



CANADA (ONTARIO) FACT SHEET

GENERAL INFORMATION

Company type	Limited Company
Timeframe for company formation	10-15 days*
Governing corporate legislation	Canadian companies are regulated under the federal business law in Canada which is the Canada Business Corporations Act (CBCA) or under any Provincial Corporations Act.
Legislation	Modern Corporate law
Legal system	Common Law
Corporate taxation	Companies that are not resident will not be subject to the taxation of their revenue by Canada. While the company may not be liable to pay taxes, please consult with a tax/legal advisor in your country of residence, to determine your own tax liability.
Resident Companies and non-resident companies	Each company must periodically declare whether it has been resident in Canada or not for the relevant period. A company is not to be regarded as resident solely by virtue of being registered in Canada – it must be effectively managed or controlled from the Canada or perform activities locally. In the case any activity is performed in relation to the Canada, it is recommended to assess the company's situation with a Canadian Tax Accountant.
Accessibility of records	Upon registration of the company, the name of the Directors and Shareholders will appear on public record (available on the internet).
Time zone	GMT -4
Currency	Canadian dollar

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SHARE CAPITAL

Standard currency	Canadian dollar
Standard authorised capital	Not applicable
Minimum paid up	Minimum share capital: 1 Canadian dollar



SHAREHOLDERS, DIRECTORS AND COMPANY OFFICERS

Minimum number of Shareholders	1
Minimum number of Directors	1
Locally-based requirement	No
Requirement to appoint Company Secretary	N/A

ACCOUNTING REQUIREMENTS

Requirement to prepare accounts	No accounting filing requirements as long as the company is considered a non-resident company.
Requirement to appoint auditor	Not for companies of turnover below 50 million unless the company option.
Requirement to file accounts	Not for a non-resident company
Accessibility of accounts	No

DOCUMENT REQUIREMENTS

Certified copy of valid passport, Certified copy of utility bill / bank statement (as verification of residential address, dated less than 3 months), Original Banker's reference letter (dated within 3 months).

INCORPORATION FEES

Initial set-up and first year	USD 2,050
Per year from second year	USD 1,580

GOOD TO KNOW

Welcome to the Ontario Limited Company, a distinguished entity to kickstart your business and establish your regional headquarters in Canada. Benefit from a substantial tax regime for new investments, tax holidays tailored to foreign investors and entrepreneurs, and seamless access to the North American market. Learn more about our efficient business registration process in Ontario, which aligns with other Canadian provinces. The registration procedure depends on the chosen business structure, with four options available:

- Sole proprietorships
- Partnerships
- Corporations
- Co-operatives

At SFM, our specialization lies in registering businesses as Corporations. Rest assured, all registered enterprises are automatically included in the "Registraire des Entreprises" registry, confirming their public presence.

As a fully licensed entity, we excel in facilitating business registration in Ontario. Our extensive range of ancillary services includes bank account opening, provision of professional directors, and more. Additionally, we offer comprehensive corporate services, ensuring compliance with state legislation and maintaining your company's legal standing. Our support extends to providing a registered address for official purposes, facilitating amendments to your company's name, and handling appointments or removals of company officers. When you choose SFM, expect swift and confidential services that cater to your unique needs, such as transferring a business from another agency or acquiring essential company documents like the Certificate of Good Standing or Certificate of Incumbency. We are committed to your success and are here to assist every step of the way.

COUNTRY INFORMATION

Canada is considered one of the best countries to establish and run a business, as it scores high on factors that matter to businesses. Productive work-force, stable economic and political environment, attractive tax regime (Federal taxes were decrease to 10% on the profits for small companies in the recent years, and to 15% for medium and large companies), pro-business environment, world-class infrastructure, and an effective legal system are some of the factors that continue to contribute to its success. The legislation retains the flexibility and stability associated with English common law. Canadian companies may hold overseas or local real estate, companies, stock, etc.. Properties can be changed hand easier and cheaper by transferring the shares of the holding company. Many of overseas clients use Canadian companies for all those reasons, and more.

POLITICAL STRUCTURE

Canada is governed by an organized system of laws. These laws are made by elected representatives. The courts settle disputes and the police enforce the laws. The law in Canada applies to everyone, including judges, politicians and the police. The Supreme Court of Canada is the country's highest court. The Federal Court of Canada deals with matters concerning the federal government. In most provinces there is an appeal court and a trial court, sometimes called the Court of Queen's Bench or the Supreme Court. There are also provincial courts for lesser offences, family courts, traffic courts and small claims courts for civil cases involving small sums of money.

