement savings plan, and then only if all of the following are met for the plan:

- (i) the individual makes contributions to the trust and those contributions, and no other funds, can reasonably be considered to have been used by the trust to make an eligible investment, and
- (ii) the annuitant under the plan is the individual or a spouse or common-law partner of the individual;

“NAICS” means the North American Industry Classification System (NAICS) Canada 2017 Version 1.0 published by Statistics Canada, as amended.

Designated person

- 3** Anything done or required to be done by the Minister of Finance and Treasury Board for the Province under these regulations may also be done by a person designated by the Minister of Finance and Treasury Board for the Province.

Criteria for eligible investments

- 4 (1) All of the following are the criteria that an investment must satisfy to be an eligible investment:
- (a) it is an investment in an approved corporation, issued as part of a specified issue between the dates set out in subsection 37A(12) of the Act;
 - (b) it is fully paid for in cash by an eligible investor;
 - (c) it is made in exchange for
 - (i) newly issued common voting shares,
 - (ii) newly issued preferred shares that, by their terms, may not be redeemed before the holding period expires, or
 - (iii) a newly issued convertible debenture that, by its terms, may not be redeemed or repaid before the holding period expires but that may be converted into shares during the holding period if the terms of the shares do not allow them to be redeemed during the 4 years from the date the convertible debenture is issued;
 - (d) it is not a replacement investment;
 - (e) it is not eligible for another tax credit or deduction allowed under the *Income Tax Act* (Canada) other than a deduction in respect of the registered retirement savings plan;
 - (f) it is not an investment that, in the opinion of the Minister of Finance and Treasury Board for the Province, is or will be issued as a result of a transaction or event or a series of transactions or events the main purpose of which is to claim the tax credit under Section 37A of the Act.
- (2) The holding period for an eligible investment is 4 years from the date the eligible investment was made.
- (3) The maximum annual eligible investment is
- (a) \$250,000, for an eligible investor who is an individual;
 - (b) \$500,000, for an eligible investor that is a corporation.
- (4) In subclause 4(1)(d), “replacement investment” means either of the following:
- (a) a share purchased as a replacement for another share or debenture of an approved corporation that was previously disposed of by the investor; or
 - (b) a debenture purchased as a replacement for another debenture or share of an approved corporation that was previously disposed of by the investor.

Criteria for eligible investors

- 5 (1) All of the following are the criteria that an investor must satisfy to be an eligible investor:
- (a) for an investor who is an individual,
 - (i) they are at least 19 years of age and a resident of the Province,

- (ii) if the investor seeks to invest in a convertible debenture, they are not a director of the approved corporation or a specified shareholder of the corporation as that term is defined in section 248 of the *Income Tax Act* (Canada) but as if the reference to 10% in that definition were read as a reference to 25%;
- (b) for an investor that is a corporation,
 - (i) it is incorporated under the laws of Canada or a province of Canada and is registered to carry on business in the Province,
 - (ii) it is a taxable Canadian corporation,
 - (iii) its head office is located in the Province,
 - (iv) it is not a qualifying venture capital fund under Section 37B of the Act,
 - (v) if the investor seeks to invest in a convertible debenture, they are not an associated corporation in relation to the approved corporation or a specified shareholder of the approved corporation as that term is defined in section 248 of the *Income Tax Act* (Canada) but as if the reference to 10% in that definition were read as a reference to 25%.
- (2) An eligible investor that is a corporation may not make or hold an investment in an approved corporation if the eligible investor, either alone or in conjunction with 1 or more of the following persons, will own, directly or indirectly, shares carrying 50% or more of the votes for the election of the directors of the approved corporation or will, in any manner, control the approved corporation:
 - (a) affiliates or associated corporations of the eligible investor;
 - (b) shareholders of the eligible investor or their affiliates or associated corporations;
 - (c) directors of the eligible investor or their affiliates; or
 - (d) officers of the eligible investor or their affiliates.

