

The Canadian Employee Ownership era is about to begin.

[Jon Shell • Chair at Social Capital Partners](#)

Last week, the final details of a tax incentive to encourage business owners to sell to their employees through the new Employee Ownership Trust were released. Sellers who sell a majority of their companies will be entitled to up to 10M in tax-free capital gains.

This approach follows the US and UK, who have seen massive increases in employee ownership following the introduction of tax incentives. In both countries, as in Canada, these incentives are intended to balance the additional cost, risk and complexity of selling to workers.

Employee ownership works. It leads to more productive, higher growth firms. It keeps companies Canadian-owned and in their local communities. And it's one of the only pathways a worker has to real wealth for themselves and their families. Governments respond to proven outcomes, and there's almost nothing out there that beats the track record of employee ownership.

I want to thank Finance Minister [Chrystia Freeland](#) for her leadership. Since her appointment she has consistently supported the efforts to bring more employee ownership to Canada. Her staff have put enormous effort into not only getting this done, but getting it done right. I also want to thank the civil servants at the Department of Finance for working with various stakeholders patiently over the past three years to develop a solution that will be effective for Canadians.

This effort has involved more people than I have room to mention here, but I will reach out to each of you directly. The supporters and advisors of the [Canadian Employee Ownership Coalition](#) have been rocks of support. My steering committee mates ([Chad Friesen](#), [Tiara Letourneau](#), [Christine Cooper](#), [Tim Masson](#) and [Heather Payne](#)) are the best group I've ever worked with.

Our efforts at SCP were started and developed by [Taylor Sekhon](#) and are currently led by [Dan Skilleter](#) with skill and wisdom. Without either one, this never happens. Everyone at SCP has contributed along the way, with [Sara Urbina](#), [Gabrielle Gallant](#) and [Ian MacDonald, CPA, CA](#) making tremendous contributions.

We expect employee ownership to take off in Canada, and I will be back regularly with updates and stories. I will also be back tomorrow with another post expanding some of the details.

For now, I just want to celebrate what I believe to be a huge win for Canada's workers, businesses and communities. It's the best thing I've ever been a part of.