Registered Venture Capital Plans:

Fixing Canada’s Entrepreneurship and Scale-Up Crisis



Adrian Cook

November 4th, 2026

Overview: Canada's Declining Entrepreneurship and Scale-Up Rates 3
Real Estate versus Venture Capital: Improving Canadian Incentives 4
Canada's State-Backed VC Model Versus the US Market-Driven Model 5
US Venture Capital Growth & Qualified Small Business Stock (QSBS) 6
US VC Dominance and the Delaware Flip Issue 8
UK's Effective VC Policies: Tax Exemptions, Credits and Deferrals 10
Germany and Japan: State-Led and Corporate-Backed VC Models 12
France and Italy: Tax-Shielded Account Wrappers to Stimulate VC 13
Registered Venture Capital Plans: A New National Policy For Underfunded Startups and Scaleups 14
Registered Venture Capital Plan: Key Recommendation 15
Registered Venture Capital Plan: A Fix for Section 44.1 15
Registered Venture Capital Plan: Tax-Deferred Capital Recycling Accounts 16
Registered Venture Capital Plan: Financial Custodian Responsibility 16
Registered Venture Capital Plan: Employee Incentive Plans & VC Feeder Funds 17
Registered Venture Capital Plan: Tiered Tax Deferral & Higher Gross Asset Limit 17
Registered Venture Capital Plan: Creating a Market for Secondary Liquidity 17
Registered Venture Capital Plan: Shortened Holding Periods 18
Registered Venture Capital Plan: Industries Excluded 18
Who can invest? 19
Financial Modelling: RVCP's Tax Deferral Model 21
Financial Modelling: RVCP's Impact on New VC Investment 22
Legal & Regulatory Integration 23
Regional Considerations 23
Mitigating Delaware Flips 24
Implementation & Success Metrics 24
References 25

Overview: Canada's Declining Entrepreneurship and Scale-Up Rates

The purpose of this paper is to find a policy reform that will support Canadian entrepreneurs and improve the country's ability to generate new businesses and scale-up promising ones. Canada's declining standards of living are linked to its relatively large concentration of small firms that stay small, weak capital intensity and declines in R&D spending.[1] There are two interconnected economic crises contributing to this: declining business formation and Canada's chronic inability to scale small enterprises.

First, Canada is a laggard among its OECD peers in new business formation. According to Charles Lammam, Canada ranks 17th out of 22 OECD countries with available data on business entries per capita.[2] Canada's performance has declined significantly since the 1980s. According to Statistics Canada, the country's business entry rates fell from 24.5% in the 1980s to roughly 13% pre-pandemic.[3] As new business formation has gotten weaker, Canada also stands out for its inability to scale small enterprises. Innovation, Science and Economic Development (ISED) Canada notes that fewer than 1.5% of Canadian small businesses ever scale into medium or large firms, with over 85% remaining trapped in their initial size bracket for their entire lifecycle.[4]

The primary cause for Canada's declining business formation and scale-up crises is a severe domestic capital deficit relative to the U.S. and OECD peers. OECD projections place Canada last in per-capita GDP growth through 2060 due to weak business investment. Canadian workers receive only 55 cents of new business investment for every dollar received by American workers.[5]

---

[1] Marc Ercolao, *Mind the Gap: Canada Is Falling Behind the Standard-of-Living Curve* (TD Economics, July 13, 2023), https://economics.td.com/ca-falling-behind-standard-of-living-curve.
[2] Charles Lammam, "What Canada Can Learn from the World's Leading Nations on Business Formation," *The Hub*, August 14, 2026, https://thehub.ca/2026/08/14/what-canada-can-learn-from-the-worlds-leading-nations-on-business-formation/.
[3] Statistics Canada, *Business Dynamics in Canada: Key Indicators*, Catalogue no. 36-28-0001/2025009/article/00001-eng (Ottawa: Statistics Canada, 2025).
[4] Innovation, Science and Economic Development Canada (ISED), *Key Small Business Statistics* (Ottawa: Government of Canada, n.d.).
[5] C.D. Howe Institute, *Canada's Investment Crisis: Shrinking Capital Undermines Competitiveness and Wages*, C.D. Howe Institute Commentary (Toronto: C.D. Howe Institute, 2024), https://cdhowe.org/publication/canadas-investment-crisis-shrinking-capital-undermines-competitiveness-and-wages/

Rather than funding commercial innovation, Canada is #1 in the OECD in housing investments which take up over 30% of total national investment compared to just 20% in the U.S.[6] Yet Canada was 23rd out of 34 OECD countries in 2021 data on total number of dwellings per thousand inhabitants and last in the G7.[7] While investing in real estate and in residential construction does create jobs and economic spin-offs, the fact that Canada is so much more reliant on it than any other OECD country suggests that there is a crowding-out effect on non-residential business investment. This is creating a deep, structural imbalance at the expense of more productive investments in machinery, R&D, workforce training and technological innovation.[8] Venture capital is a key asset class that supports new business and contributes disproportionately to the economy in terms of new jobs, innovation and economic growth in both the US[9] and across the OECD.[10]

Real Estate versus Venture Capital: Improving Canadian Incentives

Real estate and venture capital are subject to very different treatment within the Canadian economy. Real estate is an asset class that benefits from a wide variety of incentives: the First-Time Home Buyers Savings Account (FHSA), the Home Buyers' Plan, GST/HST rebates on new housing, the home-purchase tax credit, more liberal immigration policies than other G7 countries, a 100% capital gains tax exemption on principal residences while secondary properties and commercial real estate benefit from flexible capital cost allowance deductions as well as federal-provincial financing backstops like CMHC mortgage default insurance. Real estate is a risk asset that has lower financial volatility than venture capital and financial institutions tend to be eager to

---

[6] Institute for Research on Public Policy (IRPP), "Productivity and Capital Growth," *Policy Options* (April 2026), https://policyoptions.irpp.org/2026/04/productivity-capital-growth/.
[7] Organisation for Economic Co-operation and Development (OECD), *Indicator HM1.1: Housing Stock and Construction*, OECD Affordable Housing Database (Paris: OECD, 2023), https://www.oecd.org/housing/data/affordable-housing-database/.
[8] David Macdonald, "Escaping the Housing Trap: What the Carney Budget Reveals," *Policy Options*, January 19, 2026, https://policyoptions.irpp.org/2026/01/canadian-real-estate-trap/.
[9] Will Gornall and Ilya A. Strebulaev, "The Economic Impact of Venture Capital: Evidence from Public Companies," *Journal of Banking & Finance* 129 (2021): 106147, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2681841.
[10] Antoine Romain and Bruno van Pottelsberghe de la Potterie, *The Economic Impact of Venture Capital*, Discussion Paper Series 1: Economic Studies, no. 18/2004 (Frankfurt: Deutsche Bundesbank, 2004)

lend to those investing in it as property serves as solid collateral. This also means real estate accesses lower borrowing costs than venture capital does.

By contrast, Canada's venture capital industry has fewer incentives. First, federal support relies heavily on indirect matching funds (like the Venture Capital Catalyst Initiative and other BDC initiatives), Scientific Research and Experimental Development (SR&ED) tax incentives for R&D expenditures, and standard employee stock option deductions for Canadian-controlled private corporations (CCPCs). Second, venture capital is supported by various provincial retail VC tax credits and economic development arms like Investissement Québec, Caisse de dépôt et placement du Québec (CDPQ), the Alberta Enterprise Corporation (AEC) and the Ontario Capital Growth Corporation (OCGC). Most importantly, there is no long-term holding rate discount or universal capital gains exemption for early-stage, private venture capital corporate equity. Upon a successful exit, private investors pay the same capital gains tax on early stage or VC investments that they would on established firms with large market capitalizations. Given that VC investors are taking on significant risk, the investment returns need to be significantly higher - particularly on a risk-adjusted basis than for other asset classes.[11] Venture capitalists specifically look for "moonshots" to compensate for extreme informational asymmetry and failure risk.

