Why Artificial Intelligence Giants are Heading North to Montréal

Montréal International

Downtown Montréal © Henry MacDonald

The world's best economic promotion agency at your service

BEST ECONOMIC DEVELOPMENT ORGANIZATION 2020

INTERNATIONAL ECONOMIC DEVELOPMENT COUNCIL

BEST INVESTMENT PROMOTION AGENCY 2020

fDi INTELLIGENCE FINANCIAL TIMES

Content

01
Top Reasons to Invest in AI in Greater Montréal

Top reasons to invest in AI in Greater Montréal

Top 3 best places to invest in AI in North America

Canada's University Capital and **$1+ billion** funding dedicated to university research yearly

More than $3 billion in AI investments announced in Greater Montréal since 2016

World leaders, including **Google, Microsoft** and **Facebook,** opened AI research labs in Montréal in the last few years

600+ researchers MSc, PhD, post-doc and applied AI students at **Mila**, **the world's largest academic research lab** in deep learning and reinforcement learning

Home of **Scale AI**, Canada's AI supply chain supercluster and the International Centre of Expertise for the Advancement of Artificial Intelligence (**ICEMAI**)

Cutting-edge expertise developed by world-renowned researchers such as **Yoshua Bengio**, **Joëlle Pineau**, **Doina Precup**, **Hugo Larochelle** and **Irina Rish**

More than **13,000 university students** enrolled in artificial intelligence and data-related programs

Numerous possibilities for collaboration between researchers and the industry with **Prompt, Scale AI, Mitacs**

02

A World-Class Artificial Intelligence Hub

Mila, a thriving AI hub in the Mile-Ex neighborhood

- With **600+ researchers**, Mila is the **world's largest academic research lab specialized in deep learning and reinforcement learning**
- A collaborative ecosystem of AI researchers, startups and major companies
- Examples of strategic global partners within Mila:

ELEMENT AI   IVADO   imagia   IBM

SAMSUNG   espace cdpq   DeepMind   HUAWEI

Google   facebook   BOREALIS AI

QUANTUMBLACK A McKINSEY COMPANY   stradigi AI   Microsoft   intel

NEXTAI   IRT SAINT EXUPÉRY CANADA   NOVARTIS   BIOS

Source: Mila, 2020.

A unique centre of excellence: IVADO (Institute for Data Valorisation)

More than 1,300 scientists (professors, professionals and students) with complementary areas of expertise

#1 for publications worldwide

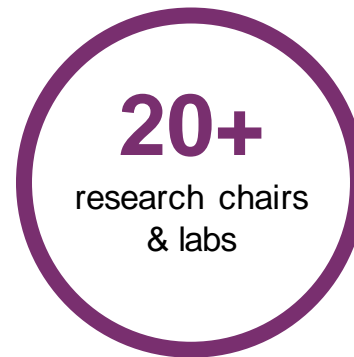**Over 200 collaborative research projects**

Research centres

Mila | DATA SCIENCE FOR REAL-TIME DECISION-MAKING | tech³lab | CIRRELT | GERAD | CENTRE DE RECHERCHES MATHÉMATIQUES | RL LAB | McGill Centre for Intelligent Machines | LIVIA Laboratory for Imagery Vision and Artificial Intelligence

University departments

DIRO | HEC MONTRÉAL Département de sciences de la décision | POLYTECHNIQUE MONTRÉAL DÉPARTEMENT DE MATHÉMATIQUES ET DE GÉNIE INDUSTRIEL

Academic partners

crdm.ul CENTRE DE RECHERCHE EN DONNÉES MASSIVES DE L'UNIVERSITÉ LAVAL | CIRANO Allier savoir et décision | Laboratoire de CYBERJUSTICE Laboratory | rali

International partners

Atlantic 2·0·2·0 | INSTITUT DATAIA Science des données, Intelligence & Société | IRT SAINT EXUPERY | LAAS CNRS

20+ research chairs & labs

YOSHUA BENGIO
a pioneer in deep learning

Montréal's leading AI researchers

- **Winner of the Turing Award 2018**: "Nobel Prize of computing"
- **Winner of the Killam Prize** in Natural Sciences in 2019
- **Fellow of the Royal Society**
- **The most cited computer scientist per day (Sept. 2018)**
- Full Professor, Department of Computer Science and Operations Research, **Université de Montréal**
- Founder and Scientific Director of **Mila**
- Scientific Director of **IVADO**
- **CIFAR** Fellow and Program Director, Learning in Machines and Brains
- Worked at the CIFAR research institute alongside **Yann LeCun** (now at Facebook) and **Geoffrey Hinton** (now at Google)

World-renowned researchers who make Montréal shine

Joëlle Pineau
Associate Professor with the **School of Computer Science at McGill University** and **CIFAR Senior Fellow**, Program in Learning in Machines and Brains. She is also the Head of the **Facebook AI Research lab**, as well as a member of **Mila**

McGill

Doina Precup
Associate Professor with the **School of Computer Science at McGill University** and **CIFAR Senior Fellow**, Program in Learning in Machines and Brains. She is also the Head of the **DeepMind Lab** in Montréal, as well as a member of **Mila**

McGill

Gregory Dudek
Chaired professor of computer science at McGill University and **Director of McGill School of Computer Science**. He is also the Head of the **Samsung AI Center**, as well as a member of **Mila**

McGill

Aaron Courville
Associate Professor in the **Department of Computer Science and Operations Research** (DIRO) at the University de Montréal, and **CIFAR Fellow**, Program in Learning in Machines and Brains. He is also a member of **Mila**

Université de Montréal

Simon Lacoste Julien
Associate Professor in the **Department of Computer Science and Operations Research** (DIRO) at the University de Montréal and **CIFAR Fellow**, Program in Learning in Machines and Brains. He is also Director at **Samsung SAIT AI Lab** and a member of **Mila**

Université de Montréal

Andrea Lodi
Full Professor at École Polytechnique de Montréal and the **Canada Excellence Research Chair in Data Science for Real-Time Decision-Making**, as well as a member of **Mila**