ECONOMY

Canada has always been a trading nation and commerce remains the engine of economic growth. In 1988, Canada enacted free trade with the United States. Mexico became a partner in 1994 in the broader North American Free Trade Agreement (NAFTA), with over 444 million people and over \$1 trillion in merchandise trade in 2008. Today, Canada has one of the ten largest economies in the world and is part of the G7 group of leading industrialized countries with the United States, Germany, the United Kingdom, Italy, France, and Japan.

- Service industries provide thousands of different jobs in areas like transportation, education, health care, construction, banking, communications, retail services, tourism and government. More than 75% of working Canadians now have jobs in service industries.
- Manufacturing industries make products to sell in Canada and around the world. Manufactured products include paper, high technology equipment, aerospace technology, automobiles, machinery, food, clothing and many other goods. Canada's largest international trading partner is the United States.
- Natural resources industries include forestry, fishing, agriculture, mining and energy.

These industries have played an important part in the country's history and development. Today, the economy of many areas of the country still depends on developing natural resources, and a large percentage of Canada's exports are natural resources commodities.

POPULATION

36 million (2017)

LANGUAGE

English - French

COMPANY FORMATION INFORMATION

Incorporation Procedure

Upon receipt of the client's KYC documents and description of the intended business activity, and after our compliance department's due diligence checks, SFM will incorporate the company via our Canada's resident agent as it is necessary for the registered office of the company to be maintained in Canada at the address of the licensed management company.

Incorporation Timeframe

10-15 days*

Canadian Taxation System

Where a corporation that would otherwise be resident in Canada is, under a tax treaty between Canada and another country, resident in the other country, subsection 250(5) deems such corporation to be non-resident in Canada. This would be the case where a corporation is considered resident in Canada for the purposes of the ITA under common law but is, under a tax treaty between Canada and another country, resident in the other country. A corporation may be deemed to be resident in Canada due to incorporation in Canada; however, the same corporation may also claim to be a resident of a treaty country if it meets the residence definition in a treaty.

Canadian Taxation System

The tiebreaker rules (usually within Article IV) in tax treaties generally provide that if a corporation is a resident of both contracting states, it is deemed to be a resident of the state in which the corporation was created.

A corporation that claims to be a resident of a treaty country must establish, for the treaty to apply, that it is taxed comprehensively in the treaty country (Crown Forest Industries Limited [95 DTC 5389]). The fact that the corporation's worldwide income is subject to a preferential tax rate or enjoys a tax holiday in the treaty country would not, in or by itself, disqualify the corporation from being treated as a resident of the treaty country.

A corporation may be deemed to be resident in Canada by virtue of its original incorporation in Canada; however, the same corporation may be naturalized in another jurisdiction by the granting of articles of continuance (or similar constitutional documents) in its new home. Such action is described as corporate continuance or continuation. The tiebreaker rules in tax treaties generally state that the corporation will be treated as a resident of the treaty country into which it has continued, not the country of original incorporation.

Corporations with dual residency issues should contact the International Tax Section of the nearest tax services office.

Name Restrictions

The rules for the granting of names under the Canada Business Corporations Act (CBCA) and the Canada Corporations Act (CCA) are almost the same. Essentially, an applicant cannot have a name that

- lacks distinctiveness
- is likely to cause confusion with other businesses
- is likely to mislead the public
- is reserved for another business
- is obscene, or
- has an unacceptable French or English form

The policies contained in this document are guidelines for interpreting the name regulations. They demonstrate how corporate name regulations will be applied in certain types of fact situations. Since, however, each name decision requires an exercise of judgment, based on the particular facts of that case, and after considering a number of factors, any one particular regulation and guideline may not necessarily determine the decision.

Reg. 25. For the purpose of paragraph 12(1)(a) of the Act, a corporate name is prohibited if the name contains any of the following elements:

- a. "cooperative", "coopérative", "co-op" or "pool", if it connotes a cooperative venture;
- b. "Parliament Hill" or "Colline du Parlement";
- c. "Royal Canadian Mounted Police", "Gendarmerie royale du Canada", "RCMP" or "GRC"; and
- d. "United Nations", "Nations Unies", "UN" or "ONU", if it connotes a relationship to the United Nations.

Corporate Documents Language

English



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NOTES

* Subject to the constraints of the due diligence procedure.

** Documents must be provided for every person related to the company.

Disclaimer: The fact sheet is provided for convenience only. Nothing on this fact sheet shall be construed as a contractual commitment or as a warranty. Services conditions are governed by the applicable terms and conditions.