

INDIGENOUS ACQUISITION SUPPORT PROGRAM (IASP)

PROGRAM OBJECTIVES

Overall objective

Promote the acquisition of businesses by and/or for Indigenous people in the context of the lack of succession among businesses.

Specific objectives

- Enable Indigenous business owners (band councils or individuals) to assess the feasibility of a partial or total transfer of their business.
- Allow Indigenous buyers (band councils or individuals) to have access to specialized services allowing them to acquire ownership of a business.
- Support Indigenous people, who often have fewer financial means than the Quebec average, by paying part of the professional fees related to a business transfer while staying complementary to existing programs.

PROGRAM COMPONENTS

The maximum assistance rate is 75% of eligible expenses, while total government assistance is 80%. The maximum financial assistance per project cannot exceed \$30,000.

Program components	Maximum assistance amount
Component 1: Feasibility assessment of the transaction (buyer & seller)	
Sub-component A: Financial feasibility assessment	\$5,500 per project
Sub-component B: Organizational feasibility assessment	\$7,500 per project
Component 2: Transaction costs (buyer)	
Sub-component C*: Assessment of the business valuation, the purchase price, and the costs of necessary environmental studies and upgrading to standards	\$7,500 per project
Sub-component D: Due diligence or any other professional fees not mentioned that are necessary for the transaction	\$7,500 per project
Sub-component E: Negotiation and preparation of a shareholder agreement and a purchase agreement	\$13,000 per project: - \$7,500 for the purchase agreement - \$5,500 for the shareholder agreement
Sub-component F: Support in the preparation and management of the transition	\$7,500 per project

*If the transaction is eligible for the IASP, the application must be submitted accordingly in a priority fashion. The IASP can then make up the difference.

PROGRAM ELIGIBILITY

Terms and conditions

To be eligible for the program, the project must include an Indigenous person, an Indigenous business, or a band council as a buyer. Indigenous buyers must acquire a minimum of 15% of the shares over five years.

All business sectors are eligible for the IASP, apart from a few exclusions with the following characteristics:

- Enterprises registered in the Register of companies not eligible for public contracts (RENA).
- Financial institutions and the insurance sector.
- Businesses whose main activity (in terms of turnover) is the rental or purchase of residential buildings.
- Illegal activities.

Specific conditions

The following business acquisition projects are eligible:

- Partial or full acquisition of a business for which at least one of the owners (holding at least 15% of the shares) wishes to sell their stake in the business within the next five years.
- Purchase of the assets necessary for the project to revive a business or an economic activity that belongs to a business.

HOW THE PROGRAM WORKS

Step 1

Complete the Component 1 (for a seller) or Component 2 (for a buyer) form and submit a description and estimate of the mandate while presenting the expertise, experience and services of the eligible professional who will be carrying out the mandate.

Step 2

The FNQLEDC verifies eligibility and compliance with the conditions of the program, the maximization of other existing subsidy programs (including the Indigenous Business Development Program) and then seeks the opinion of the members of its Advisory Committee.

Step 3

The FNQLEDC communicates the decision to the applicant and opens the file.

Step 4

When the application is accepted, the professional carries out their work and submits their report as well as their invoice to the FNQLEDC.

Step 5

The professional's invoice is paid by the FNQLEDC.

ADVISORY COMMITTEE

The Advisory Committee will consist of three members:

- A representative of the CTEQ;
- A representative of the FNQLEDC;
- A representative of the Indigenous financial institution involved in the transaction, when applicable, or an Indigenous representative from the business community or an expert in the field concerned.