



Innovation, Science and
Economic Development Canada

Innovation, Sciences et
Développement économique Canada



2016-2017

CORPORATIONS CANADA

BUSINESS PLAN

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Introduction

This business plan provides an overview of Corporations Canada (CC) and the services that it provides, outlines the organization's priorities for 2016-2017, and highlights its key accomplishments for 2015-2016.

MANDATE AND SERVICES

Corporations Canada is a regulatory organization that allows Canadians and businesses to incorporate at the federal level in accordance with Canada's laws. It directly contributes to Innovation, Science and Economic Development Canada's (ISED) strategic objectives of ensuring that the Canadian marketplace is efficient and competitive by administering federal laws and statutes governing corporate activity in Canada.

The key statutes administered by CC are:

- *Canada Business Corporations Act (CBCA)*
- *Canada Not-for-profit Corporations Act (NFP Act)* and Part II of the *Canada Corporations Act* (the old not-for-profit legislation)
- *Canada Cooperatives Act (COOP)*
- *Boards of Trade Act (BOTA)*
- Special Acts of Parliament

The organization's main lines of business include incorporation and related services, such as amalgamation or other corporate charter amendments; dissolution of corporations; ruling on the use of corporate names; collecting and disseminating information on federal companies; development of the regulatory framework; and compliance activities related to the statutes it administers.

What CC offers to its clients

Incorporation

- Business corporations
- Not-for-profit
- Cooperatives
- Boards of trade
- Name approval/Name searches (Nuans)

Office of the Registrar General of Canada

- Formal documents under the Great Seal of Canada
- Registration of railway documents

Information

- Client Contact Centre
- Federal corporations database
- Web-based communications and policies

Policy-related services

- Regulations
- Legislative reform consultations
- Policies and procedures development
- Compliance activities

Services to federal corporations and shareholders

- Amalgamations
- Annual returns and summaries
- Amendments (articles, by-laws)
- Arrangements
- Continuances
- Certificates of compliance
- Revivals/Dissolutions/Corrections
- Exemptions
- Investigations (when warranted)

Current Environment

THE FEDERAL FRAMEWORK

CC provides a framework that allows businesses to incorporate federally, affording them many benefits such as:

- *Separate legal entity* – A corporation has the same rights and obligations under Canadian law as a natural person – meaning it can acquire assets, obtain a loan, enter into contracts, sue or be sued, and be found guilty of committing a crime. When a business is incorporated, its separate legal status, property, rights and liabilities continue to exist until the corporation is dissolved, even if one or more shareholders or directors sell their shares, die or leave the corporation.
- *Limited liability* – Incorporation limits the liability of a corporation’s shareholders, meaning as a general rule that the shareholders of a corporation are not responsible for its debts.
- *Lower corporate tax rates* – Information on tax benefits and implications of incorporating can be found in the Canada Revenue Agency publication *Canadian Small Business Guide*.
- *Greater access to capital* – It is often easier for corporations to raise money and borrow money at a lower rate than it is for other forms of business.
- *Continuous existence* – A corporation has greater stability because it continues to live on even if every shareholder and director were to die, as ownership of the business would simply transfer to the shareholders’ heir.
- *Heightened name protection* – An approved federal corporate name allows businesses to operate using its corporate name across Canada, which is important if a business decides to expand to other provinces or territories.
- *Location flexibility* – Incorporating under the *Canada Business Corporations Act (CBCA)* also gives a degree of flexibility in choosing a location for a business. It even permits meetings to be held electronically or outside of Canada.
- *Recognition* – CC affords the business community a recognizable brand on the international stage, as corporations under the CBCA are recognized around the world as Canadian corporations.
- *Online incorporation and other services* – CC is always working to make its services more accessible and convenient. Filing requests online provides a number of distinct advances, such as convenience, low or no delivery costs or delays, immediate acknowledgement of filing, and reduced filing fees.

THE CANADIAN LANDSCAPE

Many factors can influence the demand for incorporation, such as the health of the economy or the fees charged for incorporating. Corporation Canada's fees for business corporations are competitive when compared to domestic jurisdictional counterparts. In fact, CC's business incorporation fee is 30% lower than the national average and it has the lowest e-filing incorporation fee in the country. This is largely attributable to the close alignment of CC's fees with the actual cost of service delivery and efficiencies associated with online filing.

Business Corporations 2015

There were **2,758,326 active business corporations** at the provincial and federal levels in Canada. This represents an increase of 4% over the previous year.