Criteria for eligible corporations

6 All of the following are the criteria that a corporation must satisfy to be an eligible corporation:

- (a) it is incorporated under the laws of Canada or a province of Canada and is registered to carry on business in the Province;
- (b) it was incorporated within the 10-year period before the date of its application for approval;
- (c) it is a taxable Canadian corporation;
- (d) its head office is located in the Province;
- (e) it has authorized capital consisting of at least 1 class of common voting shares;
- (f) it pays at least 50% of its remuneration to employees or full-time contractors who are residents of the Province and report to or deal with a permanent establishment of the corporation in the Province;

- (g) it has fewer than 100 employees, including employees of associated corporations;
- (h) it has assets of less than \$15 000 000, including assets of associated corporations;
- (i) it uses all, or substantially all, of the fair market value of its property in an active business;
- (j) it is developing or implementing new technologies or applying existing technologies in a new way to create new products, services or processes;
- (k) its principal business does not include any of the following:
 - (i) construction,
 - (ii) developing, leasing or selling real property,
 - (iii) hotel ownership or management,
 - (iv) retail, including food and beverage services,
 - (v) oil or gas exploration, development and production,
 - (vi) film,
 - (vii) digital animation,
 - (viii) digital media,
 - (ix) membership-based recreational activities,
 - (x) financial services,
 - (xi) insurance services;
- (l) it is not a business incorporated for a self-regulated professional practice;
- (m) it is not a business for which, in the opinion of the Minister of Finance and Treasury Board for the Province, public financial support would be contrary to public policy;
- (n) it has not been issued a tax credit certificate under any of the following Sections of the Act:
 - (i) Section 47, respecting film industry tax credits,
 - (ii) Section 47A, respecting digital media tax credits,
 - (iii) Section 47B, respecting digital animation tax credits,
 - (iv) Section 49A, respecting capital investment tax credits;
- (o) it has not been approved for or received a payroll rebate or an innovation rebate from Nova Scotia Business Incorporated;
- (p) it has not been issued a certificate of registration under the *Equity Tax Credit Act* after December 31, 2018.

Criteria for specified issues

- 7 (1) In addition to compliance with the *Securities Act* as required by clause 37A(3)(b) of the Act, all of the following are the criteria to be met for an issue of shares to be a specified issue:
- (a) the minimum number of eligible investors within each specified issue is 3, at least 1 of which is investing in shares that are an eligible investment of the approved corporation;
 - (b) all of the investors are eligible investors making an eligible investment;
 - (c) the eligible investments are made between the date the approved corporation's certificate of registration is issued and the date its certificate of registration expires;
 - (d) the minimum amount invested by each eligible investor in exchange for the eligible investment is
 - (i) \$1000, for an eligible investor who is an individual,
 - (ii) \$50 000, for an eligible investor that is a corporation;
 - (e) the minimum amount invested within each specified issue is \$10 000;
 - (f) in the opinion of the Minister of Finance and Treasury Board [for the Province], the issue of the shares or convertible debentures complies with the spirit and intent of the Act and these regulations.
- (2) The aggregate of all amounts raised by an approved corporation and its associated corporations, through all specified issues, may not exceed \$5 000 000.

Application for approval

- 8 (1) A corporation's application for approval must be made before the corporation makes its specified issue.
- (2) A corporation's application for approval must be in a form acceptable to the Minister of Finance and Treasury Board for the Province and include all of the following:
- (a) a copy of its certificate of incorporation;
 - (b) its financial statements for the preceding tax year and for all associated corporations, together with a review engagement report or auditor's report signed by a person who is licensed as a public accountant under an Act of the Province;
 - (c) its income tax return for the preceding tax year and for all associated corporations;
 - (d) a business plan containing at least all of the following information:
 - (i) a summary of its major business activities and major revenue sources,
 - (ii) a statement on how it is developing or implementing new technologies or existing technologies in a new way to create new products, services or processes,
 - (iii) the amount of funds to be raised through the specified issue,
 - (iv) a description of [of] what the funds raised through the specified issue will be used for

- and the timing for using it,
- (v) a listing of all of its directors with their names, addresses and background information,
 - (vi) the aggregate amount of all amounts raised by it and its associated corporations through previous specified issues;
- (e) an up-to-date notarized shareholder register that describes all share transactions since the inception of the eligible corporation;
- (f) a signed statement from each proposed eligible investor stating all of the following:
- (i) name or company name,
 - (ii) address,
 - (iii) social insurance number or business number,
 - (iv) occupation or business type,
 - (v) relationship to the owner of the eligible corporation,
 - (vi) amount the eligible investor plans to invest;
- (g) a statement signed by 1 of its authorized officers stating that the information contained in the application is true and correct;
- (h) any additional information that the Minister of Finance and Treasury Board for the Province requires to ensure the requirements of the Act and these regulations are met.

