

Business - Canada.

HF3226
.A3

1961 Pt. 1

FORMS OF BUSINESS ORGANIZATION
IN CANADA

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FOREWORD

The information in this text deals with legislation affecting the organization of a business venture. Every effort has been made to accurately reflect the legislation in force at the time of preparing the material. It is believed that the text will prove to be a useful guide.

It should be appreciated, however, that many of the laws contain a considerable amount of detail. Since the text does not do more than refer to basic principles it is suggested that an enquirer should consult with relevant authorities or solicitors of his choice or both when seeking precise and detailed advice on a given problem at a specific time.

FORMS OF BUSINESS ORGANIZATION IN CANADA

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Date of Revision - June, 1961.

SOLE PROPRIETORSHIP

It may be generally stated that, in Canada, those who are capable of entering into a binding agreement are capable of engaging in any lawful business activity they choose. They are, of course, bound by general legal principles governing persons, property and obligations, but apart from that there are no other legal requirements with which they must comply when operating as a sole proprietorship.

Married or unmarried women are as free to enter into contracts as are men; where married they may still engage in trade in their own names with only their separate property being liable under the contracts they make. This statement, however, must be qualified in the light of commercial law as found in the Provinces of Nova Scotia and Quebec.

In Nova Scotia, a married woman must file a certificate in the local registry office, giving her name and the name of her husband, together with the nature and place of her business, in order that her husband's property will not become liable for her business debts.

A similar requirement exists in the Province of Quebec, where no married women, separate as to property, may carry on business until she files a declaration with the Deputy Prothonotary of the Superior Court in her district, as well as with the Registrar of the Registry Division in which she intends to carry on business.

Any married person engaging in business in the Province of Quebec, whether alone or in partnership, must register a declaration with the Deputy Prothonotary of the Superior Court of the district, indicating whether he or she is in community of property or separate as to property; in case of community, if by marriage contract or by judgment; and, if by marriage contract, stating the name of the notary before whom the deed was passed, and, if by judgment, stating its date and the district where rendered; all of which to be filed within 15 days from the date of commencing business, or from the date of marriage.

Any individual who desires to use some distinctive name other than his own, or to add "and company" or similar words to his own, must file a declaration in the same place and within the same time, as indicated in the following section dealing with the registration of partnerships.

Generally speaking, declarations must state the full name and residence of the person involved, the name under which he intends to carry on business, must state that no other person is in partnership with him, and that he is 21 years of age. If under 21, the date of birth must be shown.

It should be noted that, in Quebec, the words "Registered" or "Reg'd" must be added to the firm name.

Practically every business, large or small, is affected by some form of governmental licensing control. Sole proprietorships, partnerships and corporate or other forms of business organization are equally affected.

PARTNERSHIP

A partnership is an arrangement whereby two or more persons combine some or all of their resources, skill or industry, in a business undertaking,

with a view to profit to be shared by all members of the partnership. The relationship existing between members of an incorporated company or association is not a partnership in the legal meaning of the word.

Partnerships come under provincial or territorial jurisdiction; with the exception of Quebec, all have legislation that is practically identical in nature and scope.

A partnership may be formed for commercial undertakings, trading, manufacturing or mining, but not for banking, insurance, the operation of a public utility, or the construction or operation of a railway.

The most common forms of partnership are: General Partnership, Limited Partnership, and Civil Partnership. Each has the same powers, but differs in formation, registration (in some instances), and the individual liability of the members to one another and to the public. Civil partnerships are to be found only in the Province of Quebec. In some of the other provinces, the Partnership Act makes no distinction between General and Limited Partnerships, but in practice, however, partnerships may fall under one or the other class.

Some of the provinces, and both territories, have imposed limitations on the number of parties that may enter into a partnership agreement. In Alberta, Saskatchewan, the Northwest Territory, and the Yukon, incorporation as a company must be effected where the proposed general partnership is composed of more than twenty persons. Newfoundland limits the number to ten. In British Columbia, the maximum number of persons in either type of partnership is fixed at twenty, except where special permission is obtained from the Lieutenant-Governor-in-Council.