Canada's State-Backed VC Model Versus the US Market-Driven Model

To incentivize risk and VC investments, Canada should draw lessons from other G7 countries. The biggest gap, and one that is increasing every year, is the country's investment gap with the United States. This is particularly stark in venture capital. In 1995, the U.S. venture capital market was nine times larger than Canada's[12] and only slightly ahead on a population-adjusted basis.[13] During this time period, Canada relied on Labour-Sponsored Venture Capital Corporations (LSVCCs), which delivered poor

---

[11] Sophie Manigart et al., "Determinants of Required Return in Venture Capital Investments: A Five-Country Study," *Journal of Business Venturing* 17, no. 4 (2002): 291–312, https://doi.org/10.1016/S0883-9026(00)00062-3.

[12] Macdonald & Associates Limited, *The Canadian Venture Capital Industry: Activity and Trends*, prepared for Industry Canada (Ottawa: Industry Canada, 1998), 3–11.

[13] Organization for Economic Co-operation and Development (OECD), *Venture Capital: Investment Trends and Policies*, OECD Science, Technology and Industry Working Papers (Paris: OECD Publishing, 2001), 14–18.

returns because they relied on retail capital without long-term lockups which led it to be abandoned outside Quebec. LSVCCs have survived in Quebec and their modern iterations include Quebec's Fondaction, Fonds de solidarité FTQ, and the Capital régional et coopératif Desjardins (CRCD) which invests in Quebec's regions. Retail investors in Fondaction and the FTQ benefit from a 30% combined tax credit (15% federal and 15% provincial), while the CRCD offers a 25% provincial credit. These funds yield significant tax-sheltered incentives alongside standard RRSP deductions.

Similar to major European countries, Canada's venture capital ecosystem is defined by an institutional-and-state co-investment model supported by three main pillars. The first pillar consists of institutional seed and Series A venture funds such as Real Ventures, OMERS Ventures, Inovia Capital, and BDC Capital which supply early-stage growth capital to startups. The second pillar includes major institutional limited partners (LPs), notably Canada's pension funds (the "Maple 8"), which serve as anchor LPs or co-investors in domestic and international funds. The third pillar is direct capital matching by federal and provincial governments through strategic initiatives like the 2013 Venture Capital Action Plan (VCAP) which aimed to capitalize private-sector-led funds of funds. This was followed by the 2017 Venture Capital Catalyst Initiative (VCCI), which partnered with private institutional investors to inject billions into the broader VC ecosystem.

Ultimately, while Canada relies on arm's-length, state-backed fund-of-funds structures and institutional co-investors, the U.S. venture market remains predominantly market-driven, capturing deep pools of private and retail capital.

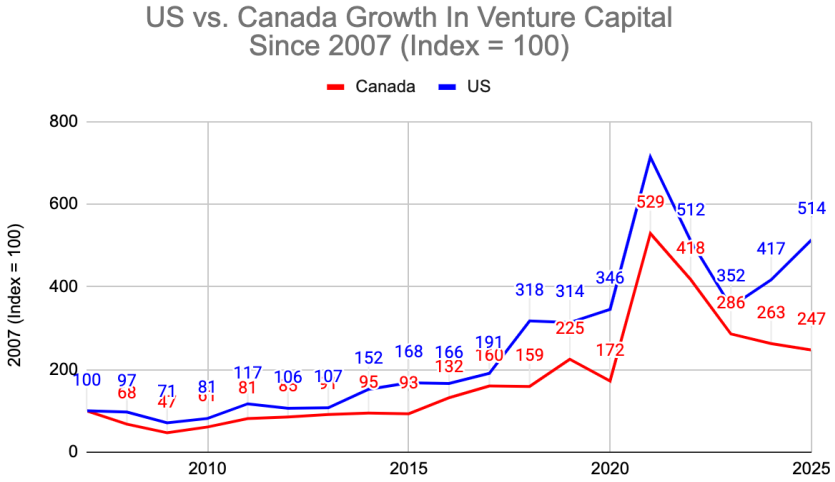
US Venture Capital Growth & Qualified Small Business Stock (QSBS)

2025 data from National Venture Capital Association (NVCA) in the US shows that the US VC market is now approximately 37 times larger[14] than the Canadian VC market.[15] The key difference between the two countries has been the US Qualified Small Business Stock (QSBS) tax exemption. First passed in the US in 1993 to

[14] National Venture Capital Association (NVCA) and Canadian Venture Capital & Private Equity Association (CVCA), *NVCA 2026 Yearbook* (Washington, DC: NVCA; Toronto: CVCA, 2026)
[15] CVCA, *Year-End 2025 Market Report* (Toronto: CVCA, 2025), https://www.cvca.ca/insights/market-reports/year-end-2025/

encourage investors to make long-term equity investments in higher-risk startups and small businesses by allowing non-corporate investors to exclude 50% of capital gains on the sale of qualifying small business stock held for at least five years. Its impact was limited in its early years as it did not offer significant tax advantages.[16]

The US 2010 Small Business Jobs Act eliminated all capital gains taxes on qualifying small business stock and this was subsequently made permanent in 2015. As of 2025, QSBS offers investors a lifetime exemption cap on capital gains taxes of $15M per business or ten times the investor's initial investments. To be eligible for QSBS, eligible small businesses must register as Delaware C-Corporations. QSBS is also flexible since it allows founders to contribute IP, patents and other trademarks into their eligible C-Corporation. The US system also has a Section 1045 rollover which allows anyone who has held their startup stock for at least 6 months to sell it early, roll 100% of the proceeds into a new startup within 60 days, and defer capital gains taxes on their investment. The US VC market has doubled its lead over the Canadian VC market since 2006 because of the 2009-2010 expansions of QSBS during the Great Recession and the existence of a rollover provision.



Source: OECD, Venture Capital (market statistics): Investment by Stage (US & Canada) in US Dollars (2007-2025)[17]

[16] RSM US LLP, *Qualified Small Business Stock: Making the Most of the Exclusion* (RSM US, June 13, 2022), https://www.rsmus.com/insights/services/business-tax/qualified-small-business-stock-making-the-most-of-the-exclusion

[17] Adapted from OECD, *Venture Capital Investments: Seed, Start-up, Later Stage* [Data set], 2024, https://data-explorer.oecd.org/

The graph above illustrates that changes can take 3 to 5 years to show up in macroeconomic data with the 2010 changes having become permanent in 2015.

US VC Dominance and the Delaware Flip Issue

US venture capital dominance has led to a situation where Canadian startups routinely access U.S. capital pools. To do so, American VC firms routinely require Canadian startups to execute a "Delaware Flip." In a flip, the operating subsidiary remains in Canada, but its global IP frequently moves south. Nearly half of Canada's high-potential startups now operate under this U.S. structure, with U.S. funds providing 50% to 60% of all venture dollars in Canadian tech.[18] Despite the fact that the initial R&D is done in Canada and paid for through SR&ED grants, U.S. firms often sweep in during the later financing stages to reap most of the capital gains.[19]

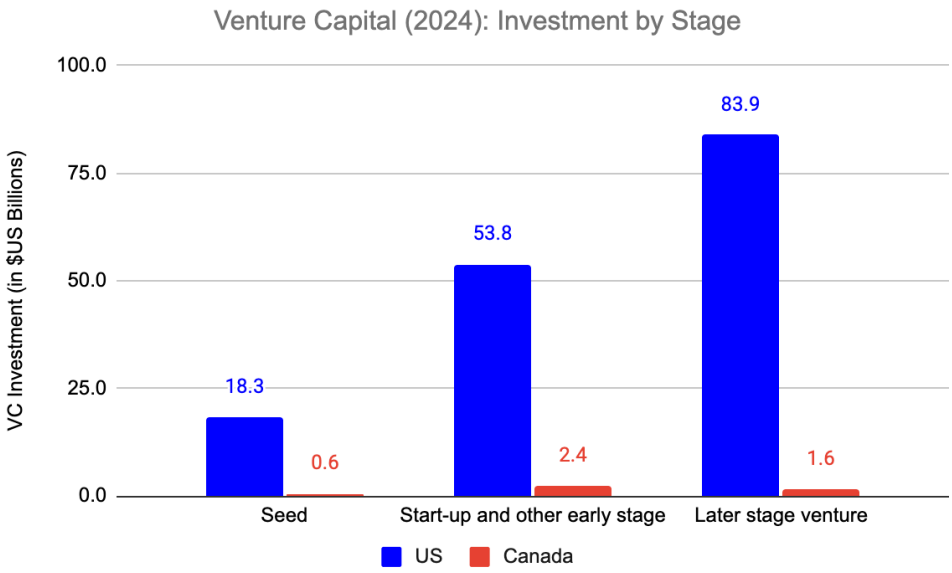
Canada's relative lack of capital is also exacerbating its inability to retain top talent. When startups flip, Canadian executives and top talent relocate south to be near the investors writing the checks. Supported by visas like L-1s and TNs, nearly 66% of native-born Canadian software engineering graduates leave Canada immediately after graduation for better opportunities in the U.S.[20] Canadian firms increasingly lack the capital to compete for talent, leading to brain drain. Startups are particularly vulnerable because they are frequently cash flow negative and rely on raising capital in Canadian VC markets which is far less available than in the US as illustrated in the following graph:

---

[18] Canadian Venture Capital & Private Equity Association (CVCA), *Analysis of Foreign Investor Participation in the Canadian VC Ecosystem*, CVCA Central (Toronto: CVCA, n.d.), https://central.cvca.ca/data-analysis/analysis-foreign-investor-participation-in-canadian-vc-ecosystem/

[19] Canadian Venture Capital & Private Equity Association (CVCA), *Canada Must Scale Proven Investment Tools to Keep Innovation at Home*, CVCA Policy Advocacy (Toronto: CVCA, n.d.), https://central.cvca.ca/policy-advocacy/canada-must-scale-proven-investment-tools-to-keep-innovation-at-home/

[20] Brock University, Department of Political Science, and For Citizenship, *Reversing the Brain Drain; and The Leaky Bucket* (St. Catharines: Brock University; ForCitizenship, November 17, 2025), https://forcitizenship.ca/wp-content/uploads/2025/11/The-Leaky-Bucket-2025-Nov.-17.pdf.



Source: OECD, Venture Capital (market statistics): Investment by Stage (US & Canada) in US Dollars (2024)[21]

In the graph above, the OECD defines the seed stage as prototype development typically oriented to funding rounds under $4M. The start-up/early stage is defined as commercialization and early scaling and is typically defined as Series A or Series B between $4M-$40m. Later stage ventures include rounds to provide financing expansion, market entry or preparing for an eventual IPO. These are typically series C or later rounds and are worth over $40M.[22]

While the US population is over 8 times larger than Canada, the overall US VC market was 34 times bigger than Canada's in 2024. According to the OECD in 2024, the US raised more than 32 times more venture capital than Canada at the seed level. At the startup/early stage level, this figure was nearly 23 times more and at the later stage venture level it was over 51 times more. While these figures are often volatile from year-to-year, the US lead has been consistent or grown at all VC levels since the 1990s.

---

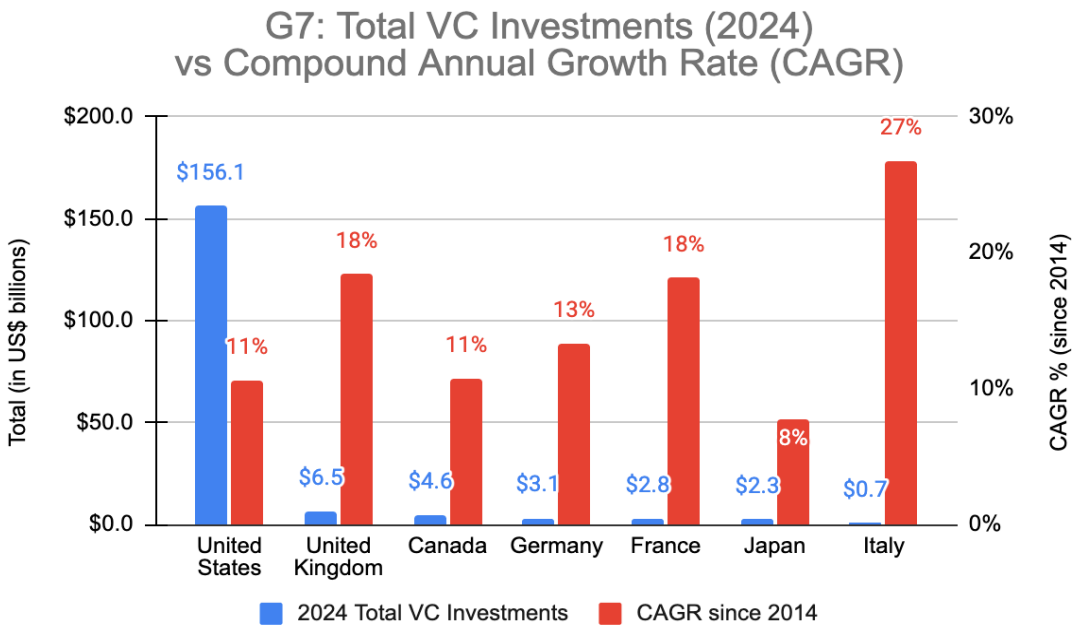
[21] Adapted from OECD, *Venture Capital Investments: Seed, Start-up, Later Stage* [Data set], 2024, https://data-explorer.oecd.org/

[22] Organisation for Economic Co-operation and Development (OECD), *Financing SMEs and Entrepreneurs 2026: An OECD Scoreboard* (Paris: OECD Publishing, 2026), https://doi.org/10.1787/075d8058-en

The CVCA is particularly concerned with the domestic scaling gap - which include the startup/early stage and later VC investment stages.[23] This gap is colloquially known as the Series B Valley of Death. This valley of death or lack of capital is causing companies and human capital to emigrate to the US while the startups that remain and succeed in Canada suffer from capital gains taxes. Unlike U.S. investors who benefit from QSBS, Canadian investors face capital gains taxes of up to 27% on every successful exit.[24] This takes money out of the domestic venture ecosystem rather than recycling it into new startups. This also penalizes founders who need to give up more equity to raise necessary growth capital.

UK's Effective VC Policies: Tax Exemptions, Credits and Deferrals

The graph illustrates how US dominance in VC capital impacts all G7 countries:



Source: OECD, Total Venture Capital Investments across G7 economies (market statistics) in US Dollars (2024)[25]

[23]Canadian Venture Capital & Private Equity Association (CVCA), *Recommendations on the Proposed $750M Early Growth-Stage Funding Envelope Budget 2025*, Government Relations Submission to ISED and Finance Canada (Toronto: CVCA, February 2026), https://www.cvca.ca/wp-content/uploads/2026/03/CVCA-Recommendations-on-the-Proposed-750-Early-Growth-Stage-Funding-Envelope_EN.pdf

[24] BDO Canada, *Top Marginal Tax Rates in Canada*, BDO Insights (Toronto: BDO Canada, n.d.), https://www.bdo.ca/insights/top-marginal-tax-rates

[25] Adapted from OECD, *Venture Capital Investments: Seed, Start-up, Later Stage* [Data set], 2024, https://data-explorer.oecd.org/

As illustrated in the graph above, all G7 countries except for Japan have a higher compound annual growth rate in VC market investments than Canada does. Within the G7, the UK has been most successful in addressing its funding and has leapfrogged Canada to become the G7's second largest VC market. The UK's superior performance is due to three key programs: the Seed Enterprise Investment Scheme (SEIS), the Enterprise Investment Scheme (EIS), and Venture Capital Trusts (VCTs).

