**BAS9300**

**Introducing the Early Stage Innovation Company Package**

ESS BIZTOOLS has launched its new product, the Early Stage Innovation Company Product Package, for use by accountants and advisors, to assist small/medium enterprises, entrepreneurs and inventors to ascertain whether their company meets the requirements to be classified as an Early Stage Innovation Company (ESIC).

The ESIC classification will significantly improve a company’s ability to raise capital from arms-length investors.

The self-assessment process will be very important because investors will want an assurance that the company has carried out its self-assessment processes in a confident and professional manner. Investors will require that assurance before they invest in a company claiming to be an ESIC, due to the specific benefits that investors receive by investing in an ESIC.

Investors receive a tax offset of 20% of their investment in an ESIC, to a maximum of $200,000 for sophisticated investors and $10,000 for retail investors. Investors are also eligible for a CGT exemption if they hold the shares for longer than 12 months and less than 10 years.

The ESS BIZTOOLS’ ESIC package assists accountants/advisors to determine a company’s eligibility, firstly, in the “provisional test” area, which relates to:

* the age of the company
* total expenditure
* total income
* whether the company is listed on a stock exchange

If the company passes this test, the company is then able to move into the “Gateway Test”, which is a series of questions relative to

* Research and Development expenditure.
* Whether the company has received a grant from the Accelerating Commercialisation grant program.
* Whether the company has raised capital in excess of $50,000 from arms-length investors.
* Whether the company has participated in the Accelerator Program.
* Whether the company holds patents, plant breeder’s rights, innovation patents or registered designs.
* Whether the company has entered into any agreements with specific organisations, to assist with commercialisation processes.

Points are awarded for each of these items and, if the company has accumulated 100 points or more, the company has successfully completed the Gateway Test and is self-assessed as an ESIC.

If the company doesn’t accumulate 100 points, the company then has to assess under “The Principles Based Test”, which relates to 5 specific questions that the company has to answer relative to whether the company is focused on commercialisation of products, processes, services, marketing or organisational methods and whether there’s a strong likelihood of commercial success. If the company is able to answer the questions in a positive manner, the company can be assessed as being eligible under “The Principles Based Test”.

The ESS BIZTOOLS’ package then identifies assistance that accountants/advisors can offer to their client in the investment ready process that will be necessary once the company has established that it’s an ESIC. This relates to items such as:

* market research
* marketing plans
* legal advice
* Intellectual Property strategies
* budgets
* cashflow forecasts
* business plan
* information memorandum

Then accountants/advisors can assist in the “investment pitch” phase, which involves assisting the company’s CEO and the directors to develop an investment pitch presentation that can be presented at business investment forums.

The ESIC product package is part of the ESS BIZTOOLS’ Gold package. Alternatively, you can sign up for the stand-alone package for $299 including GST.

To obtain further information, please visit [www.essbasip.com.au](http://www.essbasip.com.au).