There were **271,173 active federal business corporations** in Canada, with a concentration in Ontario (49%) and Quebec (40%).

Business incorporation at the federal level represented **15% of the Canadian market**, an increase of 1% over the previous year. Federal incorporations increased by 11% during this period. This is the highest percentage increase, followed by Alberta (9%) and the Northern Territories (9%).

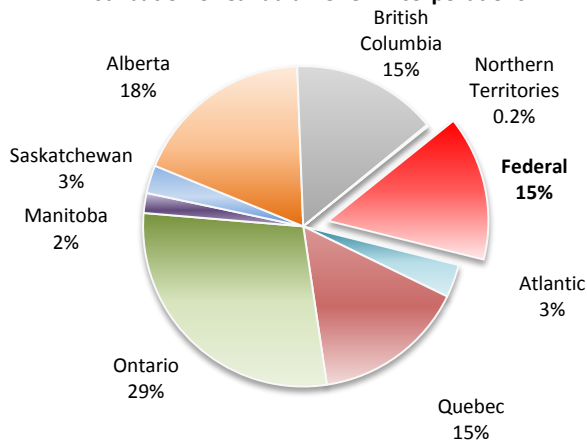
Not-for-profit Corporations 2015

There were **229,352 not-for-profit corporations** at the provincial and federal levels in Canada. This represents an increase of 2% over the previous year.

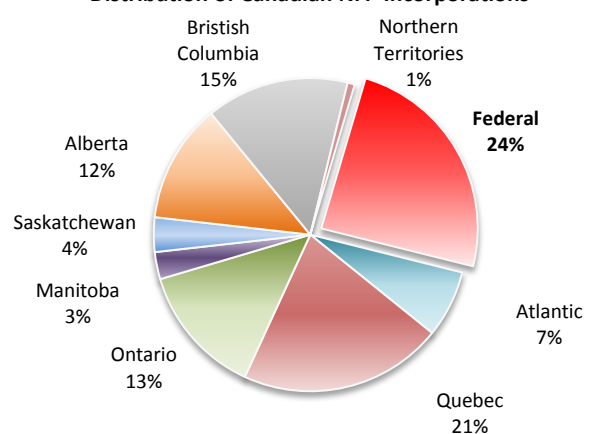
There were **23,061 federal not-for-profit corporations** in Canada, with a concentration in Ontario (61%) and Quebec (17%).

Not-for-profit incorporation at the federal level represented **24% of the Canadian market**, an increase of 3% over the previous year. Not-for-profit federal incorporations increased by 20% during the same period. This is the highest increase in percentage with Manitoba (20%) and Alberta (20%).

Distribution of Canadian CBCA Incorporations



Distribution of Canadian NFP Incorporations



INTERNAL ENVIRONMENT

Workforce Snapshot

CC is a relatively small organization with a team of highly skilled and dedicated employees. The organization is forward thinking, preparing for the future and building capacity, through its employee development programs and succession planning. These strategies provide employees with opportunities to, if they wish to do so, progress in their career by taking specialized training, developing their skills and competencies and acquiring enhanced and unique experiences. CC is committed to providing its employees with career development opportunities that consider both the needs of its clients, specifically high quality services which comply with established service standards, as well as the organization's operational needs. This all takes place within a perspective of strategic planning of human resources, which, in addition to retaining qualified and experienced staff, also supports healthy succession planning to meet current and future needs of the organization.

The organization is divided into three directorates:

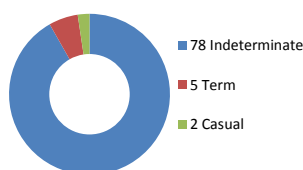
The **Compliance and Policy** directorate's main responsibility is to regulate federal incorporation ensuring that corporate laws, regulations, and policies are appropriate, sound and transparent. Compliance activities include dealing with complex transactions, handling complaints from stakeholders about corporate behavior, and implementing programs to ensure that publicly available corporate information is reliable and up-to-date.

The **Incorporation and Information Products and Services** directorate is largely external-facing and has overall responsibility for administering federal incorporation, compiling research in support of evidence-based decision making and administering the Nuans program, the name search system which compares proposed names with a database of existing names, including trademarks and provincial and federal corporate names.

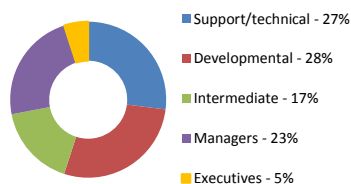
The **Corporate Services** directorate supports the organization in the areas of communications, human resources, finance and administration, information management and technology, as well as business planning. The Great Seal of Canada and Railway Registrar are also housed under Corporate Services.