The UK's SEIS was initially established in 2012 and targets pre-seed and early seed investors with income tax relief of 50% up to an annual investor limit of £200,000 and an exemption of 50% of an existing capital gain if the proceeds are reinvested into SEIS shares (encouraging money from outside the VC world to flow into new VC investments).[26] SEIS also provides 0% capital gains tax upon disposing of SEIS-eligible shares provided they are held for at least 3 years as well as giving investors the ability to use net losses to offset ordinary income at the investor's marginal rate. Gross assets must be under £350,000 immediately before shares are issued.[27]

The UK's Enterprise Investment Scheme (EIS), started in 1994, targets firms with £30 million (~$40 million US) before share issuance and provides a 30**%** tax break on the amount invested upfront to a maximum of £2M for knowledge intensive companies (KIC) and £1M for non-KIC companies.[28] EIS gives investors a capital gains tax deferral after selling any asset and rolling the proceeds into EIS-qualifying shares either 1 year before or 3 years after the gain. The EIS also provides a capital gains tax exemption after a minimum 3-year holding period. For its part, venture capital trusts (VCTs) are publicly traded closed-end funds that provide 30% upfront income tax relief, tax-free dividends and tax-free growth with a capital gains exemption upon sale claim tax relief on up to £200,000 per year.[29]

---

[26] British Business Bank, *What Is the Seed Enterprise Investment Scheme (SEIS)?*, guidance article (London: British Business Bank, n.d.), accessed November 3, 2026, https://www.british-business-bank.co.uk/business-guidance/guidance-articles/finance/what-is-the-seed-enterprise-investment-scheme-seis
[27] SeedLegals, *Seed Enterprise Investment Scheme: A guide to SEIS* (London: SeedLegals, September 30, 2022), https://seedlegals.com/resources/seis/
[28] SeedLegals, *EIS Explained: The UK Startup's Guide to the Enterprise Investment Scheme* (London: SeedLegals, May 15, 2023), https://seedlegals.com/resources/eis-scheme/
[29] British Business Bank, *What Are Venture Capital Trusts?*, guidance article (London: British Business Bank, November 11, 2024), https://www.british-business-bank.co.uk/business-guidance/guidance-articles/finance/what-is-a-venture-capital-trust

There are two drawbacks to the UK's schemes. The first is that both investors and companies are restricted in the amounts they can raise from investors due to the cost that upfront tax credits impose on the Treasury. This can prevent a company from getting cash from a major investor when it really needs it, forcing a premature exit. The second is that tax relief depends on investors submitting forms for pre-approval (Advance Assurance) from the UK's Revenue & Customs department.[30] This can introduce pre-investment bottlenecks. By contrast, the US QSBS regime has its own post-investment risks. Specifically, RSM International, the sixth-largest network of independent accounting, tax, and consulting firms in the world notes that these risks include: aggressive structuring (lack of QSBS eligibility), documentation failures (audit risk), state-level discrepancies in tax eligibility, as well as future Treasury and IRS guidance.[31] Any Canadian attempt to mimic UK or US schemes should avoid these pre-investment bottlenecks and post-investment risks.

Germany and Japan: State-Led and Corporate-Backed VC Models

Neither the German nor Japanese VC markets are a focus of this paper given their relatively sluggish growth rates (even compared to Canada) as of 2026. The German VC investment context should be quite familiar to Canadian policymakers. Germany relies much more heavily on public-private anchor commitments & institutional fund-of-funds (KfW / Zukunftsfonds) than the UK or US.[32] For its part, between 2015 and 2022, Japanese Corporate Venture Capital invested in at least half of all VC deals in Japan, peaking at 62 percent in 2020 and are focused on early and seed stage VCs.[33] While corporate investment in venture capital can be welcome, a risk of

[30] Barry Conry, *HMRC Delays and Your R&D Tax Credits Claim* (SeedLegals, August 25, 2022), https://seedlegals.com/resources/rd-tax-relief-hmrc-delays/
[31] RSM US LLP, "The OBBBA and QSBS: Opportunities and Risks Involving 1202," RSM Insights (July 25, 2025), https://www.rsmus.com/insights/services/business-tax/obbba-tax-qsbs-1202-opportunities-risks.html
[32] Organisation for Economic Co-operation and Development (OECD), *Benchmarking Government Support for Venture Capital: Germany* (Paris: OECD, June 27, 2025), https://www.oecd.org/en/publications/benchmarking-government-support-for-venture-capital_82cd3fe1-en/germany_5e9c0c66-en.html
[33] International Monetary Fund (IMF), *Startups and Venture Capital in Japan: How to Grow In*, IMF Selected Issues Paper no. 2024/027 (Washington, DC: International Monetary Fund, 2024), https://www.elibrary.imf.org/downloadpdf/journals/018/2024/027/article-A001-en.pdf

encouraging this strategy is that they can “smother” a promising early stage firm.[34] Larger corporate firms buying out smaller firms can end up reducing economic competitiveness.

France and Italy: Tax-Shielded Account Wrappers to Stimulate VC

France’s Plan d'Epargne en Actions - Plan d'Épargne en Actions destiné au financement des Petites et Moyennes Entreprises is a retail savings account wrapper. It allows investors to deposit up to €225,000 into a PEA-PME account and directs investments towards EU firms with an annual revenue under €1.5B or a balance sheet total under €2B.[35] After 5 years, these investments receive a full income and capital gains tax exemption (but remain subject to social security contributions).[36] The PEA-PME model is promising because it is like a Canadian registered account (RRSP, TFSA) by allowing investments to grow relatively tax-free and relies mainly on banks and financial institutions to administer it rather than a central tax authority.

Similarly, Italy’s PIR (*Piano Individuale di Risparmio*) was introduced in 2017 by the government to encourage investment in shares or bonds issued by Italian companies.[37] It provides a full income, capital gains and inheritance tax exemption on holdings within the account which are held for at least five years. The plan requires 70% of investment to be held in Italian financial instruments and for 25% must be in companies that are not part of Italy’s FTSE MIB index (a large cap company). Annual PIR investments can go up to a maximum of €40,000, with a total limit of €200,000.[38]

Italy has also introduced an alternative PIR (*PIR Alternativo*) account where at least 70% of investments must be in relatively illiquid financial instruments issued by small-cap Italian companies. These are typically closed-end mutual funds for higher net

---

[34] Kazuya Onuma, "Japan’s Startup Ecosystem: What’s Holding It Back (and What Needs to Change)," *GlobalDeal*, June 29, 2026, https://globaldeal.io/blog/japans-startup-ecosystem-changes
[35] Contributors to Wikimedia projects, "PEA-PME," *Wikipedia, l'encyclopédie libre*, last modified 2026, accessed November 3, 2026, https://fr.wikipedia.org/wiki/PEA-PME
[36] Global Investments, *French Loi PACTE Investment Guide* (Global Investments, n.d.), accessed November 3, 2026, https://www.globalinvestments.net/articles/french-loi-pacte-investment-guide
[37] Banca d'Italia, "I piani individuali di risparmio a lungo termine (PIR)," *L'economia per tutti*, accessed November 3, 2026, https://economiapertutti.bancaditalia.it/aree-tematiche/risparmio-e-investimenti/i-piani-individuali-di-risparmio-a-lungo-termine/index.html
[38] Banca d'Italia, "I piani individuali di risparmio a lungo termine (PIR)."

worth investors.[39] The annual maximum for contributing to an alternative PIR is €300,000, with a total cap of €1.5 million.

Both the French and Italian examples illustrate how account wrappers similar to Canadian RRSPs and TFSA can be repurposed to direct investment into VC investments. The French have raised approximately €2.7 billion in total assets from the PEA-PME as of 2023[40], while PIR has raised €17 billion and the PIR Alternativo have raised approximately € 2.5B in total assets.[41] While the amounts are relatively small, they represent a proof-of-concept for a similar type of vehicle in Canada. The concept is not new, Canadian economist and CD Howe president Jack Mintz[42] has consistently argued since 1994 for the need to have a reinvestment rollover mechanism or capital gains deferred account[43] but it never has applied as a concept to venture capital. This must change.

Registered Venture Capital Plans: A New National Policy For Underfunded Startups and Scaleups

Canadians hold $745 Billion in TFSAs,[44] $1.6 Trillion in RRSPs[45] and the country's pension plans are some of the world's most prolific investors in US venture capital.[46] Yet Canada's venture capital market only deploys between $8 billion to $9

