

COUNTRY GUIDE

CANADA



Canada is the world's second largest country by land area and the 10th-largest economy. A well-educated workforce, a wealth of natural resources and free trade arrangements with many of the world's major economies, makes Canada a top destination for business investment.

FREE TRADE AGREEMENTS

Canada is known as a trading country with total trade accounting for two-thirds of the country's GDP. With key free trade agreements around the world, two of the most important are the Comprehensive Economic and Trade Agreement (CETA) with the European Union that came into effect in 2017, and the recently signed U.S.-Mexico-Canada Agreement.

BANKING

Canada has one of the soundest banking systems in the world. While regulators impose strict regulations on banking institutions, this has helped Canadian banks navigate through the global financial crisis better than other international banks. In recent years, much focus has been placed on technological advances in the banking system which are expected to aid the future growth of the sector.

CAPITAL MARKETS

Capital markets growth in Canada has been fueled by the interest in new emerging industries like cannabis, which experienced a dramatic uptick in investment, and M&A activity and blockchain technology.

FUNDS










While Canada's investment funds industry is mature in both size and concentration, it is expected to see sustained levels of growth, particularly in ETFs.

ENERGY SECTOR

Canada is a global leader in energy production and export. With one of the largest and most diverse supplies of energy in the world, Canada has the third-largest global supply of oil reserves and third-largest reserves of uranium. Canada's energy resources continue to be an important factor in shaping the country's economic outlook.

This information is not intended to provide legal advice or serve as a substitute for legal research to address specific situations.

28 Liberty Street | New York, NY 10005 | 855.444.5358 | ctcorporation.com/global-corporate-services

	Geography	Location: Located in North America, Canada borders the North Atlantic Ocean on the east, North Pacific Ocean on the west, the Arctic Ocean on the north, and the United States to the south.
		Area: 9.98 million sq. km
		Time zone: Canada has 6 time zones. Its capital (Ottawa) and main cities like Toronto follow Eastern Time (GMT-4).
	Population	35.8 million
	Language(s)	English and French
	Economy	Service, Energy, Manufacturing, Agriculture, Mining, and Fishing
	Capital City	Ottawa
	Currency	Canadian Dollar (CAD)
	Political structure	Stable
	Legal system	Common law system except in Quebec, which follows a civil law system based on the French civil code.

Main Types of Legal Entities

	SOLE PROPRIETORSHIP	LIMITED PARTNERSHIP	CORPORATION	COOPERATIVE
Share capital				
Minimum paid-up	No minimum	No minimum	No minimum	No minimum
Maximum authorized	N/A	N/A	N/A	Limited or unlimited
Usual currency	CAD	CAD	CAD	CAD
Permitted currencies	No restrictions	No restrictions	No restrictions	No restrictions
Domiciliation				
Registered address	Local registered office required	Local registered office required	Local registered office required	Local registered office required
Directors				
Minimum number	One	One	One	Three
Minimum local	One	Not required	One	One
Corporate directors	N/A	N/A	Not allowed	Allowed
Statutory				
Annual filing	Required by the individual	Annual information return must be filed	Required	Required
Company secretary	N/A	Not required	Not required	N/A
Annual general meeting (AGM)	N/A	Not Required	Required	Required
Beneficial owner reporting	N/A	Required for beneficiaries who own or control 25% or more of the entity	Required for beneficiaries with 25% or more shares	Required for beneficiaries who own or control 25% or more of the entity
Re-domiciliation	N/A	N/A	N/A	N/A
Financial administration				
Audit required	Optional	Optional	Required	Optional
Filing of Annual Return	Required by the individual	Must file annually but no income taxes paid	Must annually file tax returns with federal and provincial/territorial tax authorities.	Must annually file tax returns with federal and provincial/territorial tax authorities.
Tax				
Tax rates	30-50% depending on the province in which the business is located	Each partner is taxed personally on his/her share.	15% (federally) after the general tax reduction is applied	N/A
VAT	5% federally. Additional VAT may be collected in each province.	5% federally. Additional VAT may be collected in each province.	5% federally. Additional VAT may be collected in each province.	5% federally. Additional VAT may be collected in each province.
Other taxes	Other taxes may apply at the federal and provincial level.	Other taxes may apply at the federal and provincial level.	Other taxes may apply at the federal and provincial level.	Other taxes may apply at the federal and provincial level.
Government fees				
Registry fee	Depends on province	\$250	\$250	\$250
License fee	N/A	N/A	N/A	N/A

This information is not intended to provide legal advice or serve as a substitute for legal research to address specific situations.

28 Liberty Street | New York, NY 10005 | 855.444.5358 | ctcorporation.com/global-corporate-services

2

Main Types of Legal Entities

	SOLE PROPRIETORSHIP	LIMITED PARTNERSHIP	CORPORATION	COOPERATIVE
Incorporation process				
Summary	<ul style="list-style-type: none"> ➤ Register trade name (some provinces do not require registration) ➤ Obtain federal business number and tax accounts ➤ Application for any required permits and licences 	<ul style="list-style-type: none"> ➤ File declaration with the Registrar (each province may have additional requirements) ➤ Limited partnership agreement 	<ul style="list-style-type: none"> ➤ Articles of Incorporation ➤ Federal business number ➤ Federal corporation income tax program account ➤ Option to register for other federal tax accounts, such as GST/HST, payroll, and import/export ➤ Option for extra-provincial or extra-territorial corporation registration 	<ul style="list-style-type: none"> ➤ Cover letter including contact information and indication whether or not your cooperative is a non-profit housing cooperative or a worker cooperative ➤ Articles of Incorporation ➤ Initial Registered Office Address and First Board of Directors ➤ A Nuans name search report
Time	Depends on province	1-3 business days	5 business days	5 business days
Other				
Are shelf corporations available?	N/A	N/A	Yes	N/A

This information is not intended to provide legal advice or serve as a substitute for legal research to address specific situations.

28 Liberty Street | New York, NY 10005 | 855.444.5358 | ctcorporation.com/global-corporate-services

CT Service Offerings – Canada

Global Transactional Services

- Due diligence searches
 - Certificate of Good Standing (or equivalent)
 - Health check services
 - Liens/Charges
 - Litigation
 - Bankruptcy
- Document retrieval
 - Articles of Incorporation
 - Memorandum of Association
 - Chamber of Commerce Extract
- Authentications & legalizations
- Board changes
- Company searches
- Incorporations
- Liquidation of entities
- Process agent appointments
- Translation services

Global Entity Management

- Corporate Secretarial Services
- Annual Compliance
 - Statutory filings
 - Annual board resolution drafting
 - Corporate minute book management
- Domiciliation/Registered Address
- Director Services and Legal Representation



To learn more about how CT can help you better manage your **global compliance needs**, contact a CT representative at **855.444.5358 (toll-free U.S.)**.

ctcorporation.com/global-corporate-services