



Office of Immigration

Office of Immigration
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BUSINESS IMPACT PERFORMANCE AGREEMENT

BETWEEN:

(the "Applicant")

OF THE FIRST PART;

AND:

ISLAND INVESTMENT DEVELOPMENT INC.
("IIDI")

OF THE SECOND PART.

WHEREAS:

- 1. The Applicant, if required by IIDI, will have visited PEI and participated in an interview with a representative of IIDI;
2. The Applicant has provided evidence satisfactory to IIDI that the Applicant has available an equity investment of not less than \$150,000 to invest in a new or existing Eligible Business;
3. The Applicant and IIDI agree that the Applicant will apply to IRCC for a Work Permit;
4. The Applicant shall be nominated for Canadian Permanent Resident Status by the Province of Prince Edward Island only after all requirements described herein have been satisfied by the Applicant; and
5. The Applicant and IIDI have agreed on the terms hereinafter set forth with respect to the application by the Applicant for nomination for Canadian Permanent Resident Status.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the respective covenants, agreements, of the parties herein contained and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each party), the parties agree as follows:

- 1. Wherever used in this Agreement, unless the context otherwise requires, the following words and terms will have the indicated meanings and grammatical variations of such words and terms will have corresponding meanings:
a) "Active and Ongoing Management" means the Applicants active and ongoing role in the Business as described in section 2(i) of this Agreement and in the criteria set out in Schedule "E" of this Agreement.
b) "Agreement" means this Business Impact Performance Agreement;
c) "Applicant" means the person named in the First Part;
d) "Business" means an Eligible Business in which the Applicant agrees to make the Investment. The Business can be purchased, it can be invested in, or the Applicant can start a new Business;
e) "Business Plan" means a detailed plan submitted by the Applicant in accordance with the criteria set out in Schedule "B" of this Agreement and without restricting of the foregoing, means a plan describing the nature and amount of the Investment, the role of the Applicant in and nature and operation of the Business;
f) "Canadian Permanent Resident Status" means a designation given to an immigrant by IRCC;

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- g) "IRCC" means Immigration, Refugees and Citizenship Canada;
- h) "Commencement Date" means the date the Applicant make the Investment in the Business in accordance with the terms and conditions of this Agreement;
- i) "Eligible Business" means the type of business, which is not ineligible and satisfies the criteria set out in Schedule "A" of the Agreement;
- j) "IIDI" means Island Investment Development Inc.;
- k) "Investment" means an equity investment by the Applicant of not less than \$150,000 in a Business;
- l) "Investment Agreement" means the Applicant's plan for Investment in the Business in accordance with the criteria set out in Schedule "D";
- m) "Landing" means the date the Applicant arrives in PEI with the Work Permit;
- n) "Operating Expenses" means those expenses of the Business calculated in accordance with Canadian Generally Accepted Accounting Principles, excluding the purchase of capital assets, the amortization of capital assets, out-of-country travel in excess of \$10,000, the payment of non-arm's length wages, wages deemed to not be comparable to industry standards in PEI (comparable figures to be provided by Service Canada if there is a dispute) and any items deemed to be personal in nature by IIDI, in its sole discretion;
- o) "PEI" means the province of Prince Edward Island;
- p) "PEI PNP" means the Prince Edward Island Provincial Nominee Program;
- q) "Purchase and Sale Agreement" means an agreement executed by the Applicant to purchase all of the Business in accordance with the criteria set out in Schedule "F";
- r) "Settlement Plan" means a detailed plan submitted by the Applicant to IIDI describing the Applicant's and if applicable the Applicant's family's plan for settlement in PEI, in accordance with the criteria set out in Schedule "C"; and
- s) "Work Permit" means a document given to the Applicant by IRCC.