POLYTECHNIQUE MONTRÉAL
LE GÉNIE EN PREMIÈRE CLASSE

Major public investments to support AI development and adoption

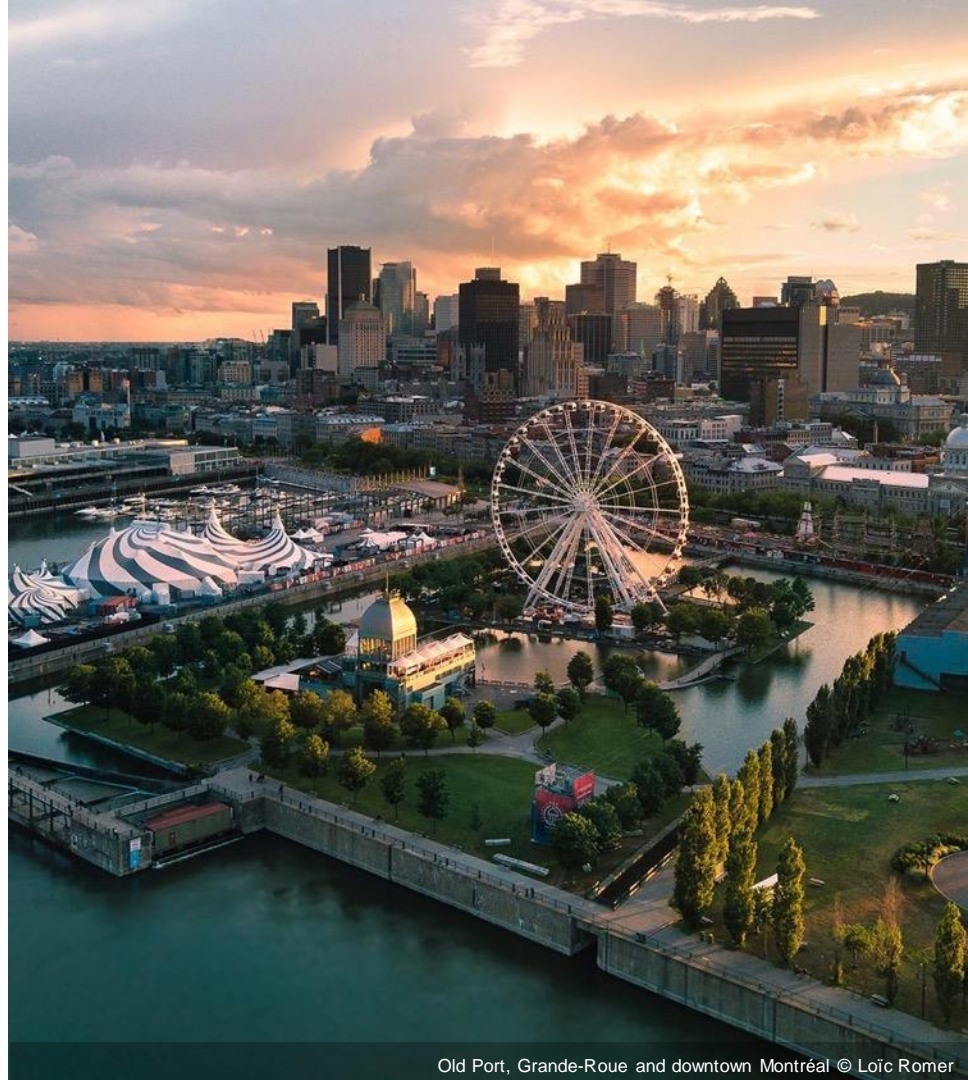|	
$93.5M	**from the First Research Excellence Fund** (2016)
$100M	**over the next 5 years for the creation of a Québec AI cluster** (2017)
$44M	**for the Pan-Canadian Artificial Intelligence Strategy** (2017)
$313M	**for Scale AI Supercluster** (2018) **and for the development of AI talents** (2019)
$329M	**over the next 5 years to accelerate the adoption of AI in Québec** (2019)
$15M	**for the International Centre of Expertise in Montréal for the Advancement of Artificial Intelligence** (ICEMAI) (2019)

Montréal selected for Canadian AI cluster headquarters

SCALE|AI

Canada's AI supply chain supercluster, dedicated to building the next-generation supply chain and boosting industry performance by leveraging AI technologies
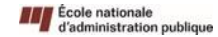
Forum IA Québec

Québec's AI organization fostering the development of Québec's AI ecosystem and mobilizing stakeholders in the field around common projects

Old Port, Grande-Roue and downtown Montréal © Loïc Romer

OBVIA, fostering responsible AI and digital technology

- The **International Observatory on the Societal Impacts of AI and Digital Technology** (OBVIA) helps maximize the positive effects of AI and digital technology on society and minimize its negative impacts

- **Founding institutions:** 18 universities and colleges in Québec, such as:

- **Over 100 partners** in Québec, across Canada and internationally

- Financing **innovative research projects** through grants

- **Over 220 researchers** working across disciplines

The International Centre of Expertise for the Advancement of Artificial Intelligence (ICEMAI) launched in Montréal

- Spearheaded by Montréal International as part of the **Global Partnership on Artificial Intelligence (GPAI)**

- It is one of the two centres of expertise along with the centre in Paris who will work closely with the GPAI Secretariat, housed at the **OECD**

- ICEMAI will support two of the four themes the GPAI will be working on: **responsible use of AI** and **data governance**

- It will also analyze measures to strengthen our national capacity to **commercialize** and **adopt AI-related technologies**
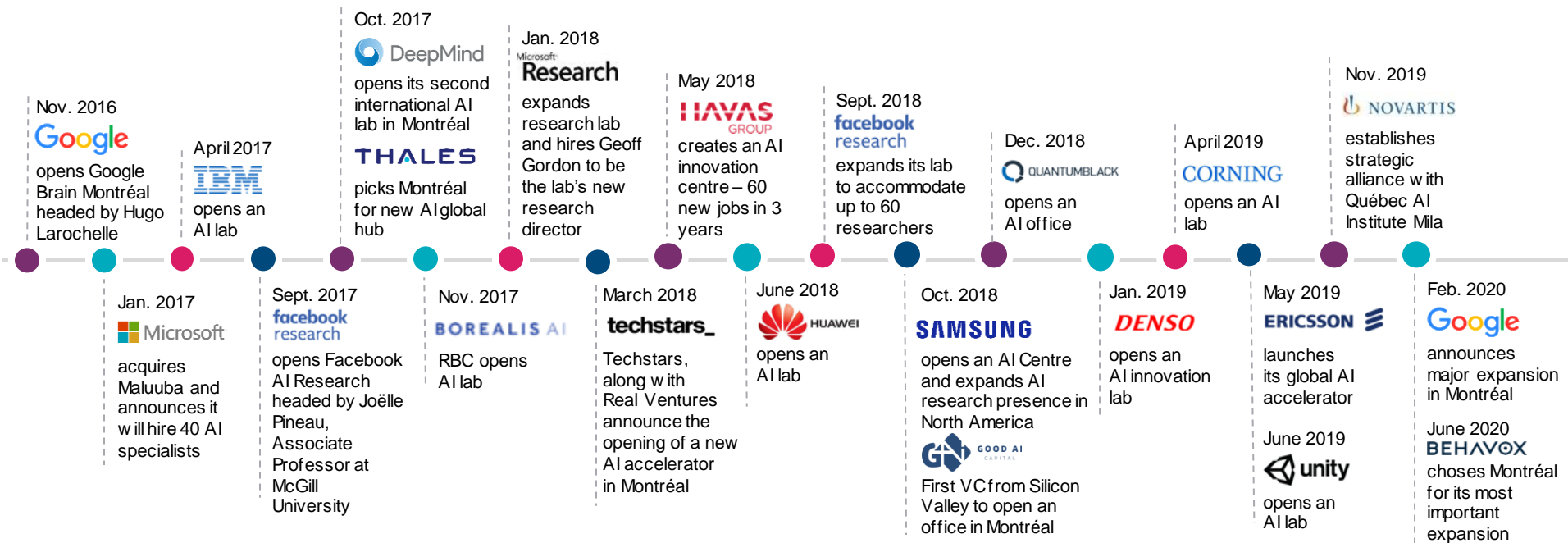
- **$15M investment** by the Government of Québec and the Government of Canada