[39] Banca d'Italia, "I piani individuali di risparmio a lungo termine (PIR)."
[40] Observatoire de l'Épargne Européenne (OEE) and Association Française de Gestion (AFG), *Households' Long-Term Savings and Stock Market Participation in Europe* (Paris: AFG, February 2025), 16, https://www.afg.asso.fr/app/uploads/2025/02/Etude-AFG-OEE-2025.pdf
[41] Equita SIM, *PIR Monitor* (January 12, 2023), 16, http://www.mondoalternative.com/NotiziePdf/2023.01.12_PIR%20Monitor%20EQUITA.pdf
[42] Jack Mintz and Thomas A. Wilson, *Removing the Shackles: Deferring Capital Gains Taxes on Asset Rollovers*, C.D. Howe Institute Backgrounder, no. 94 (April 2006): 1, https://www.cdhowe.org/wp-content/uploads/2024/04/backgrounder_94.pdf
[43] Jack M. Mintz, "Conservative Proposed Capital Gains Tax Rollover Could Spur $12.5 Billion in Investment," *The Hub*, April 7, 2025, https://macdonaldlaurier.ca/conservative-proposed-capital-gains-tax-rollover-could-spur-12-5-billion-in-investment-jack-mintz-in-the-hub/
[44] Canada Revenue Agency (CRA), *Tax-Free Savings Account Statistics (2024 Tax Year): Table 3A – TFSA Contributions, Withdrawals, and Fair Market Value by Gender and Age Group* (Ottawa: Government of Canada, 2026), https://www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/income-statistics-gst-hst-statistics/tax-free-savings-account-statistics/tax-free-savings-account-statistics-2024-tax-year.html
[45] Statistics Canada, *National Balance Sheet Accounts, Third Quarter 2025*, Catalogue no. 13-001-X (Ottawa: Statistics Canada, 2025), https://www150.statcan.gc.ca/n1/daily-quotidien/251211/dq251211a-eng.htm
[46] David Seglins and Evan Thompson, "Amid 'Buy Canadian' Fervour, Canada's Top Pension Funds Still Heavily Invested in U.S.," *CBC News*, February 14, 2026, https://www.cbc.ca/news/investigates/cpp-us-investments-record-assests-9.7088667

billion CAD annually[47] whereas the US deployed roughly $430 billion to $460 billion CAD annually in 2026.[48] While we have the domestic savings to match the US per-capita in VC investment, Canadians lack the economic incentives to deploy it into risk capital. The RVCP realigns those incentives by establishing a tax-deferred holding account to encourage investors and founders to build and scale firms in Canada.

Registered Venture Capital Plan: Key Recommendation

It is recommended that the Canadian federal government enact legislation under the Income Tax Act to create a Registered Venture Capital Plan (RVCP). The RVCP is a tax-deferred account enabling VCs, entrepreneurs, and employees to defer capital gains taxes and claim Allowable Business Investment Losses (ABIL) on equity, convertible debt, Simple Agreements for Future Equity (SAFEs) upon conversion into equity, and options in Canadian-Controlled Private Corporations (CCPCs) and Eligible Small Business Corporations (ESBCs) under $200M in gross assets. This policy would make Canada's VC ecosystem more competitive versus competing jurisdictions. It would unlock domestic risk capital to build and scale-up Canadian-headquartered firms.

Registered Venture Capital Plan: A Fix for Section 44.1

Finance Canada has repeatedly cited a goal of expanding the use of Section 44.1 to encourage business-related capital gains rollovers.[49] In its current form, the law could replicate the challenges we see with the US QSBS and UK VC investment schemes. This paper contends that creating tax-deferred account wrappers similar to RRSPs and TFSAs will improve the Canada Revenue Agency's ability to track the purchase and sale of businesses under the Section 44.1 provision. A Registered Venture Capital Plan (RVCP) would increase tax compliance by reducing audits, increasing oversight of anti-avoidance provisions by financial institutions / custodians and would streamline tax collection. In addition to preferred shares and common shares

---

[47] Canadian Venture Capital & Private Equity Association (CVCA), *Year-End 2025 Market Report* (Toronto: CVCA, 2025), https://www.cvca.ca/insights/market-reports/year-end-2025/.
[48] National Venture Capital Association (NVCA), *NVCA 2026 Yearbook* (Washington, DC: NVCA, 2026), https://nvca.org/wp-content/uploads/2026/04/NVCA-2026-Yearbook-4.9.26.pdf.
[49] Parliament of Canada. (2024–2025). *Fall economic statement 2024* and *Bill C-15 (An Act to implement certain provisions of the budget tabled in Parliament on April 16, 2024 and other measures)*. Government of Canada.

now permitted under Section 44.1, the Canada Revenue Agency should encourage RVCP accountholders by allowing them to hold all the instruments commonly used in venture capital like convertible debt, warrants, options, as well as fractional shares to encourage VC investment.

Registered Venture Capital Plan: Tax-Deferred Capital Recycling Accounts

Similar to the US QSBS, RVCP account holders will be able to register a business, to contribute IP/patents to it, or hold common shares, preferred shares, convertible debt, warrants, options, SAFEs upon conversion, and fractional shares within the account. Realized capital gains from eligible companies under $200M in gross assets would be tax-deferred if reinvested into another qualifying firm within two years (expanding Section 44.1 of the *Income Tax Act*). The reinvestment period should be extended to two years to ensure that an entrepreneur or an investor can perform thorough due diligence on any companies they invest in.

Registered Venture Capital Plan: Financial Custodian Responsibility

These accounts will be held with financial custodians. Account holders will have a two-year window to perform due diligence on investments. Financial custodians will record and transmit transaction data to the CRA including: type of security (preferred share, common share, convertible debt), purchase and sale price of a security upon a liquidity event, dates for a liquidity event/transaction, investment gain/loss upon a transaction, gross asset valuation of a CPCC held by an owner upon a liquidity event, the applicable tax-deferred amount (100%, 90%, 80% or 70%), and the tax withheld/paid upon a liquidity event (typically the highest marginal rate in the investor's jurisdiction multiplied by the percentage of the investment that was not deferred). Financial custodians will not be responsible for determining the fair market value of VC investments because they are inherently illiquid and speculative. But they will be expected to enforce anti-avoidance provisions and to comply with existing CRA provisions to crack down on illegal uses of tax shelters.

Registered Venture Capital Plan: Employee Incentive Plans & VC Feeder Funds

CCPCs under $200M in gross assets will be able to set up, in partnership with financial custodians, stock and option plans directly into individual employee RVCPs. In turn, the financial custodians will be responsible for conducting Know-Your-Client discussions and with educating employees on the nature of their RVCP plans. Employees will be able to hold equity tax-deferred until sale. Upon sale, if employees are unaccredited investors, they will be able to rollover their proceeds into their own small business, or into a VC feeder fund designed for them. They will be prohibited from investing in instruments currently reserved for accredited investors. By encouraging employers to open accounts for their key employees, the RVCP will encourage talent to stay in Canada and to eventually become entrepreneurs.

Registered Venture Capital Plan: Tiered Tax Deferral & Higher Gross Asset Limit

RVCP offers 100% tax deferral on treasury instruments for firms <$100M gross assets, and 80% for $100M–$200M assets (based on a 2-year rolling average). While competing frameworks like the US QSBS and UK Enterprise Investment Scheme (EIS) do not include firms with gross assets above $100M in their frameworks, Canada is arguably more highly exposed to scale up problems colloquially known as the Series B Valley of Death. The 80% tax deferral better targets investments in asset-heavy sectors like clean technology and advanced manufacturing to counter our relative lack of investment capital compared to the US specifically for Series B and C financing.

Registered Venture Capital Plan: Creating a Market for Secondary Liquidity

Unlike other jurisdictions, the RVCP framework will provide a 90% deferral on secondary sales (<$100M) and a 70% deferral for $100M-$200M assets. Including secondary shares will help early angels to exit and fund new early-stage startups. It will also encourage larger funds to supply liquidity for later rounds in companies with good prospects. Forgone tax deferral will be taxed upon sale or foregone reinvestment by the financial custodian.

Registered Venture Capital Plan: Shortened Holding Periods

RVCP will require a 1-year minimum hold for assets <$100M and 2 years for $100M–$200M. Research by economists Jun Chen and Joan Farre-Mensa shows that shortening long holding cliffs (like QSBS's 5-year requirement) removed investment bottlenecks, increased firm creation by 10% and successful patent filings by 23%.[50] Since the RVCP relies mainly on after-tax savings and is a tax-deferral account, there is no inherent need to require investors to hold an investment for 5 years. This will incentivize VC firms to sell seed investments with poor commercialization prospects and buy investments in companies with better prospects. This will be an improvement on the way both the UK and US venture capital markets currently operate by increasing deal flow, incentivizing commercialization and encouraging capital recycling more quickly than competing jurisdictions.

Registered Venture Capital Plan: Industries Excluded

Similar to the QSBS, the RVCP should exclude certain industries. These include professional services - where the principal asset is the reputation or skill of employees (health, law, engineering, architecture, financial services, the arts). However, software companies that service those industries should be eligible for RVCP. Agriculture, real estate and natural resources (oil, gas, mineral development) should also be excluded as should hospitality and lodging businesses.[51] As in the US, there are three key reasons why these industries are excluded. First, extending RVCP to professional services would make them a magnet for using tax-deferred structures as a personal tax shelter rather than to scale innovative companies. Second, typically the real estate and resource sectors already have access to extensive financing structures that other industries do not. Third, the goal of RVCP is to channel investment into innovative industries and to enhance global exports to fix the country's productivity and commercialization crises.

