# TECH BUSINESS IN CANADA

ONDEMAND INTERNATIONAL

www.ondemandint.com





# TECH MARKET IN CANADA FOR US-BASED COMPANIES

### 1. Global Technology Hub

Canada's **fintech market is expanding**, unlike the highly competitive U.S. fintech and SaaS sectors. In 2025, Canada's IT services market is projected to generate \$32.41 billion, with IT outsourcing leading at \$12.93 billion. The sector is expected to grow at a 5.53% CAGR (2025-2029), reaching \$40.19 billion by 2029.

**Toronto, ranked 8th in the world for fintech hubs**, has positioned itself as a leader in financial technology, blockchain, and Al-driven solutions, while Vancouver and Montreal drive growth in Al, software development, clean energy, and biotechnology.

### 2. Strategic Location & Trade Agreements

Expanding into Canada grants U.S. businesses access to North American, European, and Asian markets. Canada's trade agreements provide fintech firms easier entry into European and Asian markets, avoiding the high tariffs and regulatory barriers faced by U.S. exports.

Through the Comprehensive Economic and Trade Agreement (CETA), companies operating in Canada can access 450 million consumers in the European Union with zero tariffs. The CUSMA (Canada-United States-Mexico Agreement) streamlines trade between the U.S., Canada, and Mexico, ensuring reduced tariffs and fewer trade barriers.



#### 3. Lower Tax Rates

Yes, Canada's federal corporate tax rate is 15%. The basic federal tax rate is 38%, which is reduced by a 10% provincial abatement and a 13% general rate reduction, resulting in a net tax rate of 15%, significantly lower than the U.S. federal rate of 21%.

Unlike the U.S., Canada does not have state-level corporate taxes, simplifying the tax structure for multinational tech firms. The U.S.-Canada Tax Treaty prevents double taxation, ensuring that tech companies operating in both countries are not taxed twice on the same income.

### 4. Lower Operating Costs

Compared to U.S. tech hubs like San Francisco, New York, and Seattle, Canada offers a more cost-effective environment for startups and established tech firms.

Toronto and Vancouver offer more affordable office space, while Montreal and Calgary have a lower cost of living. Lower business incorporation costs, streamlined banking regulations, and fewer licensing fees make it easier to scale operations.

# 5. Hassle-Free Post-Registration Compliance Services

For U.S. tech companies, Canada's stable banking and simplified compliance make financial operations easier.

Some banks in Canada allow remote account setup, unlike in the U.S., where inperson visits and a U.S. business address are often required. Canada's simplified system helps U.S. firms avoid state-specific tax and banking hurdles.





# GRANTS & INCENTIVES FOR TECH BUSINESS



## Scientific Research and Experimental Development (SR&ED) Tax Incentive:

The SR&ED tax incentive program is Canada's largest federal support for tech companies, promoting private-sector R&D. It's one of the world's most generous and accessible **R&D tax incentives**, benefiting 20,000 businesses with over \$3 billion annually.



#### **Ontario Innovation Tax Credit:**

Qualifying corporations can claim a **refundable tax credit** for qualified expenditures on scientific research and experimental development performed in Ontario.



#### Startupfest (Montreal):

It is a premier startup event attracting founders, investors, and tech leaders



#### **BC Tech Fund:**

A venture capital fund providing investments in BC's tech companies, supporting their expansion and commercialization efforts.



#### Manitoba Interactive Digital Media Tax Credit (MIDMTC):

The MIDMTC is a refundable corporate income tax credit offering up to 40% on qualified labour and certain marketing expenses for developing eligible interactive digital media products.





# BEST EVENTS & EXHIBITION FOR TECH BUSINESS



#### **Collision Conference (Toronto)**

The Collision Conference is the fastest-growing tech conference in North America, bringing together Fortune 500 companies, startups and government in one place.



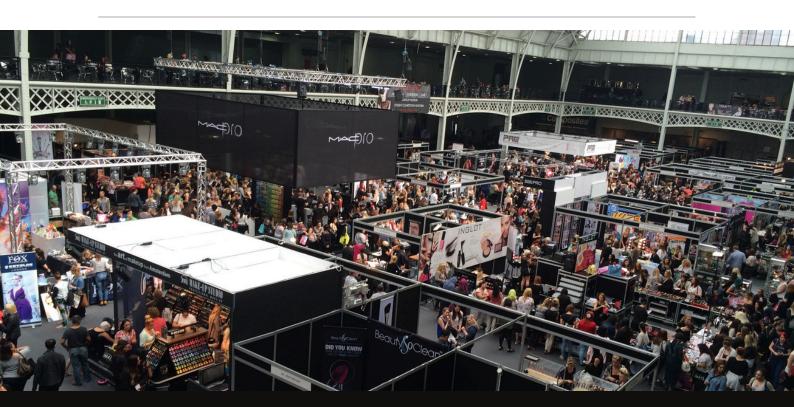
#### Inventures (Calgary):

A global innovation and venture capital event covering Al, cleantech, agri-tech, and health tech will be held on May 21-23, 2025.



#### **TECHSPO Vancouver:**

TECHSPO Vancouver is a two-day tech expo happening April 10-11, 2025. It brings together some of the best developers, brands, marketers, technology providers, designers, innovators and evangelists looking to set the pace in our advanced world of technology.



#### **OUR ESTEEMED IT CLIENTS THROUGHOUT CANADA**



SHIVANI ROMA
ANAVWEBTECH LIMITED
PROVINCE:- BRITISH COLUMBIA



IVAN LUIS
SINTESYS NORTH AMERICA CORP.
PROVINCE:- ONTARIO



NAVPREET SINGH
HEADWAY SOFTWARE SOLUTIONS INC.
PROVINCE: - ALBERTA



**VENKAT**MENTIS SYSTEM LTD.
PROVINCE:- BRITISH COLUMBIA



PA WILLIAMS
LEPING CONSULTING LTD
PROVINCE: ONTARIO



**SAM TIMOTHY**SYSFLEET TECH SOLUTIONS INC.
PROVINCE:- ONTARIO



NIKHIL
PHILODESIGN TECHNOLOGIES INC
PROVINCE:- ONTARIO



EVELYN
AS LINKS LTD
PROVINCE :- ONTARIO





### About OnDemand International (ODINT)

OnDemand International (ODINT) is a premier global market entry consulting firm headquartered in the Netherlands, with a direct presence in 21 countries. We specialize in assisting businesses, family offices, and high-net-worth individuals in setting up incorporations, holding structures, trusts, and operating companies across the world.

With a combined professional experience of over 120+ years, our team brings deep expertise in corporate structuring, tax advisory, and international business expansion. Our reputation is built on delivering seamless, compliant, and efficient solutions tailored to the unique needs of our clients.

As a trusted partner for global family offices, we prioritize **confidentiality**, **integrity**, **and excellence in every engagement**. Our end-to-end services ensure a smooth and compliant process, maintaining the highest standards of professionalism and discretion.

At OnDemand International (ODINT), we don't just facilitate business expansion, we provide strategic guidance to help businesses thrive in an increasingly complex global landscape.