- **A collaboration of industry, the scientific community and civil society:**

INTERNATIONAL OBSERVATORY ON THE SOCIETAL IMPACTS OF AI AND DIGITAL TECHNOLOGY

Forum IA Québec

Government of Canada's Advisory Council on Artificial Intelligence

In addition to local and international experts

A few of the world leaders developing their AI expertise in Montréal

Nov. 2016
Google
opens Google Brain Montréal headed by Hugo Larochelle

Jan. 2017
Microsoft
acquires Maluuba and announces it will hire 40 AI specialists

April 2017
IBM
opens an AI lab

Sept. 2017
facebook research
opens Facebook AI Research headed by Joëlle Pineau, Associate Professor at McGill University

Oct. 2017
DeepMind
opens its second international AI lab in Montréal

THALES
picks Montréal for new AI global hub

Nov. 2017
BOREALIS AI
RBC opens AI lab

Jan. 2018
Microsoft Research
expands research lab and hires Geoff Gordon to be the lab's new research director

March 2018
techstars_
Techstars, along with Real Ventures announce the opening of a new AI accelerator in Montréal

May 2018
HAVAS GROUP
creates an AI innovation centre – 60 new jobs in 3 years

June 2018
HUAWEI
opens an AI lab

Sept. 2018
facebook research
expands its lab to accommodate up to 60 researchers

Oct. 2018
SAMSUNG
opens an AI Centre and expands AI research presence in North America

GOOD AI CAPITAL
First VC from Silicon Valley to open an office in Montréal

Dec. 2018
QUANTUMBLACK
opens an AI office

Jan. 2019
DENSO
opens an AI innovation lab

April 2019
CORNING
opens an AI lab

May 2019
ERICSSON
launches its global AI accelerator

June 2019
unity
opens an AI lab

Nov. 2019
NOVARTIS
establishes strategic alliance with Québec AI Institute Mila

Feb. 2020
Google
announces major expansion in Montréal

June 2020
BEHAVOX
choses Montréal for its most important expansion

Other foreign companies flourishing in Greater Montréal

WINNING MINDS · BIOS · axionable · BUSPATROL · samasource · PETRO.AI · VIA · zesty.ai · collective[i]

Crew Collective & Café © Susan Moss

A booming startup ecosystem

- One of the top startup ecosystems in the world
- US$1.7 B+ in VC investments since 2018 in Montréal
- 30+ incubators/accelerators
- 45+ coworking spaces
- Lucrative funding for Montréal's AI companies:

ELEMENT^{AI} raised **US$151M** – September 2019 – Series B

hopper raised **US$100M** - October 2018 - Series D

mnubo acquired for **US$79M** – July 2019 - by Aspen

stradigi AI raised **US$40.3** - November 2019 - Series A

dialogue raised **US$32M** - July 2020 - Series B

Caisse de dépôt et placement du Québec CDPQ–AI Fund:
$250M dedicated to AI (2019)

Source: "Global Ecosystem Report", 2018; "Montréal Startup Ecosystem Report", Credo, 2016; "Midterm Report" – Smart City, February 2017; Canadian Report "Money Tree", Pw C Canada | CB Insights, 2019.

Top AI accelerators and incubators to help develop tomorrow's breakthroughs

techstars_ Montreal AI Accelerator

This program focuses on advancing the development and application of AI across industries and markets

CEN TECH PROPULSÉ PAR L'ÉTS

Recognized as one the world's top incubator programs by UBI Global's Top 20 University Business Incubators for 2019–20. The program for AI startups is run in partnership with Thales

CREATIVE DESTRUCTION LAB

A partnership with HEC Montréal, this program focuses on AI and data science to capitalize on Montréal's expertise in the sector

FounderFuel

This program provides structured and unstructured mentoring and coaching by proven entrepreneurs over a four-month residency program for two cohorts of 8 to 10 companies per year

NEXTAI

This program is for early or idea stage AI-enabled startups

TANDEMLAUNCH

This program specializes in the consumer electronics technology market, with a special interest in companies leveraging AI

McGILL DOBSON CENTRE FOR ENTREPRENEURSHIP

Recognized as one the world's top incubator programs by UBI Global's Top 20 University Business Incubators for 2019–20. It offers programs for startups at every juncture of their growth

Sample of leading local companies active in AI in Montréal

Examples of Montréal companies using AI in various fields

IMAGIA: AI-driven personalized care

wrnchAI: digitizing human motion and behaviour from standard video

Algolux: using machine learning to empower cameras to see more clearly

LANDR: machine learning audio production platform, offering audio creators a suite of tools to support the lifecycle of creation

Automat: helping companies use AI to talk to their customers, understand them and serve them better

Via: helping energy companies across the globe realize the value of their data through AI and blockchain