Key Profile Highlights (as of March 31, 2016)

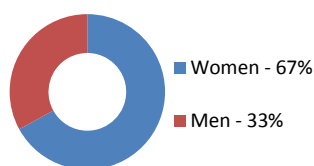
Number of employees = 85



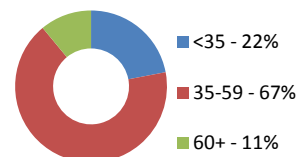
Working levels



Gender ratio



Age distribution



65% of CC's employees indicated French as their first official language, while 35% indicated English. Among employees who were in positions with a bilingual requirement, 97% met their bilingual language requirements.

Budget Allocation

CC has a strong financial stewardship system in place and is committed to continuing its rigorous monitoring of budget, expenditures and revenues.

CC's budget for 2016-2017 is \$9.1 million (M) and the revenue forecast is \$16M. The budget includes \$5.6M (61%) in salary and \$3.5M (39%) in non-salary. The revenues collected support all activities, including policy and regulatory development, services to clients, compliance activities, IT maintenance and development, Web presence and corporate support services.

In addition to the authorities mentioned above, CC is responsible for the Nuans program, the name search system which compares proposed names with a database of existing names including trademarks, provincial and federal corporate names, which is fully funded from royalties. This means that the revenue collected in one year becomes the budget for the following year. The royalties for the current fiscal year are estimated at \$1M.

Authorized budget for 2016-2017

	Budget
Salary	\$5,640,000
Non-salary	\$3,538,000
TOTAL	\$9,178,000

Program Overview

In 2015-2016, CC launched an exercise to examine its business model and develop a five-year strategic plan. The vision was renewed through a collaborative and inclusive approach involving the participation of all teams across the organization. The schematic on the next page provides an outline of its future direction and 5-year Strategic Plan. Two key areas anchor the work done by CC:

SERVICE FOR BUSINESS

CC offers innovative, client-centred services to business. Clients are provided with high quality customer service, and have access to easy-to-find, responsive and useful information about federal incorporation.

CORPORATE REGULATOR

CC ensures that the corporate legal framework (statutes, regulations and policies) is sound and understood by all stakeholders, and that the administration of the corporate legal framework strikes the appropriate balance between promoting marketplace certainty, and the protection of public interest and vulnerable parties. Stakeholders and clients are assured of marketplace certainty, as well as fair and consistent treatment.

MOVING FORWARD

As the organization explored its desired future state, strategies were identified to enable the achievement of long-term objectives, which are to offer high quality and innovative client services, and to lead corporate regulation practices that benefit the Canadian economy.

A 5-year Strategic Plan (2016-2021) will be released this year and will outline CC's strategic priorities. A number of key activities have been identified in support of each strategy that will be pursued annually, beginning this year (year one).

OVERVIEW OF 5-YEAR STRATEGIC PLAN (2016-2021)

Corporations Canada is a...

Corporate Regulator

The administration of corporate regulations and policies and the management of corporate information by Corporations Canada protects the public interest and promotes compliance.

Service for Business

Corporations Canada provides innovative, client-centric services for business.

Vision: The best at everything we do

Leading Corporate Regulator

Continuous improvements to align the regulatory and policy framework with leading corporate regulation practices that benefit the Canadian economy.

Excellence in Client Service

High-quality client service while continuously looking to better the user experience.

2016 - 2021 Strategies

Partnerships

Collaborate with external stakeholders and partners to exchange information on policy advice, program design and service delivery.

Evidence-Based Decision Making

Utilize information and data available to us to develop evidence-based ideas, analysis, advice, processes and policies.

Continuous Engagement

Successfully engage with clients and involve them to the maximum extent possible in decision-making and service design.

Outreach

Reach out to existing and potential clients to increase awareness, knowledge and use of our services.

Digital Service

Offer new and innovative technologies for client services.

Healthy and Innovative Workplace Culture • Sound Resource Management • Responsive IT Infrastructure

Priorities for 2016-2017

In 2016-2017, CC's modernization efforts will focus on advancing various internal strategies that contribute to its dual role as a Service for Business and Corporate Regulator. These strategies will in turn shape the organization's business over the next five years.

Outreach

Reaching out to existing and potential clients to increase awareness, knowledge and use of CC products and services.