**TERMS and CONDITIONS**

2. In order for the Applicant to be eligible for a nomination for Canadian Permanent Resident Status by IIDI, the Applicant shall satisfy all of the following terms and conditions:
  - a) The Applicant shall physically present themselves at the IIDI office located at Charlottetown within 30 days of landing in Canada;
  - b) The Applicant shall inform IIDI of the Commencement Date of the Business, as well as the Business' fiscal year end date;
  - c) The Applicant, if and when requested by IIDI, shall submit in writing a progress report (the "**Report**") after Landing in PEI. If IIDI requests a Report after the Commencement Date, the Report shall include such information as IIDI shall reasonably require, and without limiting the generality of the foregoing, may include internal financial statements of the Business, a detailed description of the activities of the Business to date, bank statements of the Business and tax information of the Business. Should the Applicant not have commenced their business at the time the Report is requested by IIDI, the Report must address to IIDI's sole satisfaction, the research performed to date to locate another Eligible Business (if applicable), any preliminary information respecting Investment in the Business, the Investment, if any, by the Applicant to date in the Business, and, if applicable, an explanation by the Applicant on why they have yet to comply with the Business Plan, the Investment Agreement, or if applicable, the Purchase and Sale Agreement for the Business. The Applicant shall provide the Report within 30 days of any written request by IIDI. Once IIDI has reviewed the Report, the Applicant may, if required by IIDI in its absolute discretion, be required to attend at the office for a formal review of the Report;

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- d) The Applicant shall participate and complete evaluation surveys of the PEI PNP. These evaluation surveys will occur on a yearly basis until the fifth anniversary of this agreement;
  - e) Prior to the Commencement Date, the Applicant must submit a Business Plan and have it approved by IIDI. Once approved by IIDI, any material variance from the Business Plan by the Applicant or Business must be approved in writing by IIDI;
  - f) The Applicant shall make the Investment and commence the Business in accordance with the Business Plan within two (2) years from the date of Landing in PEI;
  - g) The Applicant's Business must have incurred at least \$75,000 in Operating Expenses in the twelve month period from the Commencement Date as shown in the financial statements of the Business. The financial statements of the Business must be prepared in accordance with Canadian Generally Accepted Accounting Principles to a minimum "review engagement" basis by a professional accountant (CA, CPA, CGA, or CMA);
  - h) The Applicant shall maintain the Investment in the Business, for a continuous period of at least one calendar year from the Commencement Date. The Business shall submit, if requested in writing by IIDI, any information about the business requested, and without limiting the generality of the foregoing, all financial statements for the first fiscal year of the Business prepared in accordance with Canadian Generally Accepted Accounting Principles on a "review engagement" basis by a professional accountant (CA, CPA, CGA or CMA). All information requested must be submitted to IIDI within 30 days of the request;
  - i) The Applicant shall provide Active and Ongoing Management of the Business from within PEI. Compliance by the Applicant with this condition will be deemed to have occurred if:
    - 1. The Applicant has submitted a formal Settlement Plan which has been reviewed and approved by IIDI. The Applicant shall comply with the Settlement Plan as approved and all other terms and conditions of this Agreement;
    - 2. The Applicant provides evidence satisfactory to IIDI that the Applicant and their family members have resided in and maintained a residence in PEI for one year from the date the Commencement Date. Evidence determining that an Applicant has resided in and maintained a residence in PEI includes, but is not limited to, the following:
      - i. documentation indicating that a dwelling has been owned or leased and occupied by the Applicant;
      - ii. rental receipts or property tax records;
      - iii. utility bills;
      - iv. registration of a spouse or any children at an educational or daycare facility in PEI;
      - v. memberships to clubs, or any community involvement;
      - vi. T4 data;
      - vii. personal Canada Revenue Agency Notice of Assessment;
      - viii. documentation confirming that the Applicant is physically present in PEI for not less 183 days in a calendar year; and
      - ix. Such other documentation or information as requested by IIDI and such other information as may be described in Schedule "E" of the Agreement.
  - j) The Applicant shall not transfer directly or indirectly voting control nor sell any part of its interest, beneficial or otherwise, in the Business without the prior written consent of IIDI for a period of one (1) year from the Commencement Date.
3. IIDI shall, when determining whether the Applicant shall be nominated to IRCC for Canadian Permanent Resident Status, consider the Applicant's continuing relationship with their country of citizenship and determine whether the nature and extent of this relationship is inconsistent with or adversely affects the ability of the Applicant to establish and maintain a real and substantial connection with PEI and to reside and maintain a residence in PEI.

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Date \_\_\_\_\_/\_\_\_\_\_

4. IIDI shall not nominate the Applicant for Canadian Permanent Resident Status, if in its sole discretion, IIDI determines the Applicant has not complied with all of the terms and conditions of this Agreement within 24 months of the Applicant Landing in PEI and in that event this Agreement shall terminate and IIDI shall have no further obligation to the Applicant.