Diagnos: early detection of critical health issues through the use of AI

AFX Medical: AI-powered radiology tools intended to treat brain disease

Myelin: AI synthesis of ASD scientific data

Fluent.ai: personalized intent recognition that learns from speech, behavior and context, for command and control interfaces

envision.ai: applies the science of deep learning to the art of visual media
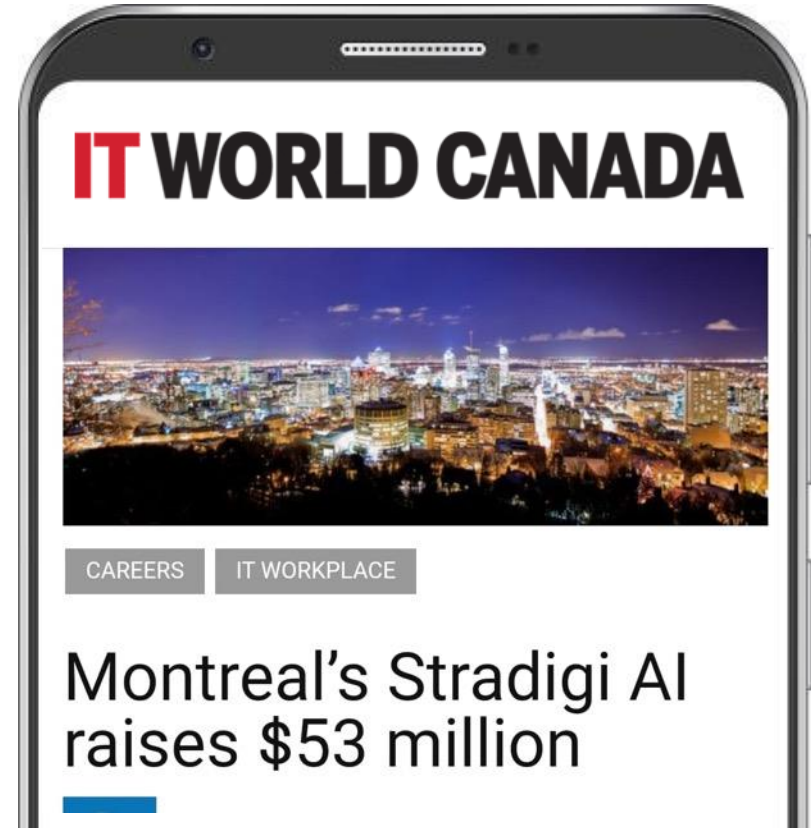
Moov.ai: deploys tailor-made AI and machine learning solutions bringing a concrete ROI to business challenges

Stradigi AI, a global leader in AI platform for businesses, based in Montréal

"Stradigi AI redefines how enterprises work by scaling AI-powered decision-making capabilities for any business user"

IT WORLD CANADA

CAREERS   IT WORKPLACE

Montreal's Stradigi AI raises $53 million

At the forefront of AI for good initiatives

- **For ethical & responsible AI**

  Montréal Declaration Responsible AI_
  An initiative of the Université de Montréal

  Since December, 2018 more than 1,900 signatures from citizens and 108 organizations

- **Research centres with AI for good initiatives**

  Mila — Fostering a dialogue on the socially responsible use of AI and the development of social and environmental applications.
  Montréal's AI4Good lab aims to get more women working in Artificial Intelligence and other events

  HumanIA — Directing AI towards the common good through humanistic and multidisciplinary studies and research

  ELEMENT^AI — Opened an office dedicated to AI for good

$100,000 RAISED FOR UNITED WAY CENTRAIDE BY OSMO FOUNDATION, GOOGLE BRAIN'S HUGO LAROCHELLE, AND THE TECHAIDE AI CONFERENCE

Many organizations support the development of the AI ecosystem

CRIM
An applied research and expertise centre in IT, dedicated to making organizations more effective and competitive through the development of innovative technology and the transfer of leading-edge knowledge

UNESCO INSTITUTE FOR STATISTICS (United Nations Educational, Scientific and Cultural Organization)
The statistical office of UNESCO and the UN depository for cross-nationally comparable statistics on education, science and technology, culture, and communication

PIA
A joint initiative of 12 colleges and 7 universities in Montréal, PIA was established to address gaps in education stemming from developments in the field of AI

ReMI Resilient Machine Learning Institute
The first institute of distributed AI in Montréal, created by ÉTS and Ultra Electronics to adapt AI techniques for use in systems functioning in extreme conditions

Calcul Québec
An umbrella organization of Québec universities using advanced research computing to support the research community and business sector

JACOBB Centre d'intelligence artificielle appliquée
A centre for innovation and applied research, JACOBB aims to accelerate the application of AI into the economic fabric of Québec

prompt
Helping Québec companies increase their competitive advantage through R&D financing and partnerships with the institutional research community

Mitacs
Connecting researchers with the industry, Mitacs works closely with Mila's team, partner companies, and match the innovation projects to the most qualified research interns in the field

AI stands on a strong information technologies ecosystem

- **179,000+ IT workers** and **5,000+ companies** in Greater Montréal

- **A GDP of +$11 B**

- **Lowest operating costs in North** America for software development, ahead of Toronto, Boston, New York and San Francisco

- **Broadly diversified industry:**

Top 5
video game development hubs in the world

1st
in Canada and a world leader in VFX & animation

Top 5
highest tech jobs concentrations among the largest metropolitan areas in Canada & the U.S.

Examples of major companies located in Greater Montréal

Google | Microsoft | IBM
accenture | FUJITSU | CGI
AUTODESK | technicolor | WB GAMES
DASSAULT SYSTEMES | MATHEMATIC | bE HAVIOUR | eidos montréal
GAMELOFT | REEL FX | SAP
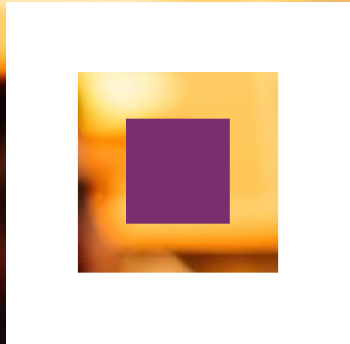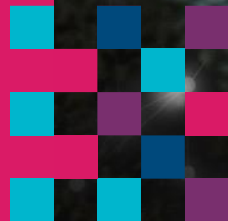SQUARE ENIX | EA | UBISOFT
DNEG | DIGITAL DIMENSION | BUF
CINESITE | RODEO Visual Effects Company | FRAMESTORE

03
A Deep and Growing Pool of Highly Qualified Talent

MTL INTL
Montréal
International

Yoshua Bengio

The best student city in the Americas and Canada's university capital

- **Canada's university capital**: 11 university institutions and 60 colleges

- **320,000 post-secondary students**, including **more than 200,000 university students** and **36,000 international university students**

- **More than $1 billion in funding yearly dedicated to university research**

- **Best student city in the Americas:**

Best student city in the Americas
2019 QS Best Student Cities Rankings

1	**Montréal**
2	Toronto
3	Boston
4	Vancouver
5	New York

McTavish Street © Montréal International

A new generation ready to take over

More than 13,000 university students are enrolled in artificial intelligence and data-related programs in Greater Montréal:

AI-related University programs	Students enrolled 2018-2019	University graduates 2018
Computer Sciences	9,381	1,719
Computer Engineering and Computer Science	2,193	460
Mathematics	1,427	286
Applied Mathematics	132	31
Probabilities and Statistics	195	42
Total	**13,329**	**2,538**

Source: Ministère de l'Éducation et de l'Enseignement supérieur, 2020; compilation Montréal International.