An Outreach Strategy will be developed to guide CC's efforts for marketing and promoting its services over the next five years. Opportunities for Web linking will be explored, key target audiences will be better defined and presentations will be developed for both, departmental social media accounts will be leveraged, and the next generation of products will be developed.

Digital services

Identifying and exploring the implementation of new and innovative technologies for client services.

A Digital Services Strategy will be developed to provide a framework for moving forward. The organization will advance IT modernization by completing an analysis in conjunction with Enterprise Architecture which will allow the identification of business requirements and possibilities for the future system and, to investigate the possibility of exchanging address data with Quebec.

Continuous engagement

Engaging with clients and involving them to the maximum possible extent in decision-making and service design.

A Client Engagement Strategy will be finalized, outlining a systematic approach to engaging clients in meaningful discussion; a client profile will be established to allow the organization to better understand its clients; clients will be involved in the development of products and services through client engagement sessions, surveys and other activities; and CC will continue to promote a client-focused culture within the organization, where client engagement is considered across all policy and process decisions.

Evidence-based decision making

Utilizing information and data to develop evidence-based concepts, analysis and advice.

An Evidence-Based Decision Making Strategy will be developed and the resulting fact-driven framework will help determine which activities go forward. Potential activities include online submissions of exemptions, court applications and offering discontinuance online.

Partnerships

*Collaborating with external stakeholders and partners
to exchange information on policy advice, program design and service delivery.*

A Partnership Strategy will be developed to provide a framework to maintain and strengthen current partnerships, and seek out opportunities to develop new partnerships. The implementation plan for connecting Canadian Business Registries will be finalized; partnerships with Start-Up Canada and the Canada Revenue Agency will be explored, a memorandum of understanding with China will be established and the Canadian Association of Corporate Law Administrators (CACLA) portal will be managed.

CC will also continue to offer high quality services, ongoing quality assurance and maintain service standards, while aiming to improve client satisfaction using a variety of mechanisms.

The organization is continually identifying opportunities to improve consistency, reduce the complexity of its policies and strengthen protection of Canadians, while ensuring that regulations align with leading corporate regulation practices.

In addition, the organization will explore enhancing its service offerings and will continue to optimize operational processes.

ANNEX A: Key Accomplishments against 2015-2016 Priorities

Nuans (Name designation program)

The Nuans renewal project underwent significant developments in 2015-2016, including the installation of additional components to the replacement technology – the login function, the new Canada.ca Web template, and the online payment component. New web pages and training tools to support users were prepared. Consultations with end-users to gather feedback on the product were concluded, with results used to improve the technology. Several communications to all Nuans stakeholders were released to promote readiness for this significant change. A contract for the new service provider was issued via Public Services and Procurement Canada.

Online Services

In 2015-2016, the application for online filing by-laws (NFP Act) was released. In addition, it was decided to offer the ability to file financial statements (NFP Act and CBCA) and proxies as well. Client consultations took place for letter of satisfaction; however, it was decided to delay the release to Q1 of 2016-2017 to allow for the format to be in the WET4 (mobile-enabled) version. In addition, an options analysis of copies online began; implementation is expected next fiscal year.

Website Renewal

The renewal exercise went on to generate the following Web Committee-vetted outcomes: the creation of a client- and topic-focussed approach to CC's website, including a task-based homepage and a CBCA landing page mirroring the NFP Act page. Associated content was pared down as a result of the rewriting and to "fit" new content into the new structure.

Connecting Canadian Business Registries

Agreement was achieved among provinces and territories to develop a proof of concept to demonstrate a reduction in the burden on corporations in the area of multi-jurisdictional searches, registrations and reporting. This commitment responds to the vision of reducing internal trade burden through the creation of a scalable and adaptable digital solution that streamlines extra-provincial/territorial corporate registration and reporting. The proof of concept is a foundational step towards the development of an implementation plan to connect Canada's business registries. Five provinces (Ontario, Quebec, British Columbia, Manitoba and Nova Scotia) are active participants in its development.

Client Relationships

The Client Relationship Strategy was transformed into three strategies (engagement, outreach and evidence-based decision making). A Client Engagement Strategy, which focuses on two-way dialogue with clients, will be implemented in Q1 of 2016-2017. A Client Outreach Strategy, which will focus on one-way communication with clients (marketing), is to be finalized in 2016-2017. An Evidenced-Based Decision Making Strategy, which will provide a framework to allow CC to effectively use research and analysis for its decision making, is to be finalized in 2016-2017.