Certificate of registration for approved corporation

- 9 (1)** Once the Minister of Finance and Treasury Board for the Province has approved an eligible corporation under subsection 37A(3) of the Act, the Minister of Finance and Treasury Board for the Province must issue an approval to the approved corporation in the form of a certificate of registration.
- (2)** As of the date a certificate of registration is issued to an approved corporation, the corporation may raise the amount of funds, as stated in the business plan, through a specified issue.
- (3)** At the written request of an approved corporation, the Minister of Finance and Treasury Board for the Province may extend the time for which a certificate of registration is valid.

Increase in funds that may be raised

- 10** At the written request of an approved corporation, the Minister of Finance and Treasury Board for the Province may increase the amount of funds an approved corporation may raise through a specified issue, as long as the overall amount of funds raised remains in accordance with the maximum set out in subsection 7(2).

Lapsed application for approval

- 11** If the Minister of Finance and Treasury Board for the Province does not issue a certificate of registration within 6 months of the date that the corporation applied for approval, the application for approval may be considered lapsed.

Tax credit rate

12 (1) The innovation equity tax credit rate for eligible investors who are individuals is as follows:

- (a) 35%, for eligible investments made in an approved corporation whose primary business does not fall within an NAICS industry group listed in clause (b);
- (b) 45%, for eligible investments made in an approved corporation whose primary business falls within specified NAICS industry groups, as follows:
 - (i) the oceans technology sector comprising 1 of the following NAICS industry groups:
[sic]
 - (A) 3341 (computer and peripheral equipment manufacturing),
 - (B) 3342 (communications equipment manufacturing),
 - (C) 3343 (audio and video equipment manufacturing),
 - (D) 3344 (semiconductor and other electronic component manufacturing),
 - (E) 3345 (navigational, measuring, medical and control instruments manufacturing),
 - (F) 3346 (manufacturing and reproducing magnetic and optical media),
 - (G) 3351 (electric lighting equipment manufacturing),
 - (H) 3353 (electrical equipment manufacturing), and
 - (I) 3359 (other electrical equipment and component manufacturing),
 - (ii) the life sciences sector comprising the following NAICS industry groups:
 - (A) 3254 (pharmaceutical and medicine manufacturing),
 - (B) 3391 (medical equipment & supplies manufacturing),
 - (C) 5417 (scientific research and development services).

(2) The innovation equity tax credit rate for eligible investors that are corporations is 15% for eligible investments made in an approved corporation.

Applying for tax-credit certificates

13 (1) An application by an approved corporation for a tax-credit certificate under subsection 37A(6) of the Act must be made no later than 6 months after the date its certificate of registration expires.

(2) An application for a tax-credit certificate under subsection 37A(6) of the Act must be in a form acceptable to the Minister of Finance and Treasury Board for the Province and include all of the following:

- (a) an up-to-date notarized shareholder register that describes all share transactions since the incorporation of the approved corporation;
- (b) a report, in a form required by the Minister of Finance and Treasury Board for the Province,

that describes all eligible investments made during the specified issue, including all of the following for each eligible investor:

- (i) name or company name,
 - (ii) social insurance number or business number,
 - (iii) address,
 - (iv) investor type,
 - (v) number and type of shares or other eligible investments purchased and their associated terms,
 - (vi) tax year end, for eligible investors that are corporations,
 - (vii) the amount invested;
- (c) a copy of the share certificate or convertible debenture issued to each eligible investor showing the terms of the share or convertible debenture;
- (d) statements signed by each eligible investor acknowledging all of the following:
- (i) that they made an eligible investment in the approved corporation during the specified issue,
 - (ii) that the eligible investment will be held for the required holding period;
- (e) a statement signed by an authorized officer of the approved corporation that states all of the following:
- (i) the required holding period for the eligible investments,
 - (ii) that for each of the 4 years immediately after the date the certificate of registration expires, the approved corporation will pay at least 50% of its remuneration to employees or full-time contractors who are residents of the Province and report to or deal with a permanent establishment of the approved corporation in the Province,
 - (iii) that the funds raised during the specified issue will be used as follows:
 - (A) in accordance with these regulations,
 - (B) for the purposes stated in the corporation's application for approval,
 - (C) no later than 4 years after the date the certificate of registration expires;
- (f) any additional information that the Minister of Finance and Treasury Board for the Province requires to ensure the requirements of the Act and these regulations are met.