The Village au Pied-du-Courant and Jacques Cartier Bridge © Montréal International

A labor pool of AI and tech-related specialists

AI-related jobs	Employees in 2019
Information Systems Analysts and Consultants	32,100
Computer Programmers	33,300
Computer and Information Systems Managers	10,000
Computer Engineers	5,900
Software Engineers and Designers	4,100
Database Analysts and Data Administrators	6,400
Mathematicians	3,200
Total	**95,000**

95,000 AI and tech related specialists employed in Greater Montréal

Montréal's workforce of + 2 million is among North America's most dynamic and offers a high degree of stability with turnover rates well below North American averages. **The turnover rate for the IT industry is 11%**

* Overall w orkforce risk includes relocation and expatriation; mergers, acquisitions and partnerships; absenteeism; employee health and w ell-being programs; internal relationships; employment in general; globalization; cultural differences; and talent sources.
Source: National Occupation Classification (NOC) 2019, Statistics Canada 2018; Diagnostic sectoriel 2018, Technocompétences.

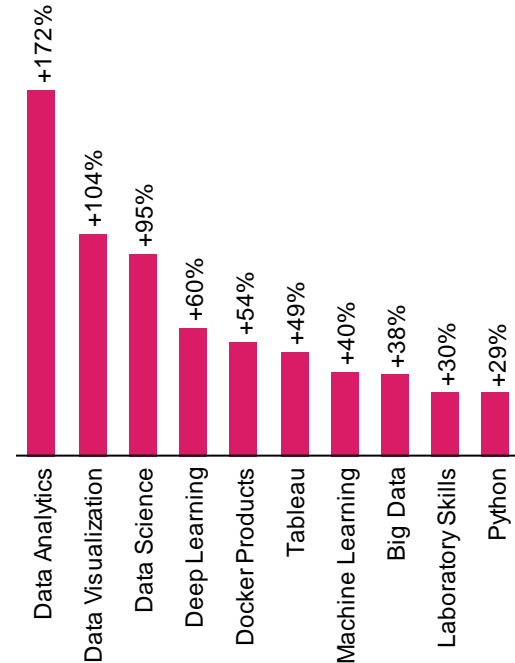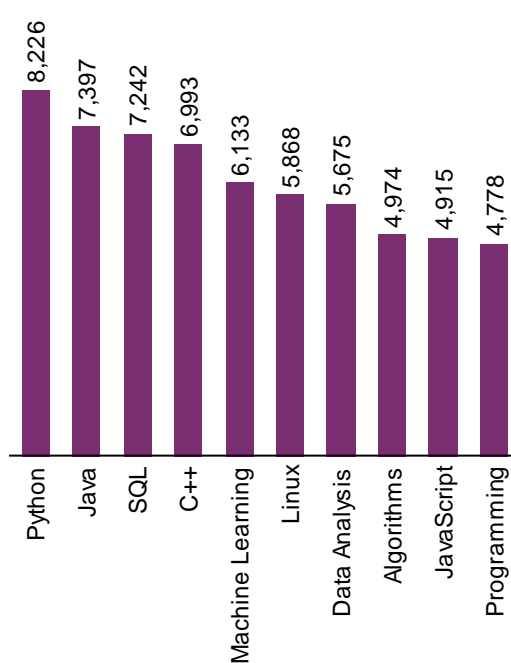# There are close to 19,500 workers with AI skills in Montréal, an increase of 22% over the past 12 months

The 40 key skills taken into account to define AI workers*

Number of Montréal LinkedIn profiles** that list the skills above: **19,398**

Number of AI workers who have the skills below

Skill	Number
Python	8,226
Java	7,397
SQL	7,242
C++	6,993
Machine Learning	6,133
Linux	5,868
Data Analysis	5,675
Algorithms	4,974
JavaScript	4,915
Programming	4,778

Fastest-growing skills among AI workers over the past 12 months

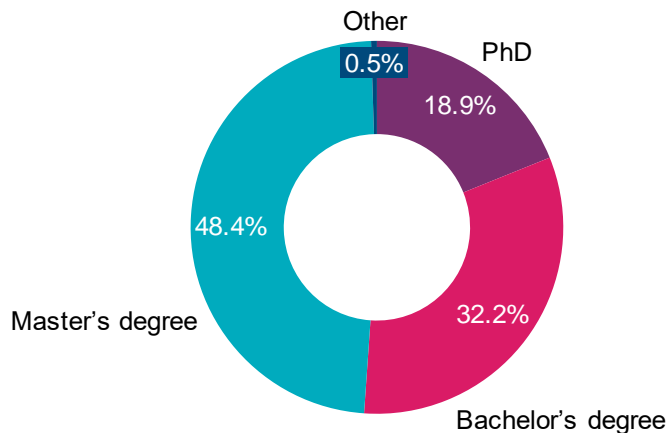| Skill	Growth
Data Analytics	+172%
Data Visualization	+104%
Data Science	+95%
Deep Learning	+60%
Docker Products	+54%
Tableau	+49%
Machine Learning	+40%
Big Data	+38%
Laboratory Skills	+30%
Python	+29%

*Key skills identified using LinkedIn's Talent Insights tool are not cumulative or exclusive.
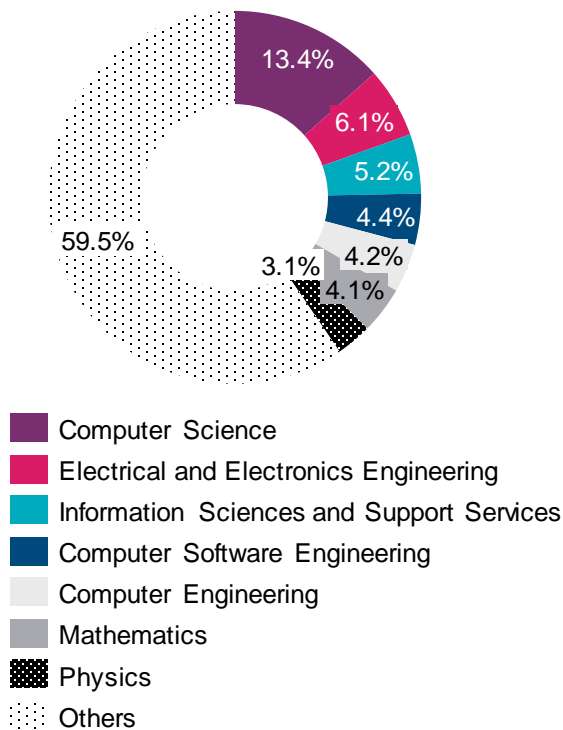**Excluding profiles for the following titles: *founder, co-founder, CEO* and *President*.
Source: LinkedIn, Talent Insights, February, 2020.

