

Defining "Cree Enterprise"

CREE NATION
GOVERNMENT

TOWN HALL

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Contents

- 1. Definition of Cree Enterprise – 2002**
- 2. Challenges of the definition**
- 3. Understanding the Cree Tax Exemption**
- 4. A New Definition**
 - a) Expectations**
 - b) Next Steps**

Paix des Braves - Definition

Cree Enterprise - A Cree Band, or any Cree Entity, or any unincorporated business belonging to a James Bay Cree as well as any corporation in which one or more James Bay Cree, Cree Band or Cree Entity, or any trust, foundation or fund instituted for the benefit of any one or more of the aforementioned, holds fifty per cent (50%) or more of the voting shares or a sufficient participation to appoint the majority of directors; as well as any partnership, joint venture, non-profit corporation or other enterprise or legal entity in which one or more James Bay Cree, Cree Band or Cree Entity, or any trust, foundation or fund instituted to the benefit of any one or more of the aforementioned, holds directly or indirectly a controlling interest, as well as any affiliate controlled by any such corporation, partnership, joint venture, non-profit corporation or other enterprise or legal entity ("Entreprise crie").

Results

- ▶ Proliferation of Joint Ventures
- ▶ Cree Premium - Cost have increased with no increase in value
- ▶ Limited Transfer of Knowledge
 - ▶ Management is not shared
- ▶ Poor performance on Cree employment
- ▶ Limited investment in communities:
 - ▶ Human Resources
 - ▶ Buildings
- ▶ Tax Liabilities misunderstood
 - ▶ Owners
 - ▶ Workers
- ▶ Negative Impact on the credibility of the Cree Nation

Understanding Tax Exemption

Guideline 1 – 90% of work is performed on Category IA Lands

**Guideline 2 – Employer resides on Category IA Lands
and Employee resides on Category IA Lands**

Guideline 3 - > 50% of the work is performed on Category IA Lands and Employer resides on Category IA Lands **or** Employee resides on Category IA Lands

Guideline 4 – Employer is Native Government or provides government service

Redefining Cree Enterprise

"Connecting Factors Test":

- ▶ Is the location of the business's activities in a Cree community?
- ▶ Are the business's clients in a Cree community?
- ▶ Are the business' decisions taken in a Cree community?
- ▶ Are the payments made in a Cree community?
- ▶ Is the Business' permanent location in a Cree community?
- ▶ Are the business administrative records located in a Cree community?
- ▶ Are administrative, clerical, or accounting activities taking place in a Cree community?

Cree Enterprise = An Enterprise connected to a Cree community

Expectations:

- ▶ Enterprises wishing to gain preferential status will have to invest in a Cree community and community members.
- ▶ There is no incentive for a non-Native to partner with a Cree in a 51% Joint Venture to access contracts.
- ▶ Local Governments will be in a position to determine which companies benefit from preferential status.
- ▶ Legitimate local Cree business will get the support and promotion they have been seeking

Next Steps

- ▶ Negotiations with the Quebec Treasury Board
 - ▶ The amendment of Quebec procurement legislation
- ▶ Negotiations of Amendments to Development Agreements with Developers: i.e. Hydro-Quebec, Mining Companies, etc.