CC participated in the Chief Information Officer-led Client Relationship Management (CRM) initiative and continued to work with CIO towards the implementation of a CRM system. A Business Proposal Form was entered into the Clarity system (Departmental Project Management Office System) and favourably reviewed by the investment board in February 2016.

SERVICES TO CLIENTS: RESULTS

CC is committed to providing service to its clients according to defined service standards and regularly measures whether or not these commitments are being met. Measuring performance and monitoring progress allows for the assessment of achievements over time as well as the determination of room for improvement.

The table below indicates the high level of service that was provided to CC clients during 2015-2016, with the expected service commitments being met or exceeded for the majority of services.

SERVICE		COMMITMENT	EXPECTATION	VOLUME	RESULTS
Services under the CBCA					
Online service	Incorporation	Received by 1:00 p.m. on a business day, processed by 5:00 p.m. the same day. Received after 1:00 p.m., processed by 5:00 p.m. the following business day.	Requests are reviewed and responded to 90% of the time	47,203	93%
	Name decision (pre-approval only)			11,437	89%
	Amendment			7,264	93%
	Amalgamation			573	89%
	Import continuance			552	93%
Paper	Amalgamation	Processed within 5 business days	Requests are reviewed and responded to 90% of the time	330	97%
	Import continuance			206	96%
	Revival			2,854	99%
	Letter of satisfaction			633	100%
	Discontinuance			538	99%
	Name decision (pre-approval only)			419	96%
	Correction			191	93%
	Cancellation			26	92%
	Incorporation			330	97%
	Amendment			739	98%
	Restated articles			0	-
Services under the NFP Act					
Online service	Incorporation	Received by 1:00 p.m. on a business day, processed by 5:00 p.m. the same day. Received after 1:00 p.m. processed by 5:00 p.m. the following business day.	Requests are reviewed and responded to 90% of the time	3003	90%
	Corporate name pre-approval			1,393	90%
Paper	Incorporation	Processed within 5 business days	Requests are reviewed and responded to 90% of the time	449	97%
	Corporate name pre-approval			86	93%
	By-laws			1,542	99%
	Continuance (transition)			994	82%
Nuans Services					
Regular delivery reports		Reports delivered within 2 hours	100% delivered within 2 hours or less	219,894	100%
Expedited or real-time reports		Reports delivered within 60 seconds	Reports are delivered within 30 seconds	37,884	21.1 seconds on average

Online availability	System available 99.9% of the time		-	100%
Logon responsiveness	Logon within 10 seconds 99.8% of the time		0.32 of a second on average	99.98%
Telephone help responsiveness	80% of phone calls answered within 20 seconds		5,260 phone calls out of a total of 5,374	97.93%
Telephone help responsiveness	Abandon rate less than 5%		34 abandoned calls out of a total of 5,374	0.55%
Email help responsiveness	Response to emails within 5 minutes during business hours		539 emails out of a total of 557	97.01%
Database update timeliness	% of database updates completed within 2 days		1,357 out of 1,357 Database updates	100%
Compliance Services				
Exemptions	Response within 30 days of receipt of application	Meet regulatory service standard 100% of the time	46 CBCA 42 NFP Act	100%
Arrangements	Response within 5 days of receipt of notice to Director and draft materials	Provide response within 5 days 100% of the time	28 CBCA 1 NFP Act	100%
Court applications (other than arrangement)	Response within 20 days	Review and respond, if necessary, 100% of the time	6 CBCA 5 NFP Act	100%
Complaints	Response within 20 days of receipt of written complaint	Response within standards 100% of the time	907	100%
Office of the Registrar General – Formal Documents and Registration				
Ambassadors and High Commissioners	Documents are prepared as per Order in Council or Instrument of Advice		61	100%
Federally-appointed Judges			106	100%
Deputy Ministers			24	100%
Regular members and officers of permanent commissions, boards and corporations			30	100%
Commissioner and Officers of the RCMP			n/a	n/a
Election Writs			342	100%
Other formal documents			81	100%
Registration of documents related to railways and rolling stock	Documents are filed online by the clients then reviewed by the Official Document Registrar		882	98%
Service to Clients – Respond to General Enquiries				
Telephone	Calls are responded to within 2 minutes	Provide response within 2 minutes 80% of the time	80,749	85.6%
Email, voice mail and fax	Emails, voice mails and faxes are responded to within 24 hours	Provide response within 24 hours 90% of the time	7,748	94.8%