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## **Opening the Door to Innovation: The Venture Capital and Private Equity Key**

OTTAWA: The 2010 Annual Conference of the CVCA - Canada's Venture Capital & Private Equity Association - focuses on the vital role venture capital and private industry play in driving innovation, job creation, productivity and company excellence in the Canadian economy.

"Driving Innovation is the central theme of our sold-out Annual Conference," said Gregory Smith, President of the CVCA and Managing Partner of Brookfield Financial. "Innovation in what we do, and in how we do things, is vital to maintaining and improving our standard of living, our competitiveness and our collective ability to create large numbers of high-value-added jobs today and into the future."

Venture capital and private equity funds specialize in growing companies – at all stages and in all industries. Growth is accomplished by supplying capital and management expertise over long periods of time. Venture capital and private equity-backed firms outperform other companies on job creation in good times and bad.

"It is clear that the venture capital and private equity industry holds the key to Canada outperforming its competitors in today's hyper-competitive economy," added Mr. Smith. "It is also clear that working closely with many stakeholders, from business angels and incubators to all levels of government, is critical to the ongoing success of our industry. This is quite evident in the research study conducted by Dr. Gilles Duruflé that was released today."

With respect to the venture capital industry, the CVCA is recommending a number of steps to further strengthen the ability of its member funds to provide the necessary capital to the high technology companies that are increasingly important to the Canadian economy.

Those five points include:

- ⇒ Establishing a significant fund of funds
- ⇒ Changing the parameters of the Industrial and Regional Benefits (IRB) program to improve the incentives for major government contractors to invest in venture capital funds
- ⇒ Improving the retail venture capital credit structure
- ⇒ Allowing major corporations to expense their investments in venture capital funds
- ⇒ Reforming the SR & ED program to permit qualifying companies to get \$1.50 back for every \$1 claimed.

## **CVCA**

The CVCA - Canada's Venture Capital & Private Equity Association - was founded in 1974. It represents Canada's venture capital and private equity industry. Its over 1,800 members are firms and organizations that manage the majority of Canada's pools of capital designated to be committed to venture capital and private equity investments. The CVCA fosters professional development, networking, communication, research and education within the venture capital and private equity sector and represents the industry in public policy matters.

## **Contacts:**

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