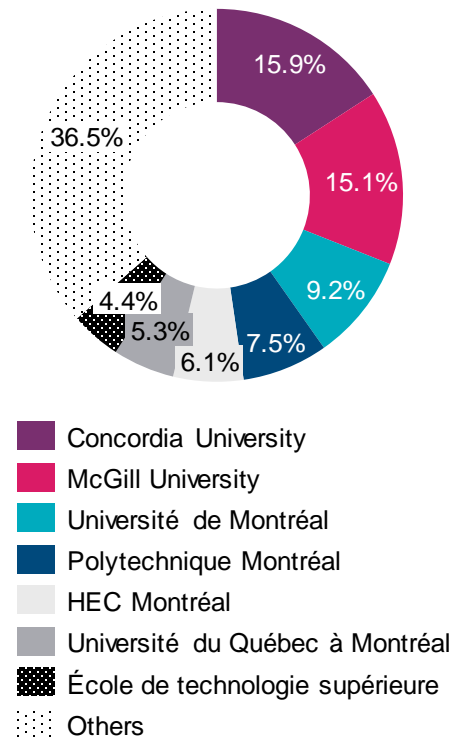# 19% of Montréal's AI workers have a PhD and 48% have a master's degree

Highest level of education among AI workers
(100% = 19,398)

- Other: 0.5%
- PhD: 18.9%
- Master's degree: 48.4%
- Bachelor's degree: 32.2%

Fields of studies of AI workers

- Computer Science: 13.4%
- Electrical and Electronics Engineering: 6.1%
- Information Sciences and Support Services: 5.2%
- Computer Software Engineering: 4.4%
- Computer Engineering: 4.2%
- Mathematics: 4.1%
- Physics: 3.1%
- Others: 59.5%

Universities where AI workers earned their degrees

- Concordia University: 15.9%
- McGill University: 15.1%
- Université de Montréal: 9.2%
- Polytechnique Montréal: 7.5%
- HEC Montréal: 6.1%
- Université du Québec à Montréal: 5.3%
- École de technologie supérieure: 4.4%
- Others: 36.5%

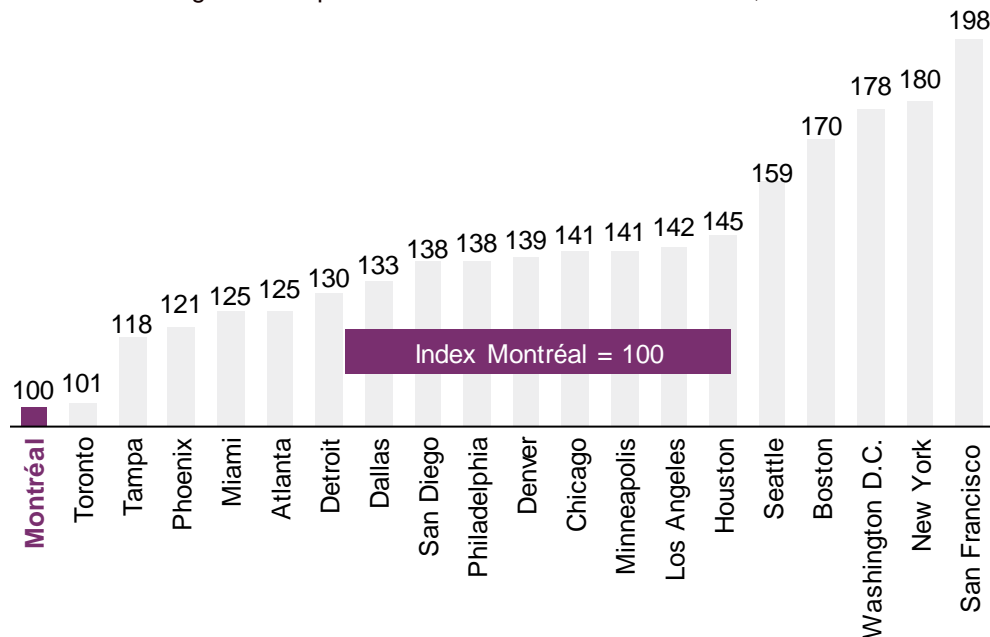Aerial view of Montréal skyline © Montréal International

04
Attractive Operating Costs and Incentives

Operating a business costs less in Greater Montréal than in any other major metropolitan area in Canada and the U.S.

Operating costs index for software development
20 largest metropolitan areas in Canada and the U.S., 2020

Index Montréal = 100

	Index
Montréal	100
Toronto	101
Tampa	118
Phoenix	121
Miami	125
Atlanta	125
Detroit	130
Dallas	133
San Diego	138
Philadelphia	138
Denver	139
Chicago	141
Minneapolis	141
Los Angeles	142
Houston	145
Seattle	159
Boston	170
Washington D.C.	178
New York	180
San Francisco	198

29% cost advantage
compared to the average 20 largest metropolitan areas in Canada and the U.S.

Note: The annual operating cost calculations are based on labor and property costs in US$.
Source: fDi Benchmark, 2020.

Advantageous AI and IT salaries for employers

Annual base salaries (US$) for AI / IT professions

	Montréal	Toronto	Vancouver	New York	San Francisco
Data Scientist	**$98,410**	$98,770	$102,128	$165,857	$198,508
Machine Learning Engineer	**$92,058**	$92,394	$95,536	$157,006	$187,915
Software Engineer in AI	**$73,435**	$73,704	$76,210	$122,504	$146,620
Computer Programmer	**$65,986**	$66,227	$68,479	$107,932	$129,179
Software Developer	**$64,144**	$64,378	$66,567	$104,404	$124,957

Exchange rate for September 2020: 1CA$ = 0.76US$.
Source: fDi Benchmark, 2020.

Low mandatory benefit costs for employers

Examples of mandatory benefit costs for employers, 2020

Gross annual salary*	$50,000	$100,000	$125,000
Québec Public Pension Plan (employee: 5.7%; employer: 5.7%, max. $3,146.40)	$2,850.00	$3,146.40	$3,146.40
Québec Parental Insurance Plan (employee: 0.494%, employer: 0.692%, max. sal. of $78,500)	$346.00	$543.22	$543.22
Employment Insurance (employee: 1.20%, employer: 1.68%, max. sal. of $54,200)	$840.00	$910.56	$910.56
Health Services Fund (max. 4.26% if global salary total is more than $6M)	$2,130.00	$4,260.00	$5,325.00
Commission des normes du travail (Labour standards board) (0.07%, max. sal. of $78,500)	$35.00	$54.95	$54.95
Commission de la santé et sécurité du travail (Occupational health and safety board) (0.44% in service sector, max. sal. of $78,500)**	$220.00	$345.40	$345.40
Workforce Skills Development and Recognition Fund - Québec Training Law 1% (1% of their total payroll in training for employers with total annual payroll over $2M)	$500.00	$1,000.00	$1,250.00
Total benefit costs	$6,921.00	$10,260.53	$11,599.08
Total cost	**$56,921.00**	**$110,260.08**	**$136,575.53**
Total benefits in % of gross annual salary	**13.84%**	**10.26%**	**9.26%**

Note: *Paid vacation represents a minimum of 4% of salary and is included in gross salary. Some rates apply up to a maximum insurable revenue.
**The rate for the service sector (65110 - *Bureau de courtage; bureau de services professionnels; bureau offrant des services de soutien administratif*) is 0.44%. The average premium rate in 2020 is $1.85 per $100 of payroll.
Source: Revenu Québec, 2020.