Issuing tax-credit certificates

- 14 (1)** The Minister of Finance and Treasury Board for the Province must issue a tax-credit certificate to each eligible investor in respect of a taxation year for the amount of the innovation equity tax credit on being satisfied of all of the following:

- (a) the eligible investment was made in the taxation year or 60 days after the end of the taxation year;
 - (b) all requirements of these regulations have been met.
- (2) In addition to the circumstances in subsection 37A(7) of the Act, the Minister of Finance and Treasury Board for the Province may not issue a tax-credit certificate unless the Minister of Finance and Treasury Board for the Province is satisfied of all of the following:
- (a) the approved corporation and its eligible investors are complying with Section 37A of the Act and these regulations;
 - (b) the approved corporation or its directors, officers or shareholders are not conducting the corporation's business or affairs in a manner that is contrary to the spirit and intent of the Act or these regulations;
 - (c) the shares do not constitute a type of security that entitles the holder, in respect of the acquisition of those shares, to claim or receive any of the following:
 - (i) a tax credit under the Act or the *Income Tax Act* (Canada), other than under Section 37A of the Act, against income tax payable,
 - (ii) a deduction from income under the Act or the *Income Tax Act* (Canada), other than under subsection 146(5) of the *Income Tax Act* (Canada),
 - (iii) any other financial assistance from any government, municipality or public authority;
 - (d) no tax credit has previously been allowed for the shares under the Act or the *Income Tax Act* (Canada);
 - (e) all other conditions imposed on the approved corporation under subsection 37A(4) of the Act have been met.
- (3) If a corporation's approval is cancelled and its certificate of registration is revoked by the Minister of Finance and Treasury Board for the Province any time after a specified issue has occurred and the tax-credit certificates have not yet been issued, the Minister of Finance and Treasury Board for the Province may not issue tax-credit certificates in respect of the specified issue.

Required and prohibited purposes for funds raised

- 15 (1) An approved corporation must use the funds raised through a specified issue for the following purposes only:
- (a) the purpose stated in the corporation's application for approval;
 - (b) business activities within the Province.
- (2) All of the following purposes are prescribed as prohibited purposes for the use of funds raised through a specified issue:
- (a) lending;
 - (b) acquiring securities;

- (c) purchasing land, other than land that is required for the active business the approved corporation is primarily engaged in;
- (d) funding all or part of the purchase of services or assets at a price that is greater than the fair market value of the services or assets;
- (e) paying dividends;
- (f) redeeming or purchasing previously issued shares of the approved corporation or an associated corporation;
- (g) retiring any part of a liability of a shareholder of the approved corporation or an associated corporation;
- (h) funding the purchase of all, or substantially all, of the assets of an existing proprietorship, partnership, joint venture, trust or company;
- (i) repaying a debt to any of the following:
 - (i) a director, officer or shareholder of the approved corporation,
 - (ii) an affiliate of a director, officer or shareholder of the approved corporation.

Cancelling approval and revocation of certificate of registration

16 (1) A corporation's approval is automatically cancelled, and its certificate of registration is automatically revoked, if any of the following occurs:

- (a) the approved corporation uses the funds raised through the specified issue for a prohibited purpose;
- (b) for each of the 4 years immediately after the date its certificate of registration expires, the approved corporation does not pay at least 50% of its remuneration to employees or full-time contractors who are residents of the Province and report to or deal with a permanent establishment of the approved corporation in the Province;
- (c) the approved corporation's head office relocates out of the Province within 4 years after the date its certificate of registration expires;
- (d) the approved corporation ceases to use all, or substantially all, of the fair market value of its property in an active business at any time within 4 years after the date its certificate of registration expires;
- (e) the approved corporation has issued shares of the same, or substantially the same, class as the shares issued as part of the specified issue to an individual for an unreasonably low cost per right to vote, such that an eligible investor is unable to exercise any real influence in the management of the approved corporation;
- (f) the approved corporation sells assets with a book value that, when deducted from the total book value of the assets of the approved corporation, impinges on the funds raised through the specified issue;
- (g) the approved corporation has misrepresented information to the Minister of Finance and Treasury Board for the Province either knowingly or negligently.

