



GETTING INCORPORATED

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Getting incorporated is quick and easy; you can even do it online.

Care must be taken to ensure that your business is not considered a Personal Services Business by the government of Canada. In general, because of the way we sell to our clients and the way they contract for our services, this is not a problem. However, in some cases additional measures must be taken to ensure that we do things properly.



## GETTING STARTED

To become a corporation in Canada, there are several steps:

- Choose where to incorporate – Federally or Provincially
- Pick a Name
- Reserve Your Name
- Get Your Articles of Incorporation
- Submit Your Articles to the Registry
- Buy a Minute Book
- Sign Your Shareholder Agreement
- Get Your Government Numbers, Insurance, and Other Goodies in Place
- Go to the Bank
- You're In Business!

In some cases, registration for these accounts is streamlined (in other words, you can sometimes get your business number, tax accounts, and provincial registrations as part of the incorporation process). However, this is not true for all provinces and territories.

## CHOOSE WHERE TO INCORPORATE – FEDERALLY OR PROVINCIALLY

You can choose to incorporate in any of Canada's provinces and territories, however, for most businesses, it should either be your home province, or federally. You can do business in any area but going outside your home area means that you must abide by the business and tax laws of that area. Some provinces have reciprocal agreements whereby you can incorporate in one province and be able to register in a second province via an extraprovincial registration.

The main reason to register in more than one province or federally is to establish protection for your corporation name. For instance, if ABC Company is registered in Ontario, they must also register that name if they want to set up a branch in Alberta. If that name is already registered in Alberta, ABC Company must use a different name for their Alberta operations.

The other consideration is taxation and reporting requirements. Requirements vary by province and are different for a corporation registered federally. You should decide what is most important to you.

## PICK A NAME

This is one of the fun parts of becoming a corporation! Many of our consultants choose a corporation name that uses parts or all of their own name.

Imagine having your name for a corporation! There are guidelines however that you should follow:

- You are responsible for ensuring that your corporate name complies with all laws in the province that you've chosen, or federally if you've chosen to incorporate Canada-wide.
- Your name shouldn't be too similar to an existing name that's been trademarked.
- Your name can be in either English, French, in both English and French, or in a combined English and French form.
- Your corporate name should have a distinctive element and a descriptive element.
- Your name must end with a legal element such as: Limited (Ltd.), Incorporated (Inc.), Corporation (Corp.), Limitée (Ltée.), Incorporée (Inc.)

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## RESERVE YOUR NAME

Before you can be incorporated and start using your name, you need to see if it's available and then reserve it. To do this, you must have it verified through a NUANS Search. This search will determine if your name is already in use and can usually be completed at any provincial or federal registry office. A word of advice though, it's best to have a couple of options for your name. If a NUANS search determines that your name is in use, you should be prepared to submit something else. The results of the search will be given to you, so you can usually find something similar.

## GET YOUR ARTICLES OF INCORPORATION

Your Articles of Incorporation are the rules of your business and formalize many of the key elements of the structure of your business. Before completing articles of incorporation, Incorporators will have to make basic decisions about their corporation as follows:

- Where will the head office of the corporation be located?
- What types of shares will the company offer, and how many?
- Will there be any restrictions on the shares? Will share transfers be allowed? Will the shares be restricted to keep the corporation private?
- Who are the directors of the company and what's the process for bringing on a new director? Will there be a maximum number of directors?
- Should there be restrictions on the activities that the corporation can do?
- Are there any other restrictions or clauses that should be included, or desired by the directors?

Don't worry if this sounds complicated. There are multiple templates out there to formalize these rules. You should also consult with your lawyer to help get these rules in place.

## SUBMIT YOUR ARTICLES TO THE REGISTRY

Once you've finalized the Articles, take them to your local registry to have them submitted and approved. You will then get a Certificate of Incorporation.

## BUY A MINUTE BOOK

By law, you need to keep detailed records of your corporation. These can be kept in a binder or you can buy a Minute Book from your local office supply store. In any case, you need to keep track of:

- Your Articles of Incorporation
- Your corporate by-laws, such as frequency of meetings, director rules and so forth
- Any meeting minutes from when you have a meeting for your shareholders or directors
- Any shareholder or director resolutions that come out of these meetings
- Any shareholder or director agreements you make
- A list of your directors
- A register of your share structure, types of shares, and ownership, including any transfers that have been made
- A copy of any forms filed with the government

It's also wise to purchase a corporate stamp or seal, so that you can place your stamp on any official documents. (It's also very gratifying to make things so official!)

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## SIGN YOUR SHAREHOLDER AGREEMENT

Now that you've figured out your structure, shares, directors and by-laws, you need to sign off on them. Gather all your directors, shareholders and witnesses together to sign your new structure into effect. For most of our consultants, this is usually just you plus a witness. Some of our consultants include spouses or relatives in their corporations but this is your choice. Again, consult your lawyer to see what will be best for you.

## GET YOUR GOVERNMENT NUMBERS, INSURANCE, AND OTHER GOODIES IN PLACE

Once you're all set up, you need to ensure that you've got a few other legal and practical requirements covered, so you will likely need to:

- Request a federal Business Number. This is for ALL corporations, whether you are registered provincially or federally. The Business Number is used by the federal government to identify your corporation for:
  - Federal Corporate Income Taxes
  - GST/HST Remittances
  - Payroll Source Deductions
  - VERY IMPORTANT – These will have different account numbers, and to access them online, you usually need more than one PIN number. Request that from the CRA when you set up your accounts.
- Register for provincial Employer Health Tax, & Worker's Compensation or other required benefits programs required by your province.
- Get insurance! There are multiple types of insurance out there. We usually suggest a disability insurance to supplement Worker's Compensation, an Errors and Omissions Insurance, and General Business Insurance. Talk to your broker to see what's right for you.

## GO TO THE BANK

Up next, you need to set up your corporate bank account, and usually get some cheques. To do this, you need to give the bank a copy of your Articles of Incorporation. All authorised signing officers of the corporation must sign on to the account at the bank before they are permitted to sign cheques or access the corporate account.

## YOU'RE IN BUSINESS!

**YOU'VE DONE IT!** You are now officially incorporated and can tell the world about your new business. Good luck!

Please note this is not a complete guide and information changes frequently. Insync is not responsible for any losses due to updated processes or changes in the incorporation process. Please consult the Government of Canada and/or provincial websites for the most recent information a. This guide is intended as a resource to help our consultants and should not form the basis of any legal proceedings.

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