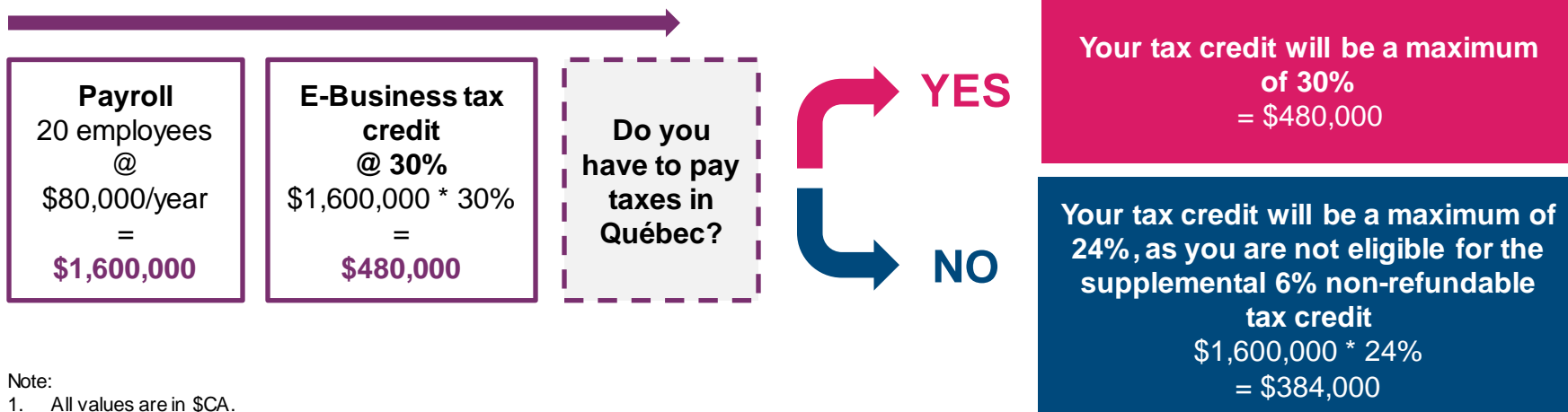# E-Business tax credit could cover up to 30% of eligible salaries

Québec refundable tax credit for the development of E-Business:

- Covers up to **30%** of employee salaries, including **24% refundable**, up to **$25,000** per employee, per year

ASSUMPTIONS[1]

- Foreign-controlled private company
- 20 employees eligible @ $80,000/year
- 100% of their work is related to eligible activities under the E-Business

Payroll 20 employees @ $80,000/year = **$1,600,000**	E-Business tax credit @ 30% $1,600,000 * 30% = **$480,000**	Do you have to pay taxes in Québec?

YES → Your tax credit will be a maximum of 30% = $480,000

NO → Your tax credit will be a maximum of 24%, as you are not eligible for the supplemental 6% non-refundable tax credit $1,600,000 * 24% = $384,000

Note:
1. All values are in $CA.
2. The unused portion of the non-refundable tax credit can be carried back three years or forward 20 years.
Source: Ministry of Finance of Québec, 2019; Montréal International's analysis, 2019.

R&D tax credits: 15% non-refundable from the government of Canada and 14% refundable from Québec

SCENARIO

Scientific Research and Experimental Development (SR&ED) tax incentive program

ASSUMPTIONS[1]

- Private, foreign-controlled company, more than $75M assets

- 15 eligible employees @ $100,000/year

- 100% of their work is related to eligible activities

- Subcontractor: $200,000

	Canada (Federal)	Québec
Qualifying salaries and wages	$1,500,000 (A)	$1,500,000 (D)
Other eligible expenses @ 55%[2]	$825,000 (B)	-
Subcontractor[3]	$160,000 (C)	$100,000 (E)
Exclusion on the first $225,000 of R&D expenditures[4]	-	$(225,000) (F)
Deduction of the Québec R&D credit[5]	$(192,500) (G)	-
Total qualifying expenditures	**$2,292,500** (A) + (B) + (C) - (G)	**$1,375,000** (D) + (E) - (F)
Refundable Québec credit @ 14%	-	$192,500 (G)
Non-refundable federal credit @ 15%	$343,875 (H)	-
Total tax credit	**$536,375 (G) + (H)**	

Note:
1. This model takes into consideration recent changes made to certain tax credits (2012, 2014 and 2015) and is thus valid as of fiscal 2019.
2. Up to 55% of qualifying salaries and wages, federal only: expenditures should be related to R&D activities.
3. Only 80% of the amount paid to a subcontractor is eligible for a federal tax credit and 50% for Québec tax credit.
4. Québec only: For SMEs (less than $50M assets) there is an SR&ED tax credit exclusion on the first $50K of R&D spending. For large companies (more than $75M assets) and companies under foreign control, the exclusion applies on the first $225K of R&D spending. This amount is deducted of the qualifying salaries and wages.
5. For the purposes of calculating the combined rate of the credit, the tax credit from the government of Québec is applied against the federal tax credit.
Source: Ministry of Finance of Québec, 2019; PWC, 2019; Compilation: Montréal International, 2019.

