

***The
Small Business
Interest Abatement
Program Regulations,
1981***

Repealed

by Saskatchewan Regulations 40/98 (effective May 13, 1998).

Formerly

Chapter I-7 Reg 1 (effective June 30, 1981) as amended by a
Correcting Notice dated August 14, 1981.

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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CHAPTER I-7 REG 1

The Industry and Commerce Development Act

Title

1 These regulations may be cited as *The Small Business Interest Abatement Program Regulations, 1981*.

Interpretation

2 In these regulations:

- (a) “**Act**” means *The Industry and Commerce Development Act*;
- (b) “**application**” means an application form prescribed by the minister for the purpose of applying for an interest abatement grant;
- (c) “**capital assets**” includes land, buildings, equipment and leasehold improvements located in the province;
- (d) “**confirmation form**” means the form prescribed by the minister by means of which the applicant confirms that the information contained in the original application remains valid and the lender confirms the existence of the loan, the particulars of the loan, whether the loan is in good standing and the amount of interest paid on the loan;
- (e) “**department**” means the Department of Industry and Commerce;
- (f) “**eligible business**” means an industry, trade, service or tourist business or commercial undertaking of any kind that has had gross revenues of not more than \$500,000 during the year for which the grant is being requested and that is located in the province;
- (g) “**eligible loan**” means a loan of \$1,000 or more that is in good standing, that has an established repayment term of at least 12 months and that has been obtained:
 - (i) in the case of a new business, for the purpose of establishing the business;
 - (ii) in the case of a change of ownership, for the purpose of effecting the change of ownership; or
 - (iii) in the case of an existing business, for the purpose of financing the acquisition of capital assets or for the purpose of renovating or upgrading the business premises;

but does not include:

- (iv) loans obtained for the purpose of purchasing passenger vehicles that are not used solely and exclusively for the conduct of the business;

- (v) loans for projects receiving subsidies under any other Government of Saskatchewan or Government of Canada programs;
- (vi) loans to professional persons within the corporate limits of a city with a population in excess of 6,000 persons, including, without limiting the generality of the foregoing, loans to medical and dental practitioners, chartered accountants, lawyers, consulting engineers and management consultants;
- (vii) loans relating to the purchase of residential properties; or
- (viii) loans obtained for the speculative acquisition of real estate;
- (h) **“good standing”**, with respect to an eligible loan, means that the status of the loan is acceptable to the lender;
- (i) **“interest abatement grant”** means a grant described in section 7;
- (j) **“program”** means the small business interest abatement program established in these regulations.

17 Jly 81 cI-7 Reg 1 s2.

Purpose of program

3 The purpose of the program is to stimulate small business development in Saskatchewan, especially outside major centres, by alleviating the interest burden borne by those businesses when financing new operations or the expansion or upgrading of existing operations.

17 Jly 81 cI-7 Reg 1 s3.

Administration of program

4 The program may be administered by any person that the minister may designate.

17 Jly 81 cI-7 Reg 1 s4.

Application for interest abatement grant

5(1) An eligible business may apply for an interest abatement grant by completing an application and submitting it to the department within 13 months after the date it receives an eligible loan.

(2) Where an eligible business has applied for an interest abatement grant and 12 months have elapsed from the date of receipt by the eligible business of an eligible loan, the department shall issue a confirmation form for completion by both the eligible business and the lender who made the eligible loan to the eligible business.

(3) The eligible business shall return the confirmation form to the department within 45 days of the date of its issue.

17 Jly 81 cI-7 Reg 1 s5.

Amount of interest abatement grant

6(1) An eligible business that has returned a confirmation form to the department is entitled to an interest abatement grant:

(a) in the case of an eligible business located within the corporate limits of a city with a population in excess of 6,000 persons, in an amount sufficient to reduce the effective interest rate on the eligible loan by 2% per annum;

(b) in the case of a business located in a place other than one described in clause (a), in an amount sufficient to reduce the effective interest rate on the eligible loan by 4% per annum.

(2) An interest abatement grant is calculated on the basis of the interest rate in effect at the time the eligible loan is obtained.

(3) An interest abatement grant is payable for a maximum of three, successive 12-month periods.

(4) The maximum amount of the aggregate of the interest abatement grants payable to an eligible business with respect to an eligible loan is:

(a) in the case of a business described in clause (1)(a), \$250;

(b) in the case of a business described in clause (1)(b), \$500.