---

[50] Jun Chen and Joan Farre-Mensa, "Capital Gains Tax Relief and Entrepreneurship: Evidence from the QSBS Exemption" (working paper, Social Science Research Network, 2025), SSRN 4482626.
[51] Ramp, "Understanding Section 1202: A Complete Guide to Qualified Small Business Stock (QSBS)," *Ramp Blog*, June 1, 2026, https://ramp.com/blog/understanding-section-1202.

Who can invest?

Accredited investors will be able to transfer ***after-tax*** savings into an RVCP into their own business, invest into an eligible CPCC, into a VC firm to manage on their behalf, or into a retail VC feeder fund.

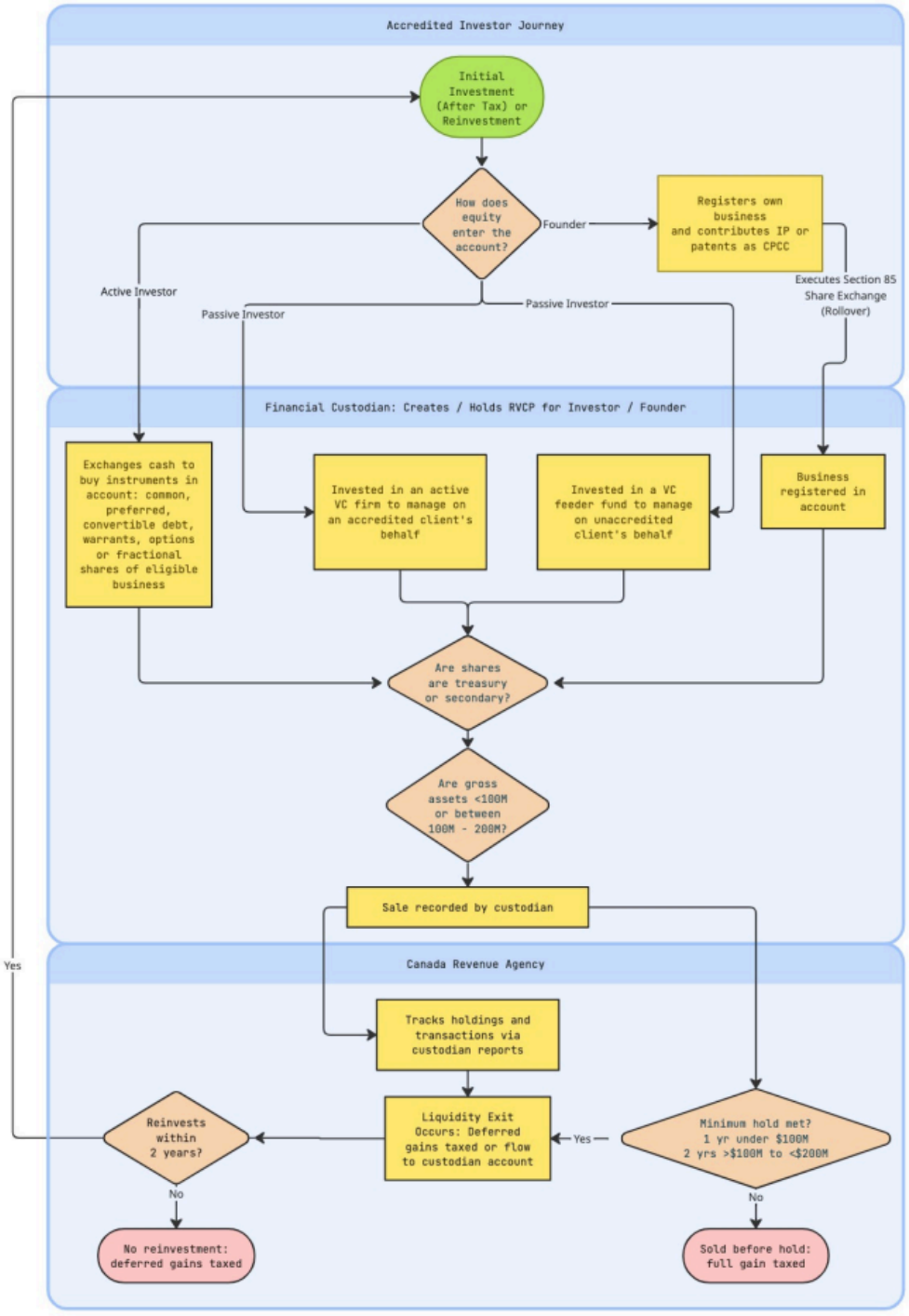


Figure 1 - Accredited Investor Journey - From Initial Investment to Exit

Unaccredited (retail) **investors** would be restricted to receiving shares from an employer, investing in their own businesses or into VC feeder funds in RVCP accounts.

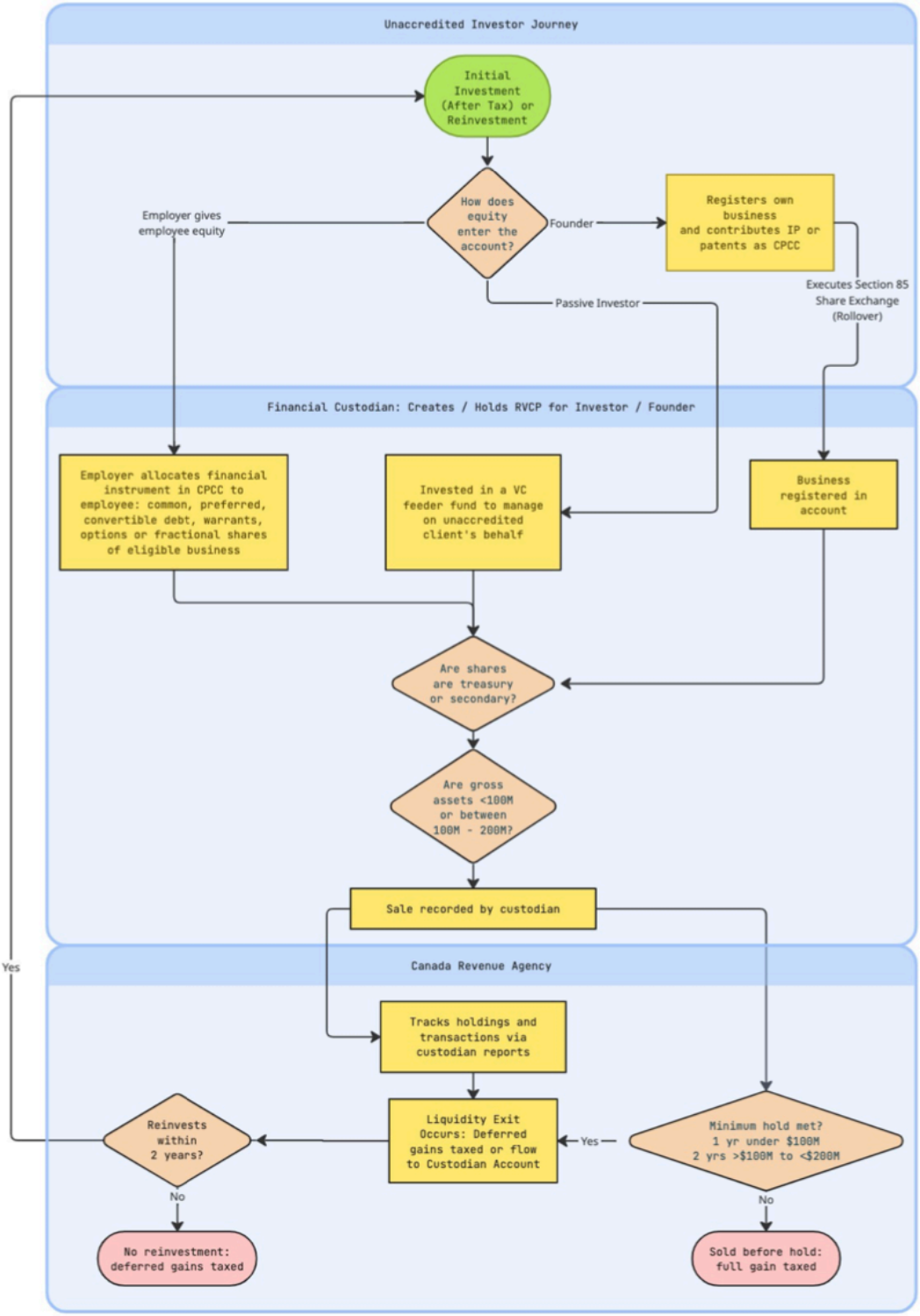


Figure 2 - Unaccredited (retail) Investor Journey - From Initial Investment to Exit

Financial Modelling: RVCP's Tax Deferral Model

The example below illustrates how an account wrapper for VC investments based on capital gains tax deferral will generate both higher taxes and more valuable companies.

