



WORKING WITH FIRST NATIONS

Working with First Nation governments and its businesses can result in a powerful partnership with positive results for all involved. However, the partners' goals and objectives are often very different from one another. As such, it's important that all partners keep this in mind when they structure their arrangement and conduct their mutual business arrangement.

How to work together?

Business perspective

For business owners, the focus should be on building strong relationships with First Nations. The stronger the relationship, the stronger the business arrangement will be. Businesses will want to open lines of communication early on in a project to ensure success and that they understand the culture and goals of the Nation they are proposing

to work with. Be prepared for a different form of business than you may be used to.

First Nation perspective

First Nation communities are significant holders of land and resources. They have rights to their lands and are important parties to consult with on projects that take place within their traditional territory. In fact, the rights of Indigenous peoples are recognized and affirmed by section 35 of the *Constitution Act*. Additionally, BC is the first province to put the United Nations' Declaration on the Rights of Indigenous Peoples into legislation, meaning free, prior and informed consent is required. Working together with First Nations communities builds stronger, more successful business ventures and creates more opportunities for all when meaningful consultation has taken place. Their businesses are gener-

ally run as for-profit entities and have a social purpose component such as employing members of the First Nation community, so understanding that their key objectives are met within the business arrangements will build a better foundation for future shared success.

Who to talk to?

Business perspective

For a First Nation approaching a business regarding a business deal, they will want to meet with key management and/or the business owner. Effective two-way communication and mutual respect are key.

First Nation perspective

Building a mutually beneficial business relationship with the First Nation organization and leadership is important to ensuring the success of the partnership. First Nation

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communities often have different organizational structures from each other; therefore, if you've worked with one organization in the past, be mindful that the next First Nation community may follow different governance practices and processes in managing and conducting its business. It will depend on the First Nation community's internal processes and its governance and corporate structure whether you speak directly to the chief and council or approach the manager of the lands department or the CEO and board of directors of its economic development group.

The how and why of partnership structuring:

Business perspective

Businesses may enter agreements to enjoy a better relationship with a local First

Nation community. For many, these past arrangements have created economic benefits and increased opportunities that are only available with such partnerships while increasing awareness of local culture. Building on past relationships lays a strong foundation of trust for future ventures as well.

First Nation perspective

First Nation governments created under the *Indian Act* have a unique tax status and tax exemptions available under both the *Income Tax Act* and *Indian Act*. Their economic development groups and businesses are often structured as limited partnerships to benefit from tax exemption, as well as for liability protection. Joint ventures are also often used for shorter-term projects. Many First Nation communities will prefer not to

use a corporation alone, as the corporation is often taxable. Therefore, careful planning by both parties up front is recommended to identify the preferred structure for the business, as making changes later can be costly.

Values and objectives of partnering together:

Business perspective

For businesses looking to partner with First Nations, a whole new set of doors are opened that provide access to ventures that may never have been possible without their involvement. This means an increase in return on your investment, and opportunities to grow your business and create new jobs. It also allows businesses (Continued to page 21)

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play that could disrupt an otherwise bullish outlook for 2021 and beyond!▲

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to build relationships with new communities and help those communities establish new resources and employment for their members.

First Nation perspective

As mentioned, tax, liability protection, and employment are often the key items that the First Nation community will look for in a new business venture. Another key factor to consider is whether the jointly owned entity may qualify as “Indigenous owned,” meaning over 50 per cent is held by the First Nation community. As an Indigenous-owned organization, the business may qualify for grants, funding and loans, as well as procurement opportunities from government and other organizations. This opens up additional paths of capital, debt and business opportunities that may not otherwise be achieved.

Conclusion

Overall, more and more businesses are entering into partnerships with local First Nations. These partnerships are proving the value and achievements possible when two parties work toward a common goal. First Nations are fast becoming a partner in many communities leading to increased prosperity for all involved.▲

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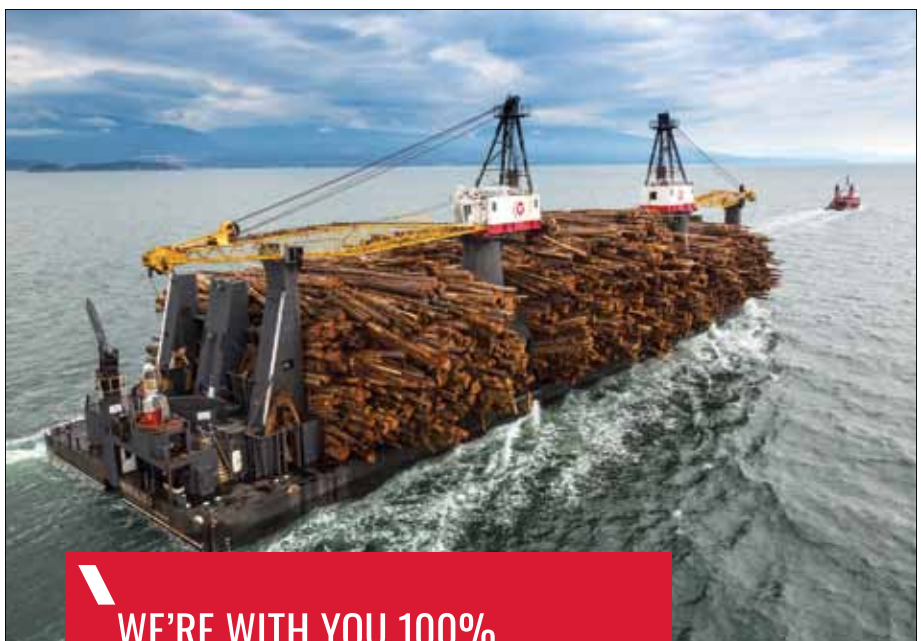
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