Combination of E-business and SR&ED tax credits

Refundable tax credits for Scientific Research and Experimental Development (SR&ED) and E-business (CDAE)[1]:
- E-business covers up to **30%,** including **24% refundable**, of employee salaries up to **$25,000** per job per year
- SR&ED covers **15%** from the Government of Canada, and **14%, refundable**, from the Government of Québec

SCENARIO

Combination of the Québec refundable tax credit for the development of E-business (CDAE) and the federal Scientific Research and Experimental Development (SR&ED)

ASSUMPTIONS[2]

- Foreign-controlled private company

- 20 eligible employees @ $80,000/year

- 100% of their work is related to eligible activities

	SR&ED	CDAE
	FEDERAL	**QUÉBEC**
Qualifying salaries and wages	$1,600,000 (A)	$1,600,000 (C)
Other eligible expenses @ 55% of A[3]	$880,000 (B)	-
Total qualifying expenditures	$2,480,000 (A)+(B)	$1,600,000 (C)
Federal credit @ 15% of total qualifying expenditures	**$372,000**	-
Québec credit @ 30%[4] of total qualifying expenditures	-	**$480,000**
Total credit	**$852,000**	

Other scenarios are possible to maximize the total credit amount depending on the R&D intensity

Note:
1. Company has to choose between the SR&ED or the E-business tax credit for the Québec credit.
2. This model takes into consideration recent changes made to certain tax credits (2012, 2014 and 2015) and is thus valid as of fiscal 2019.
3. Up to 55% of qualifying salaries and wages, federal only: expenditures should be related to R&D activities.
4. If the company has no taxes to be paid, the Québec credit will be 24%.
Source: Ministry of Finance of Québec, 2019 - Compilation: Montréal International, 2019.

Aerial view of downtown Montréal © Montréal International

Other major incentives

Financial assistance for job creation and training

- **25%** of eligible costs for the implementation of a training program and **50%** of costs incurred for the creation of a human resource department

Tax holiday for foreign researchers and experts

- Five-year Québec income tax exemption
- **0%** of provincial income tax on salary for the 1st and 2nd year
- **25%** for the 3rd year
- **50%** for the 4th year
- **75%** for the 5th year

Internship units to drive collaboration and innovation between universities and companies

- 500 internships created and $2M invested in Québec to bolster AI research, talent development, and job creation

Source: Mitacs, 2020.

Québec offers corporations an attractive tax treatment

Comparison of corporate effective tax rate (%)
Selected Canadian provinces and U.S. States, 2020

Québec (Montréal)	26.50%
Ontario	26.50%
Massachusetts	27.32%
California	27.98%
New Jersey	28.11%
Illinois	28.51%
New York	34.64%

Source: KPMG, 2020.

Mary Queen of the World Cathedral / Skyline of downtown © Tourisme Montréal

05
An Exceptional Quality of Life

MTL
INTL
Montréal
International

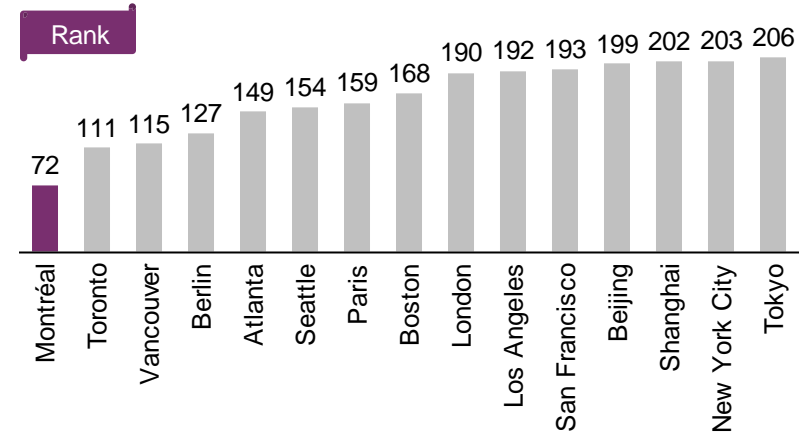Centre de la nature de Laval © Montréal International

A low cost of living

Greater Montréal is **cheaper than almost all other large cities** in North America, Western Europe, China and Japan:

Mercer Cost of Living Index
World rank from least to most expensive*, 209 cities

Rank

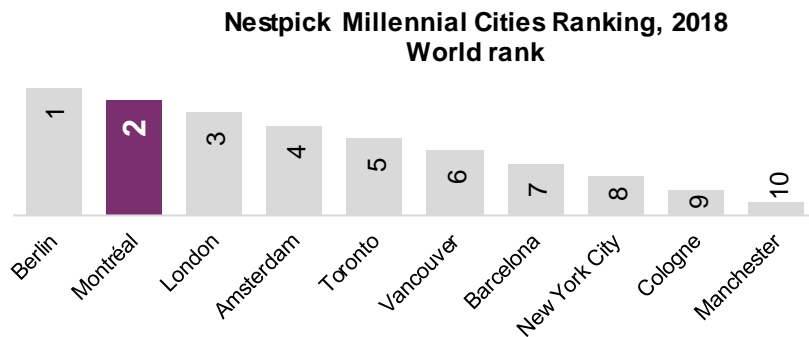| City	Rank
Montréal	72
Toronto	111
Vancouver	115
Berlin	127
Atlanta	149
Seattle	154
Paris	159
Boston	168
London	190
Los Angeles	192
San Francisco	193
Beijing	199
Shanghai	202
New York City	203
Tokyo	206

Greater Montréal offers a higher purchasing power thanks to:
- **Cheap housing**
- **Low medical insurance costs**
- **Generous family allowances**
- **Affordable child care**

* Montréal International's analysis.
Source: Mercer, "Cost of Living Survey," 2020.

Rosemont © Montréal International

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An exceptional quality of life

Montréal is the 2nd best city in the world for millennials:

Nestpick Millennial Cities Ranking, 2018
World rank

1	2	3	4	5	6	7	8	9	10
Berlin	Montréal	London	Amsterdam	Toronto	Vancouver	Barcelona	New York City	Cologne	Manchester

- **Lowest homicide rate** among the 20 largest metropolitan areas in Canada and the U.S.
- **Health care provided at no cost**
- **Lowest education tuition fees** in North America
- **Vibrant cultural metropolis** with 100+ festivals and 70 museums

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Source: "Millennial Cities Ranking", Nestpick, 2018; "Quality of Living Survey", Mercer, 2017; Federal Bureau of Investigation, 2018; Statistics Canada, 2018.

Atwater Market © TM - Madore - Daphné CARON

Montréal's Olympic Stadium © Parc olympique

Globally recognized

Most reputable city in the Americas
Reputation Institute, 2018

Best city in Canada and 6th in the world
Time Out, 2019

Best student city in the Americas
QS Best Student Cities Rankings, 2019

Most affordable major city in Canada and the U.S.
UBS Prices and Earnings, 2018

Best Cycling City in North America
Coya, Global Bicycle Cities Index, 2019

Second most walkable city in Canada
Walk Score, 2020

3rd friendliest city in the world
Rough Guides, 2016

UNESCO City of Design since 2006

Top host city in North America for international association events
Union of International Associations (UIA), 2020

06

Montréal International's Personalized, Free and Confidential Services

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Montréal International, a single point of access to a series of personalized, free and confidential services

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Incentive programs assistance

Foreign workers immigration assistance

International recruiting solutions

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