

Technology and Cleantech

May 9, 2017

Ontario Budget Supports the Technology Sector

On April 27, 2017, the Government of Ontario released the 2017 Ontario Budget, which outlined several spending objectives related to supporting the technology sector. Following from key investments announced in the 2016 budget, Ontario has reinforced its support for developing and transitioning to a technology-driven and knowledge-based economy by increasing funds allocated to the Business Growth Initiative by \$250 million for a total of \$650 million. When presenting the budget, Ontario's Minister of Finance, Hon. Charles Sousa, emphasized Ontario's commitment to supporting the technology sector stating, "technology is changing every sector of our economy...and we are helping Ontario stay ahead of the pack." The province also announced that it will be specifically supporting and collaborating with the financial services and FinTech sectors, the details of which will soon be announced.

The Business Growth Initiative

Ontario's Business Growth Initiative was introduced in 2016 as an effort to support Ontario's global competitiveness and shift toward a knowledge and technology-based economy by helping small and medium-sized businesses grow and expand to compete in international markets, accelerating Ontario's transition to an innovation-driven economy and modernizing Ontario's regulatory system.

Over the last year, the Ontario government has begun implementing a number of key commitments as part of the Business Growth Initiative, including, for example, the Cleantech Equity Fund, through which the province can make investments in cleantech companies, and the ScaleUP Ventures Fund, which offers both venture

capital and mentorship support through its Leadership Council comprised of top Canadian business leaders, entrepreneurs and technology investors. Ontario has committed \$55 million and \$75 million to each fund, respectively.

New Investments Announced in 2017 Ontario Budget

Ontario has increased its financial commitment toward the Business Growth Initiative by \$250 million for a total commitment of \$650 million. Examples of new investments include:

- \$75 million over five years toward the Advanced Research Computing and Big Data Strategy designed to support operating costs for advanced computing across Ontario and new hardware investments at the Universities of Toronto and Waterloo;
- \$130 million over five years on two projects by ENCQOR and CENGN to develop fifth-generation wireless technology to increase network capacity and speed for mobile and connected devices and to serve as infrastructure for new technologies, such as autonomous vehicles;
- \$50 million toward the development of the Vector Institute for artificial intelligence (AI) which will focus on developing AI technologies. The federal government and other private-sector actors have also committed significant funding toward developing the Vector Institute; and
- \$80 million over five years to create the Autonomous Vehicle (AV) Innovation Network, in partnership with the Ontario Centres of Excellence.

Provincial funding and investment is a welcome addition to available capital for up-and-coming technology and cleantech companies based in Ontario. The technology sector in Ontario continues to develop.

Goodmans^{LLP} Update

In 2017, four Ontario companies were selected as top 100 innovators in cleantech according to the 2017 Global Cleantech 100 Report. The competition involved nearly 10,000 companies from 77 countries. This provincial funding, combined with the Federal Government's initiatives in the technology sector, as announced in its budget earlier this year, should continue to strengthen Ontario's technology community.

Goodmans Tech Group

To assist clients in the technology sector, Goodmans brings together our acknowledged expertise in corporate/commercial, private equity, corporate finance, mergers and acquisitions, outsourcing, licensing, intellectual property, privacy, regulatory and media, tax, litigation, human resources, corporate restructuring and administrative law. Goodmans continues to lead in the technology sector and is partnered with The DMZ at Ryerson University. The DMZ is a leading business incubator (selected by BMI as the top-ranked university incubator in North America, and third in the world), which connects its startups with resources, customers, advisors, investors, and other entrepreneurs. Through this partnership, Goodmans provides legal advice, mentorship and networking opportunities to assist startups in maximizing their potential. Members of our Technology Group teach internet and communications law at Canada's largest law schools, are regular lecturers at technology industry events and legal conferences, and have published articles in the technology law field.