- (2) The Minister of Finance and Treasury Board for the Province may cancel a corporation's approval and revoke its certificate of registration at any time after the certificate is issued in any of the following circumstances:
 - (a) in the opinion of the Minister of Finance and Treasury Board for the Province, the approved corporation has not complied with the Act or these regulations, or the spirit and intent of the Act or these regulations;
 - (b) in the opinion of the Minister of Finance and Treasury Board for the Province, the approved corporation is no longer conforming to the business plan submitted with their application for approval;
 - (c) the approved corporation has not used the funds raised through the specified issue within 4 years after the date that its certificate of registration expires.
- (3) Instead of cancelling a corporation's approval and revoking its certificate of registration under subsection (2), the Minister of Finance and Treasury Board for the Province may impose a penalty on the corporation.
- (4) If a corporation's approval has been cancelled and its certificate of registration revoked under subsection (1) or subsection (2), the Minister of Finance and Treasury Board for the Province may
 - (a) impose a penalty on the corporation; and
 - (b) upon application by the corporation, reinstate the corporation's approval and certificate of registration.
- (5) The Minister of Finance and Treasury Board [for the Province] may, in their discretion, determine the amount of the penalty to be imposed under subsection (3) or (4), to a maximum amount that is equal to the aggregate of all amounts shown on the tax-credit certificates that were issued to the corporation's eligible investors in respect of all of its specified issues.

Anti-avoidance

- 17** (1) If the Minister of Finance and Treasury Board for the Province determines that a reason for the existence of 2 or more separate eligible corporations is to increase the amount of funds raised above the maximum amount permitted by subsection 7(2), the Minister of Finance and Treasury Board for the Province may consider the eligible corporations to be 1 eligible corporation.
- (2) If the Minister of Finance and Treasury Board for the Province determines that a corporation's business was in existence for more than 10 years before the date of its application for approval, and the business was acquired by or incorporated as a new corporation in order to satisfy the requirement in clause 4(b), the Minister of Finance and Treasury Board for the Province may consider the corporation to have been incorporated more than 10 years before the application date.
- (3) The Minister of Finance and Treasury Board for the Province may refuse or cancel the approval and revoke the certificates of registration for corporations that are considered to be 1 eligible corporation or to have been in existence for more than 10 years under this Section.

Surrender of approval and certificate of registration

- 18** At the request of an approved corporation, the Minister of Finance and Treasury Board for the Province may accept the surrender of its approval and certificate of registration if the approved corporation pays to the Minister of Finance and Treasury Board for the Province any amount it is required to pay under subclause 20(1)(b)(ii).

Recovery of tax credits

- 19 (1)** The following are the circumstances under which an eligible investor who has made a deduction under Section 37A of the Act is required to pay the amount of the deduction to the Minister of Finance and Treasury Board for the Province under subsection 37A(10) of the Act:
- (a) if the eligible investor is not entitled to the deduction under the Act or these regulations;
 - (b) if the eligible investor disposed of or is deemed to have disposed of an eligible investment before the holding period expires unless the disposition arose as a result of
 - (i) the eligible investor's death,
 - (ii) a transfer to a registered retirement savings plan or a registered retirement income fund under the *Income Tax Act* (Canada),
 - (iii) the approved corporation that issued the share or convertible debenture ceasing to conduct business as a result of, in the opinion of the Minister of Finance and Treasury Board for the Province, the financial failure of the approved corporation,
 - (iv) the exchange of a share of 1 series in a class of shares for a share of a different series in the same class of shares, if each series of shares in the class meets the eligibility requirements of the Act.
- (2)** If an eligible investor disposes of, or is deemed to have disposed of, an eligible investment before the holding period expires because the approved corporation is wound up or dissolved for reasons other than as provided in subclause (1)(b)(iii), the amount repaid to the Minister of Finance and Treasury Board for the Province must be the amount determined by the following formula:
- $$\text{TTC} \times ((48 - \text{MH}) \div 48)$$
- in which
- TTC = the total innovation equity tax credit received for the eligible investment
- MH = the number of months the eligible investment has been held.
- (3)** An eligible investor is not liable under clause (1)(b) if the approved corporation withholds and remits the amount of the innovation equity tax credit to the Minister of Finance and Treasury Board for the Province in accordance with subsection 20(2), and it is a repurchase, redemption or repayment of the eligible investment by the approved corporation.