Stage / Transaction	Initial Purchase	Initial Sale	2nd Purchase	2nd Sale	3rd Purchase	3rd Sale	After-tax total upon withdrawal
Purchase / Sale Value	$1.0M	$2.0M	$2.0M	$4.0M	$3.9M	$7.8M	—
Adjusted Cost Base (ACB)	$1.0M	$1.0M	$2.0M	$2.0M	$3.9M	$3.9M	—
Investment Gain / Loss	$0.0M	$1.0M	$0.0M	$2.0M	$0.0M	$3.9M	—
Investment Type	Treasury	Treasury	Treasury	Treasury	Secondary	Secondary	—
CCPC Gross Asset Valuation	$2.0M	$4.0M	$150.0M	$300.0M	$55.0M	$110.0M	—
Deferral Amount	—	100%	—	80%	—	90%	—
Taxable Amount	—	—	—	$0.40M	—	$0.39M	$6.10M
RVCP Tax Payable @ 27%	—	—	—	$0.11M	—	$0.11M	$1.65M
RVCP Tax Paid ($)	—	—	—	$0.11M		$0.21M	$1.86M
RVCP Gain / Loss Carryforward	$0.00M	$1.00M	$1.00M	$2.60M	$2.60M	$6.10M	$0.00M
RVCP Portfolio Valuation	$1.00M	$2.00M	$2.00M	$3.89M	$3.89M	$7.68M	$6.03M
Non-RVCP Portfolio Valuation	$1.00M	$1.73M	$1.73M	$2.99M	$2.99M	$5.18M	$5.18M
Non-RVCP Tax Paid @ 27% ($)		$0.27M		$0.47M		$0.81M	$1.55M
RVCP Adv ($)	$0.00M	$0.27M	$0.27M	$0.90M	$0.90M	$2.50M	$0.85M
RVCP Adv (%)	0.0%	15.6%	15.6%	30.0%	30.0%	48.3%	16.5%

Figure 3 - Capital Accumulation Within an RVCP over Time

The model is based on three investments, one after the other, where all proceeds in the portfolio are re-invested. In both scenarios, the RVCP and Non-RVCP portfolios assume a 100% return on each of the three investments with the non-RVCP portfolio taxed at a 27% capital gains rate. The RVCP model provides a 100% tax deferral on the initial investment (Treasury, Gross Assets at Purchase = $2M) meaning that no tax is paid on the sale provided it is reinvested within two years. The second investment's tax deferral is 80% (Treasury, Gross Assets at Purchase = $150M) and assuming that the tax paid is 27%, would only be applied to 20% of the capital gain. This gives an effective tax rate of 5.4%. The third investment at a tax deferral rate of 90% (Secondary, Gross Assets at Purchase = $55M) would have an effective tax rate of 2.7%. No time period is specified in the above example so it is flexible.

The model assumes that the investments are held to maturity (a minimum of 1-2 years) and reinvested within 2 years. The model shows that the RVCP portfolio provides a 16.5% increase in capital gains and a 20% increase in tax revenues. It should also be noted that in the model, more valuable companies would typically generate higher salaries and higher taxes.

Financial Modelling: RVCP's Impact on New VC Investment

Assuming that Canadian investors represented $4.25B in annual contributions to the Canadian VC market in 2026 based on CVCA figures, they would have pulled out around $850M in annual capital gains (or 20% of each year's annual total in investment). This churn, typically taxed at a 27% marginal tax rate, could represent up to $230M in capital gains that would instead be reinvested in the market.

By deferring the capital gains tax rate up to maximum of 27% (100% deferral threshold), the RVCP increases the amount that investors can reinvest into treasury shares of startups with less than $100M in gross assets per exit by 37%. These thresholds are less for the other deferral tiers.

Nevertheless, for the purposes of analysis, we can assume that an extra $230M in annual startup gains in the first year of implementation should be multiplied by 1.37 to capture rolled over funds. Subsequently, multiplying that amount by the Parliamentary Budget Office's 2024 estimate of a 1.48 net-of-tax elasticity means that the RVCP would

induce an additional $466M in new private investment.[52] We should note that this elasticity calculation in 2024 was modelled on how investors would react to a capital gains hike. In modelling the case of a capital gains cut or deferral, it is possible that investors would be more responsible for a tax deferral or capital gains cut. The addition of $230M and $466M in new private investment would result in a total increase of $696M in new private annual venture capital deployment. This amount would compound over time as of year 1 in an RVCP and would also attract a 1:1 match in institutional co-investment from Crown and provincial corporations. The implementation of the RVCP would generate over $1.39B in new net total annual deal liquidity in its first year.

Legal & Regulatory Integration

The RVCP builds directly on established policy frameworks. It expands Section 44.1 of the *Income Tax Act* and amends Regulation 4900 to accept SAFEs and convertible notes as qualifying trust assets. For private share issuances, the plan will use existing prospectus exemptions under National Instrument 45-106. As an RVCP is a registered account, similar to an RRSP or TFSA, owners would be prohibited from pledging their shares as collateral to prevent the creation of tax shelters or tax avoidance loopholes.

Regional Considerations

Operating as a nationally registered account under the *Income Tax Act*, the RVCP would give investors a greater ability to invest interprovincially. It aligns equally well with Quebec's more state-supported VC ecosystem and Alberta's low-tax market model. Industries that will benefit outside traditional VC like software from the $100M-$200M gross asset limit include:

- Western Canada's energy transition technology, agri-food technology and industrial AI industries
- Ontario's hardware, automotive/EV battery, advanced manufacturing, quantum, and life science scale-ups

[52] Parliament of Canada, *Fall Economic Statement 2024 and Bill C-15 (An Act to Implement Certain Provisions of the Budget Tabled in Parliament on April 16, 2024 and Other Measures)* (Ottawa: Government of Canada, 2024–2025).

- Quebec's AI, advanced manufacturing, battery, clean-tech and bio-industries
- Atlantic Canada's ocean tech, supply chain and logistics hardware industries

All these industries have significant physical and R&D assets on their balance sheets that will benefit from expanded access to and scale from VC funding from the RVCP and from higher gross asset limits. Higher gross asset limits also help pension plans and large institutional investors to have Canadian VC funds as lead partner on deals. This will encourage them to price and execute larger VC transactions - improving access to liquidity for Canadian firms seeking Series B and later stage venture deals.

Provincial governments will need to decide on how or if they wish to apply their existing upfront non-refundable income tax credits (typically 15%–30%) to capital deployed through an RVCP wrapper. Given that RVCP also takes advantage of existing, well-established prospectus exemptions under National Instrument 45-106 for private share issuances in its QSBS-like properties and establishment of regional funds. The policy takes Section 44.1 tax deferral legislation, which was already expanded in 2025 and will need to be amended to accommodate RVCP and to make the legislation more useful both for venture capital flow and for regional development goals which are both key Finance Canada objectives.

Mitigating Delaware Flips

As stated in provincial considerations, the RVCP will better equip Canadian funds with the capital to participate in more Series A and B rounds. This would help Canadian companies cross the Valley of Death while keeping operating headquarters and core IP in Canada. It should also be noted that should the government decide to implement a QSBS-style capital gains exemption for venture capital in the future, having an RVCP in place would facilitate its implementation, would help policymakers understand the real costs and benefits, and would help in measuring the success of the program.

Implementation & Success Metrics

The RVCP can be implemented within 12 to 24 months via budget legislation and *Income Tax Act* amendments. CRA will establish standardized custodian reporting for financial custodians to track contributions, rollovers, collect taxes on transactions and

execute withdrawals - building on its existing infrastructure tax compliance and anti-avoidance oversight frameworks.