There are no general restrictions with regard to firm name other than where the name does not comprise the actual names of the partners, it must not be the same as that of any other registered firm or so similar as to cause confusion. The use of "and Co." and "and Company" is permissible. The word "limited" or abbreviation cannot be used. In Quebec, all documents issued in the course of business must bear the word "registered" or the abbreviation thereof. In Nova Scotia and Saskatchewan, the use of the words "Imperial" "Crown" "Royal", etc., is prohibited since they suggest royal patronage.

It is customary for the partners to sign an agreement covering such matters as purpose of business, name of firm, duration of agreement, place of business, capital to be contributed by each partner, division of profits and losses, rights of management, and procedure for termination or re-organization of the partnership.

Apart from such agreement, dictated by self-interest and sound business practice, there is also a statutory requirement with which a partnership must comply. Provincial and territorial laws require that partnerships must be registered with the proper authorities.

There are no other general requirements with which a partnership must conform. However, consideration must be given to licences, privileges, or permits that may be required by any of the three levels of government in connection with the operation of a particular type of business. Where a particular type of business is subject to regulatory or revenue - protecting control, only one licence is usually required, rather than one for each member of the partnership.

General Partnerships

In a 'general partnership' the members are not only jointly liable (liable in equal shares) for the debts of the partnership, but in addition are jointly and severally liable (each liable for his share or the full amount). Each partner can bind the partnership irrespective of the consent of the other partners.

Registration usually consists of filing a declaration signed by all partners, stating the name in full and residence of each, the firm name under which the business is to be carried on, and the time during which the partnership has existed. The declaration must also include an averment that the parties named are the acknowledged partners.

In Alberta, the declaration must be filed in the local registry office, within six months after formation. Regulations in the Northwest Territories and the Yukon Territory are similar to those in Alberta, except that in the latter case the time is two months.

In British Columbia, the declaration must be filed with the Registrar of the County Court within three months from the commencement of business.

In Manitoba, the declaration must be filed, within one month after formation, in the proper office of the judicial district in which the principal place of business is to be located, and a copy must be published in the "Manitoba Gazette". In the Eastern Judicial District, it is filed with the Court of Queen's Bench and in other judicial districts with the Deputy Clerk of the Crown and Pleas.

In New Brunswick, the declaration must be filed with the Registry Office for the county in which the principal place of business is to be located, and a copy must be published in two consecutive issues of the "Royal Gazette". Registration must be effected before the commencement of business.

In Nova Scotia, the declaration must be filed with the Registrar of Joint Stock Companies, before beginning to carry on business.

In Ontario, the declaration must be filed within sixty days after formation, with the Registrar of the Registry Division in which the business is to be carried on.

In Prince Edward Island, the declaration must be filed in the office of the Deputy Prothonotary for the county in which the principal place of business is to be located, within three months after formation.

In Quebec, the declaration must be filed with the Prothonotary of the Superior Court in each district in which the partnership proposes to carry on business.

In Saskatchewan, the declaration must be filed in the office of the Provincial Secretary.

Partnerships are liable to fine should they fail to register as prescribed. In Nova Scotia and Ontario, there is an additional penalty in that such partnerships are precluded from resorting to the Courts to enforce contracts made in the normal course of business. In the other provinces,

while the pertinent legislation makes no mention of disability with regard to maintaining suit, there is always the possibility that a defendant could plead non-registration and thereby evade the consequences of the action for which he was being sued.

Limited Partnerships

A limited partnership is composed of one or more general partners who conduct the business, and one or more persons who contribute an amount in actual cash called special or limited partners.

As opposed to the unqualified liability of a general partner, a limited partner is liable to the firm or its creditors only to the extent of the capital he has agreed to contribute, and no more. He may share in profits according to the partnership agreement, but must take no part in the management of the firm, or he becomes a general partner.