Liability

- 20 (1)** All of the following circumstances are prescribed as the circumstances in which an approved corporation is jointly and severally liable under subsection 37A(11) of the Act to pay to the Minister of Finance and Treasury Board for the Province the following amounts:
- (a) if its eligible investors are required to pay an amount under Section 19, any amount an eligible investor is required to repay to the Minister of Finance and Treasury Board for the Province under that Section;
 - (b) any time after a specified issue has occurred and the tax credit certificates have been issued, an amount equal to the aggregate of all amounts of innovation equity tax credits issued for the specified issue if any of the following occurs:

- (i) the corporation's approval is cancelled and certificate of registration is revoked,
 - (ii) the corporation surrenders its approval and certificate of registration,
 - (iii) the corporation is issued a tax-credit certificate under Section 47, Section 47A, Section 47B, or Section 49A of the Act within 4 years after the date its certificate of registration expires,
 - (iv) the corporation is approved for a payroll rebate or an innovation rebate from Nova Scotia Business Incorporated within 4 years after the date of its certificate of registration expires.
- (2) If an approved corporation repurchases, redeems or repays an eligible investment in a transaction not permitted under the Act or these regulations, the approved corporation must withhold the amount of the innovation equity tax credit from the amount to be paid to the eligible investor and, no later than 30 days after the transaction, remit it along with details of the transaction to the Minister of Finance and Treasury Board for the Province.
- (3) Any of the following who permits or acquiesces to a transaction or event, or a series of transactions or events, that the person knew or ought to have known at that time would cause the certificate of registration to be revoked, ~~that person~~ is jointly and severally liable for the amounts specified in clause (1)(b):
- (a) a director or officer of an approved corporation;
 - (b) a member of a group that controls the approved corporation;
 - (c) a shareholder who controls the approved corporation.

Waiver and prorating payment

21 Despite Sections 19 and 20, upon application, the Minister of Finance and Treasury Board for the Province may waive or prorate the repayment of any amount due from a shareholder or approved corporation under those Sections.

Debt due to the Crown

22 Any amount required to be paid to the Minister of Finance and Treasury Board for the Province under Section 37A of the Act or these regulations is a debt due to the Crown in right of the Province and may be recovered in a court.

Annual return from approved corporation that completes specified issue

- 23** (1) An approved corporation that completes a specified issue must prepare and file an annual return with the Minister of Finance and Treasury Board for the Province in the form approved by the Minister of Finance and Treasury Board for the Province that includes any information required by the Minister of Finance and Treasury Board for the Province to ensure the requirements of the Act and these regulations are met.
- (2) An annual return required by subsection (1) must be filed no later than 90 days after the date of an approved corporation's taxation year end.
- (3) An annual return required by subsection (1) must be filed each year for each of the 4 years immediately after the date that the approved corporation's certificate of registration expires.

Records kept by approved corporations

- 24** (1) An approved corporation must keep records in the form required by the Minister of Finance and Treasury Board for the Province and containing any information that the Minister of Finance and Treasury Board for the Province considers necessary to determine that the approved corporation is complying with Section 37A of the Act and these regulations.
- (2) An approved corporation must keep the records required by subsection (1) at its head office or at another place approved by the Minister of Finance and Treasury Board for the Province.

Access to records

- 25** (1) An approved corporation must provide the Minister of Finance and Treasury Board for the Province with any information and records that the Minister of Finance and Treasury Board for the Province requires to allow the Minister of Finance and Treasury Board for the Province to ensure, to their satisfaction, that the approved corporation is in compliance with Section 37A of [the] Act and these regulations.
- (2) An approved corporation must permit any person designated by the Minister of Finance and Treasury Board for the Province to enter its premises during normal business hours to examine its records to ensure compliance with Section 37A of the Act and these regulations.