Success for the Registered Venture Capital Plan should be evaluated over 5 years across four key benchmarks:

1. **Business Entry:** A 35% increase in seed and pre-seed business formation rates.
2. **Scale-Up Capacity:** A 35% increase in domestic Series A/B participation and average round size.
3. **Talent Retention & IP:** A 50% reduction in STEM graduate emigration ("brain drain") and a 25% increase in domestic patent filing value.
4. **Capital Velocity:** Doubling the domestic venture capital pool from $4.25B to $8.5B and total ecosystem liquidity to $17B.

References

Banca d'Italia. "I piani individuali di risparmio a lungo termine (PIR)." *L'economia per tutti*. Accessed November 3, 2026.

BDO Canada. n.d. *Top Marginal Tax Rates in Canada*. BDO Insights.

British Business Bank. n.d. *What Is the Seed Enterprise Investment Scheme (SEIS)?* Guidance article. Accessed November 3, 2026.

———. 2024. *What Are Venture Capital Trusts?* Guidance article. November 11, 2024.

Brock University, Department of Political Science, and For Citizenship. 2025. *Reversing the Brain Drain; and The Leaky Bucket*. St. Catharines: Brock University; For Citizenship.

Canada Revenue Agency (CRA). 2026. *Tax-Free Savings Account Statistics (2024 Tax Year): Table 3A – TFSA Contributions, Withdrawals, and Fair Market Value by Gender and Age Group*. Ottawa: Government of Canada.

Canadian Venture Capital & Private Equity Association (CVCA). n.d. *Analysis of Foreign Investor Participation in the Canadian VC Ecosystem*. CVCA Central.

———. n.d. *Canada Must Scale Proven Investment Tools to Keep Innovation at Home*. CVCA Policy Advocacy.

———. 2025. *Year-End 2025 Market Report*. Toronto: CVCA.

———. 2026. *Recommendations on the Proposed $750M Early Growth-Stage Funding Envelope Budget 2025*. Government Relations Submission to ISED and Finance Canada. Toronto: CVCA, February 2026.

C.D. Howe Institute. 2024. *Canada's Investment Crisis: Shrinking Capital Undermines Competitiveness and Wages*. C.D. Howe Institute Commentary. Toronto: C.D. Howe Institute.

Chen, Jun, and Joan Farre-Mensa. "Capital Gains Tax Relief and Entrepreneurship: Evidence from the QSBS Exemption." Working paper, Social Science Research Network, 2025. SSRN 4482626.

Conry, Barry. 2022. *HMRC Delays and Your R&D Tax Credits Claim*. SeedLegals, August 25, 2022.

Department of Finance Canada. 1998. *Working Paper on Venture Capital and Taxation*. Catalogue no. F21-6-1998-18E. Ottawa: Department of Finance Canada.

Equita SIM. 2023. *PIR Monitor*. January 12, 2023.

Gornall, Will, and Ilya A. Strebulaev. 2021. "The Economic Impact of Venture Capital: Evidence from Public Companies." *Journal of Banking & Finance* 129: 106147.

Global Investments. n.d. *French Loi PACTE Investment Guide*. Accessed November 3, 2026.

Innovation, Science and Economic Development Canada (ISED). n.d. *Key Small Business Statistics*. Ottawa: Government of Canada.

Institute for Research on Public Policy (IRPP). 2026. "Productivity and Capital Growth." *Policy Options*, April 2026.

International Monetary Fund (IMF). 2024. *Startups and Venture Capital in Japan: How to Grow In*. IMF Selected Issues Paper no. 2024/027. Washington, DC: International Monetary Fund.

Lammam, Charles. 2026. "What Canada Can Learn from the World's Leading Nations on Business Formation." *The Hub*, August 14, 2026.

Macdonald, David. 2026. "Escaping the Housing Trap: What the Carney Budget Reveals." *Policy Options*, January 19, 2026.

Macdonald & Associates Limited. 1998. *The Canadian Venture Capital Industry: Activity and Trends*. Prepared for Industry Canada. Ottawa: Industry Canada.

Manigart, Sophie, Katty De Waele, Mike Robbie, Ken Robbie, Philippe Desbrieres, and Harry J. Sapienza. 2002. "Determinants of Required Return in Venture Capital Investments: A Five-Country Study." *Journal of Business Venturing* 17, no. 4: 291–312.

Mintz, Jack M. 2025. "Conservative Proposed Capital Gains Tax Rollover Could Spur $12.5 Billion in Investment." *The Hub* (via Macdonald-Laurier Institute), April 7, 2025.

Mintz, Jack, and Thomas A. Wilson. 2006. *Removing the Shackles: Deferring Capital Gains Taxes on Asset Rollovers*. C.D. Howe Institute Backgrounder, no. 94. April 2006.

National Venture Capital Association (NVCA), and Canadian Venture Capital & Private Equity Association (CVCA). 2026. *NVCA 2026 Yearbook*. Washington, DC: NVCA; Toronto: CVCA.

Observatoire de l'Épargne Européenne (OEE), and Association Française de Gestion (AFG). 2025. *Households' Long-Term Savings and Stock Market Participation in Europe*. Paris: AFG, February 2025.

Onuma, Kazuya. 2026. "Japan's Startup Ecosystem: What's Holding It Back (and What Needs to Change)." *GlobalDeal*, June 29, 2026.

Organisation for Economic Co-operation and Development (OECD). 2001. *Venture Capital: Investment Trends and Policies*. OECD Science, Technology and Industry Working Papers. Paris: OECD Publishing.

———. 2023. *Indicator HM1.1: Housing Stock and Construction*. OECD Affordable Housing Database. Paris: OECD.

———. 2024. *Venture Capital Investments: Seed, Start-up, Later Stage* [Data set].

———. 2025. *Benchmarking Government Support for Venture Capital: Germany*. Paris: OECD, June 27, 2025.

———. 2026. *Financing SMEs and Entrepreneurs 2026: An OECD Scoreboard*. Paris: OECD Publishing.

Parliament of Canada. 2024–2025. *Fall Economic Statement 2024 and Bill C-15 (An Act to Implement Certain Provisions of the Budget Tabled in Parliament on April 16, 2024 and Other Measures)*. Ottawa: Government of Canada.

Ramp. 2026. "Understanding Section 1202: A Complete Guide to Qualified Small Business Stock (QSBS)." *Ramp Blog*, June 1, 2026.

Romain, Antoine, and Bruno van Pottelsberghe de la Potterie. 2004. *The Economic Impact of Venture Capital*. Discussion Paper Series 1: Economic Studies, no. 18/2004. Frankfurt: Deutsche Bundesbank.

RSM US LLP. 2022. *Qualified Small Business Stock: Making the Most of the Exclusion*. RSM US, June 13, 2022.

———. 2025. "The OBBBA and QSBS: Opportunities and Risks Involving 1202." RSM Insights, July 25, 2025.

SeedLegals. 2022. *Seed Enterprise Investment Scheme: A Guide to SEIS*. London: SeedLegals, September 30, 2022.

———. 2023. *EIS Explained: The UK Startup's Guide to the Enterprise Investment Scheme*. London: SeedLegals, May 15, 2023.

Seglins, David, and Evan Thompson. 2026. "Amid 'Buy Canadian' Fervour, Canada's Top Pension Funds Still Heavily Invested in U.S." *CBC News*, February 14, 2026.

Statistics Canada. 2025. *Business Dynamics in Canada: Key Indicators*. Catalogue no. 36-28-0001/2025009/article/00001-eng. Ottawa: Statistics Canada.

———. 2025. *National Balance Sheet Accounts, Third Quarter 2025.* Catalogue no. 13-001-X. Ottawa: Statistics Canada.

Contributors to Wikimedia projects. 2026. "PEA-PME." *Wikipedia, l'encyclopédie libre*. Last modified 2026. Accessed November 3, 2026

Artificial Intelligence Assistance Disclosure

During the preparation of this manuscript, generative artificial intelligence tools were utilized for structural formatting assistance, copyediting, and referencing organization. The author (Adrian Cook) maintains full intellectual and editorial responsibility for all arguments, economic modeling, policy recommendations, and final interpretations presented herein.