**GENERAL PROVISIONS**

5. The Applicant acknowledges that IIDI is not able to grant extensions of the Work Permit. The Applicant must apply to IRCC for any extension and understands that any such extension is at the sole discretion of IRCC.
6. The Applicant is responsible to inform IIDI of any change in their email address, mailing address, telephone number or any other relevant contact information. If IIDI is unable to contact the Applicant or if the Applicant fails to respond to information requests, IIDI will consider the non-response by the Applicant as failing to comply with the terms and conditions of this Agreement.
7. Unless otherwise indicated, all dollar amounts in this Agreement are expressed in Canadian Dollars.
8. Time shall be of the essence of this Agreement.
9. No amendment or waiver of any provision of this Agreement shall be binding on any party unless consented to in writing by such party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver constitute a continuing waiver unless otherwise provided.
10. This Agreement is governed by the laws of the Province of Prince Edward Island.
11. This Agreement enures to the benefit of and shall be binding upon the parties hereto, their respective heirs, executors, administrators, successors and assigns.
12. The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

**IN WITNESS WHEREOF** the parties hereto have caused this Agreement to be

signed on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**SIGNED, SEALED and DELIVERED**

in the presence of:

\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
APPLICANT

\_\_\_\_\_  
**ISLAND INVESTMENT DEVELOPMENT INC.**

\_\_\_\_\_  
Per: \_\_\_\_\_

Initials \_\_\_\_\_/\_\_\_\_\_

Date \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

**SCHEDULE "A" - Eligible Business**

The PEI PNP will consider applications under the Business Impact Category that meet the following business criteria:

- The business must be a for-profit corporation incorporated under the Companies Act of Prince Edward Island or the Canada Business Corporations Act and operated for the primary purpose of earning profits from active income through the provision of products/services.
- The business must be in good standing with the Province on all debts and obligations.
- The business' corporate headquarters are located in Prince Edward Island.
- The business maintains a "permanent establishment" in Prince Edward Island as defined under the Income Tax Act by regulation 400 (2).
- The business is liable to pay income tax on taxable income earned as a result of a "permanent establishment" in Prince Edward Island, irrespective of income or other taxes which may also be payable in other jurisdictions as a result of income earned or other business activity.
- The business must have good potential for sustained commercial viability.
- The business must have assets with a book value of at least \$150,000 CAD which are actively used for the business. Businesses will also be considered if they have assets with a fair market value of \$ 150,000 CAD as valued by a certified appraiser or have received a valuation for their business from a professional accountant stating a value greater than \$ 150,000 CAD.
- Any business selling a portion of equity to an applicant must have incurred a total of \$ 60,000 CAD in wages and/or net income and demonstrate the ability to sustain an applicant's salary.
- The business must have the potential to create significant economic benefits to Prince Edward Island by contributing to one or more of the following:
  - Increasing value-added manufacturing, processing or primary resource activity
  - Increasing exports of goods or services
  - Increasing destination tourism, tourism attractions, tourism fixed roof accommodations
  - Increasing research and development/technology commercialization
  - Increasing technology, skills and specialized know-how to the province
  - Servicing an underserved local or regional market
  - Diversifying retail and restaurant investment
- No one other than an approved Island agent may represent the applicant in any capacity, to the Office of Immigration.

**Ineligible Business**

Applications will NOT be considered for the following types of businesses:

- Bed and breakfasts, hobby farms (see definitions) and home-based businesses
- Pay day loan, cheque cashing, money changing and cash machine businesses
- Pawnbrokers
- Sale of used goods (excluding collectibles, or where the business provides value-added services such as repairs, refurbishing, or recycling)
- Real estate development/brokerage, insurance brokerage or business brokerage
- Businesses started for the sole purpose of gaining access to immigrant investment through the program
- Professional practices
- Financial services
- Consulting services
- Any other type of business that by association would tend to bring the program or the Government of Prince Edward Island into disrepute.
- An entity that cannot issue shares.

This list of ineligible sectors is meant to serve as an indicator only for those industries either outside of the current scope of the Province's priorities. Recognizing these priorities may change over time, due to the changing nature of our economic conditions; the Office of Immigration reserves' the right to make additions or deletions to these ineligible sectors.