Public record of approved corporations and tax credits issued

26 The Minister of Finance and Treasury Board for the Province must maintain a record of all of the following and make it available to the public, in the form of a document, report or website, for each specified issue of all approved corporations:

- (a) names and registration date;
- (b) total potential tax credits approved;
- (c) actual tax credits issued;
- (d) number of eligible investors.

N.S. Reg. 22/2020

Made: February 11, 2020

Filed: February 13, 2020

Designations of Correctional Facilities—amendment

Order dated February 11, 2020

Amendment to regulations made by the Attorney General and Minister of Justice pursuant to clauses 3(1)(b) and (d) of the *Correctional Services Act***In the matter of clauses 3(1)(b) and (d) of
Chapter 37 of the Acts of 2005, the *Correctional Services Act*****- and -****In the matter of designations of places
as correctional facilities by the Minister of Justice****Order**

I, Mark Furey, Minister of Justice for the Province of Nova Scotia, pursuant to clauses 3(1)(b) and (d) of Chapter 37 of the Acts of 2005, the *Correctional Services Act*, hereby amend the *Designations of Correctional Facilities*, N.S. Reg. 2/2012 dated May 10, 2011, in the manner set forth in the attached Schedule “A”.

This order is effective on and after January 29, 2020.

Dated and signed February 11, 2020, at Halifax, Nova Scotia.

sgd. *Mark Furey*
Honourable Mark Furey
Attorney General of Nova Scotia and Minister of Justice

Schedule “A”**Amendments to the *Designations of Correctional Facilities*
made by the Minister of Justice under clauses 3(1)(b) and (d) of
Chapter 37 of the Acts of 2005, the *Correctional Services Act***

† Section 8 of the *Designations of Correctional Facilities*, N.S. Reg. 2/2012, made by the Minister of Justice by Order dated May 10, 2011, is amended by adding the following subsection immediately following subsection (2):

- (3) Despite subsection (2), the Nova Scotia Youth Centre may be used for housing adult male offenders, but only if the following requirements are met:
- (a) the requirements respecting separate housing in the *Youth Criminal Justice Act* (Canada); and
 - (b) for female youth offenders, the requirements respecting female offenders in Sections 41 and 42 of the Act and Sections 74 to 77 of the *Correctional Services Regulations*.

N.S. Reg. 23/2020

Made: February 13, 2020

Filed: February 14, 2020

Prescribed Petroleum Products Prices

Order dated February 13, 2020
made by the Nova Scotia Utility and Review Board
pursuant to Section 14 of the *Petroleum Products Pricing Act*
and Sections 16 to 19 of the *Petroleum Products Pricing Regulations*

Order**M09585****In the matter of the *Petroleum Products Pricing Act*****- and -**

**In the matter of prescribing prices for petroleum products
pursuant to Section 14 of the *Petroleum Products Pricing Act* and
Sections 16 to 19 of the *Petroleum Products Pricing Regulations***

Before: Jennifer L. Nicholson, CPA, CA, Member

Whereas the purpose of the *Petroleum Products Pricing Regulations* is to ensure just and reasonable prices for specified petroleum products taking into consideration the objectives of preserving the availability of such products in rural areas, stabilizing prices of such products and minimizing the variances in prices of such products across the Province;

And whereas the Nova Scotia Utility and Review Board (“Board”) considered the manner in which it would proceed to set petroleum product prices in its decision, 2006 NSUARB 108, issued on October 16, 2006;

And whereas the Board revised the wholesale margin effective January 4, 2013, in its decision, 2012 NSUARB 213, issued on December 12, 2012;

And whereas the Board revised the retail margin and the transportation allowance effective October 28, 2016, in its decision, 2016 NSUARB 168, issued on September 26, 2016;

And whereas the average of the average of the daily high and low reported product prices (in Canadian cents) for the period ended February 12, 2020, are:

Grade 1 Regular gasoline	54.75¢ per litre
Ultra-low-sulfur diesel oil	57.66¢ per litre

Now therefore the Board prescribes the benchmark prices for petroleum products to be:

Gasoline:	
Grade 1	54.75¢ per litre
Grade 2	57.75¢ per litre
Grade 3	60.75¢ per litre
Ultra-low-sulfur diesel oil	57.66¢ per litre

And now therefore the Board has determined, based on historical data regarding price changes and to achieve revenue neutrality, it is appropriate to apply, and the Board so orders, forward averaging corrections of:

Gasoline:	nil ¢ per litre
Ultra-low-sulfur diesel oil:	nil ¢ per litre

And whereas a winter blending adjustment of plus 1.87¢ per litre is required for ultra-low-sulfur diesel oil;

And now therefore the Board prescribes the prices for petroleum products as set forth in Schedule “A” effective on and after 12:01 a.m., February 14, 2020.

Dated at Halifax, Nova Scotia, this 13th day of February, 2020.

sgd. Doreen Friis
Clerk of the Board

Schedule "A"

**Prices Prescribed for Petroleum Products
under the *Petroleum Products Pricing Act* and the
Petroleum Products Pricing Regulations
effective on and after 12:01 a.m. on February 14, 2020**

Nova Scotia Petroleum Price Schedule								
Petroleum Prices in Cents/Litre					Self-Service Pump Prices (Pump Prices includes 15% HST)		Full-Service Pump Prices	
	Base Wholesale Price	Fed. Excise Tax	Prov. Tax	Wholesale Selling Price	Min	Max	Min	Max
Zone 1								
Regular Unleaded	63.00	10.0	15.5	88.50	107.6	109.8	107.6	999.9
Mid-Grade Unleaded	66.00	10.0	15.5	91.50	111.1	113.3	111.1	999.9
Premium Unleaded	69.00	10.0	15.5	94.50	114.5	116.7	114.5	999.9
Ultra-Low-Sulfur Diesel	68.05	4.0	15.4	87.45	106.4	108.6	106.4	999.9
Zone 2								
Regular Unleaded	63.50	10.0	15.5	89.00	108.2	110.4	108.2	999.9
Mid-Grade Unleaded	66.50	10.0	15.5	92.00	111.7	113.9	111.7	999.9
Premium Unleaded	69.50	10.0	15.5	95.00	115.1	117.3	115.1	999.9
Ultra-Low-Sulfur Diesel	68.55	4.0	15.4	87.95	107.0	109.2	107.0	999.9
Zone 3								
Regular Unleaded	63.90	10.0	15.5	89.40	108.7	110.9	108.7	999.9
Mid-Grade Unleaded	66.90	10.0	15.5	92.40	112.1	114.3	112.1	999.9
Premium Unleaded	69.90	10.0	15.5	95.40	115.6	117.8	115.6	999.9
Ultra-Low-Sulfur Diesel	68.95	4.0	15.4	88.35	107.5	109.7	107.5	999.9
Zone 4								
Regular Unleaded	64.00	10.0	15.5	89.50	108.8	111.0	108.8	999.9
Mid-Grade Unleaded	67.00	10.0	15.5	92.50	112.2	114.4	112.2	999.9
Premium Unleaded	70.00	10.0	15.5	95.50	115.7	117.9	115.7	999.9
Ultra-Low-Sulfur Diesel	69.05	4.0	15.4	88.45	107.6	109.8	107.6	999.9
Zone 5								
Regular Unleaded	64.00	10.0	15.5	89.50	108.8	111.0	108.8	999.9
Mid-Grade Unleaded	67.00	10.0	15.5	92.50	112.2	114.4	112.2	999.9
Premium Unleaded	70.00	10.0	15.5	95.50	115.7	117.9	115.7	999.9
Ultra-Low-Sulfur Diesel	69.05	4.0	15.4	88.45	107.6	109.8	107.6	999.9
Zone 6								
Regular Unleaded	64.70	10.0	15.5	90.20	109.6	111.8	109.6	999.9
Mid-Grade Unleaded	67.70	10.0	15.5	93.20	113.0	115.2	113.0	999.9
Premium Unleaded	70.70	10.0	15.5	96.20	116.5	118.7	116.5	999.9
Ultra-Low-Sulfur Diesel	69.75	4.0	15.4	89.15	108.4	110.6	108.4	999.9