

## INCORPORATION OVERVIEW

### What is a corporation?

A business legal structure that is a separate entity from its owners/directors, recognized in Canada as one of the following designations:

1. Limited (LTD. or Ltee.)
2. Incorporation (Inc.)
3. Corporation (Corp.)
4. Société (S.A.R.F.)

 A business bank account is required. Records must be kept separate from personal accounts and assets.



### Advantages

- Limited **liability**

No personal liability for the shareholders. The shareholder's loss is limited to their investment in the corporation.

- Easier to **transfer ownership**

- Possible **tax advantages**

- Potential **financing options**

by selling shares of the company to generate capital.

### Disadvantages

- Higher **cost to establish**

and additional costs for maintaining corporate records.

- Closely **regulated** by government

- Extensive **record keeping**  
and more complex taxation and tax filing processes.

- Increased **formalities**

as to how documentation must be filed and maintained.

### Choose either **Provincial or Federal** Incorporation

The choice to apply for a **Federal or Provincial Corporation** is a choice made on the relative advantage and disadvantage between the "**Canada Business Corporations Act**" (*Federal*) and the "**Business Corporations Act**" (*Ontario*).

 **NOTE:** Federal Corporation in Ontario is often considered more advantageous unless any of the directors are non-Canadian. Provincial Corporations normally do not have residency requirements for directors.

# Federal Incorporation

Some of the factors that make a Federal corporation more advantageous for Ontarians are:

- Better name protection for Federal corporations
- Head office **can be changed** to another province
- Less costs** to establish a Federal corporation
- Federal Corporations are **automatically** given a CRA Business Number

## Choose either a **Corporate name** or **numbered company**

### Corporate name:

 for ex: *The Business Centre Nipissing Parry Sound Inc.*

- By incorporating a business name, you legally own the name.
- Appropriate for operating a corporation under only one name.

### Numbered company:

 for ex: *123456789 Ontario Ltd.*

- A corporation can have multiple operating names as long as the names are registered.  
\*for \$60 through the Ontario Business Registry.
- Each registered operating name will require renewal every 5 years.\*  
\*for \$60 through the Ontario Business Registry.

## Options for **Incorporating online**

**1. Ontario Business Registry**

**2. OWN'R third party platform**

 **TIP:** OWN'R is **simple** to navigate, has an option to handle your corporate **records** and is **cheaper** using our 20% discount link:  
visit: <https://partners.ownr.co/tbc>



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