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Date \_\_\_\_\_/\_\_\_\_\_

**SCHEDULE "B" - Business Plan**

The Business Plan shall include, but is not limited to the following:

- Company overview;
- Products/services offered, Industry analysis & competitive landscape;
- Marketing plan;
- Operational plan;
- Role and Responsibility of the Applicant within the proposed business;
- Management team & staffing;
- Historical financial statements; and
- Projected financial statements prepared by a qualified accountant (CA, CPA, CGA, CMA)

IIDI reserves the right to amend the requirements for inclusion in the Business Plan and to request such further documentation as it deems appropriate from time to time.

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Date \_\_\_\_\_/\_\_\_\_\_

**SCHEDULE "C" - Settlement Plan**

The Settlement Plan shall include (if applicable), but is not limited to, the following:

- Travel Plans (airline, port of entry in Canada, proposed Landing date);
- Proposed timeline for transition of Applicant to Canada;
- Proposed Employment;
- Proposed Accommodations;
- Financial Statements of Applicant (i.e. available funds for settlement, bank account statements, nature an amount of investment in any other assets owned by the Applicant); and
- Names and relationships of any family members intending to reside in PEI with the Applicant and their proposed landing date.

IIDI reserves the right to amend the requirements for inclusion in the Settlement Plan and to request such further documentation as it deems appropriate from time to time.

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**SCHEDULE "D" - Investment Agreement**

The Investment Agreement shall include, but is not limited to, the following:

- Confirmation that the Business is not operated primarily for the purpose of deriving investment income such as interest, dividends and/or capital gains;
- The proposed amount of the Investment in the Business;
- The number, class and conditions of the shares being purchased (if applicable);
- Confirmation that the investment does not include a redemption option;
- Confirmation that the Investment is not less than 33 1/3% of the equity in a PEI business or make an equity investment in the business of at least \$1,000,000;
- Confirmation that the Applicant provides or will provide active and ongoing management of the business from within PEI; and
- Timeframes for the Investment.

IIDI reserves the right to amend the requirements for inclusion in the Investment Agreement and to request such further documentation as it deems appropriate from time to time.

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**SCHEDULE "E" - Active and Ongoing Management**

"Active and Ongoing Management" may be determined by examining business documents, conducting site visits, compliance with section 5(e) of the Agreement, as well as telephone calls and in person interviews with the Applicant by PEI PNP officers.

IIDJ may request any of the following information as proof of the Applicants Active and Ongoing Management:

- City/municipal business licenses (registration)
- Trade licenses
- Vendor's permits
- Business incorporation documents
- Partnership agreements
- Loan/business agreements
- Agreement of Purchase and Sale
- Articles of incorporation
- Shareholder's report and minute book
- Shareholder's certificates
- Financial statements
- GST & PST registration numbers
- CRA taxation number
- Cancelled cheques
- Lease or ownership of a business premise
- Receipts and invoices for equipment, leasehold improvements, vehicles and inventory
- Statement of net worth
- Deeds, land registration
- Insurance policies
- Photos of the interior and exterior of the business
- Other evidence accepted as proof of management
- Letters from partners attesting to the entrepreneur's role and responsibilities
- Evidence of business contracts, registrations and purchase orders signed by the entrepreneur
- Business correspondence signed by the entrepreneur
- Proof of involvement in significant business decisions

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**SCHEDULE "F" - Purchase and Sale Agreement**

The Purchase and Sale Agreement outlines the details of the proposed investment between the Applicant and the Vendor of the business and must include as a minimum the following information:

- Confirmation that the Business being acquired is not operated primarily for the purpose of deriving investment income such as interest, dividends and/or capital gains;
- Purchase price for the Business;
- The number, class and conditions of the shares being purchased (if applicable);
- Confirmation that the investment does not include a redemption option;
- Confirmation that the applicant provides , or will provide, active and ongoing management of the business from within Prince Edward Island;
- Timelines for the purchase of the Business;
- Confirmation the purchase price is for the whole Business, not a part of the Business;
- Detailed description of the activities and interests of the Business.

IIDI reserves the right to amend the requirements for inclusion in the Purchase and Sale Agreement and to request such further documentation as it deems appropriate from time to time.

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Date \_\_\_\_\_/\_\_\_\_\_

DATED

**BETWEEN:**

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**OF THE FIRST PART**

**AND**

**ISLAND INVESTMENT DEVELOPMENT INC.**

**OF THE SECOND PART**

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PERFORMANCE AGREEMENT

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Initials \_\_\_\_\_/\_\_\_\_\_

Date \_\_\_\_\_/\_\_\_\_\_