All parties to a limited partnership must sign a declaration stating usually the name under which the business is to be carried on; the general nature of the business; the names of all general and special partners, indicating which are the former and which the latter; the residence of each partner; the amount of capital each limited partner has contributed; the date when the partnership is to commence and terminate; and the principal place of business of the partnership. The declaration must be signed before a notary public.

In Saskatchewan, the business of a limited partnership must be conducted under a firm name in which the names of the general partners or some of them only is used.

In Newfoundland, the declaration must be drawn up by a Notary Public and then filed in the office of the Minister of Provincial Affairs. If there are places of business in different districts, a copy must also be filed with the Registrar of Deeds in each district. As well, the declaration must be published for six consecutive weeks in the "Newfoundland Gazette" and in one or two other papers designated by the Minister of Provincial Affairs.

The place of filing the declaration, in all provinces other than Alberta and Saskatchewan, is the same as for general partnerships. In Alberta, it must be filed with the Supreme Court for the judicial district in which the principal place of business is to be. In Saskatchewan, the declaration must be filed in the office of the Provincial Secretary.

Requirements as to time within which the declaration must be filed, and penalties for failing to file, are the same as for general partnerships.

Civil Partnerships

Firms of lawyers, chartered accountants, and other professional men are the best known examples of civil or non-trading partnerships. They differ from general and limited partnerships in that the members are jointly liable but not jointly and severally liable for the debts of the partnership. If a Civil partner makes a contract in the name of the partnership without authority expressed or implied by his co-partners, he binds only himself and not the other partners, unless it can be shown that the partnership as a whole has benefited from the act.

Civil partnerships are known, in the above sense, only in the Province of Quebec. Registration requirements are similar to those for general partnerships.

CORPORATE FORMS OF BUSINESS ORGANIZATION.

In Canada there are 11 general Companies Act, one for incorporation under federal law and one each for incorporation under provincial law. There is also a Companies Ordinance in the Yukon Territory, which provides for the incorporation of a limited liability company established for the purpose of doing business within the territory.

Most companies are incorporated under the authority of a general Companies Act. Only a few are created by Special Act of the Parliament of Canada or of the Legislature of any one of the provinces. The creation of a corporate entity by Special Act is restricted mainly to insurance companies, banks, loan companies, trust companies and railways. Since the creation of such companies is of limited interest only, the following will not touch upon the procedure and legislation under which they are organized.

It might be mentioned also that the creation of companies, for social, literary, or similar purposes embraces a slightly different procedure in most instances. Since this type of organization is not usually formed for purposes of gain, it is considered that comment is not required.

A corporate form of business organization is the most complex and the most expensive to organize, but nevertheless the most satisfactory. The services of a lawyer are usually retained for the preparation of the necessary legal forms and for advice on a wealth of matters relating to formation, internal conduct, and external relations.

PUBLIC AND PRIVATE COMPANIES.

In most instances, either a public or a private company may be created under federal or provincial law.

Public companies are those that may offer their shares or debentures for sale to the general public, place no limitation on the number of shareholders nor restrict the transfer of their shares. A private company is formed by (a) including in the Letters Patent, Memorandum or Articles of Association a restriction on the right to transfer shares, (b) subscribing to a provision whereby the number of the members is limited to 50, and (c) undertaking to abide by a regulation stating that the general public may not be invited to take up any shares or debentures of the company.

In general, private companies are governed by the same law as public companies, but because of their exclusive nature and because the general investing public is not concerned, the governing Companies Acts grant certain concessions which are not permitted to public companies. For example, loans are usually permitted to directors and shareholders to enable them to purchase the shares of a deceased or bankrupt shareholder; a private company is not normally required to file a prospectus; the requirements and penalties upon directors of public companies in the matter of personal speculation in the shares of the company do not usually apply to private companies.

Specific provision for the creation of a private company is not to be found in the Companies Act in Manitoba, Newfoundland, Nova Scotia, Prince Edward Island or Quebec. However, all of these provinces allow the passing of a company by-law having the same restrictive effect with regard to the transferability of shares. The Companies Act of Alberta requires that private companies include in their Memorandum or Articles or in Letters Patent, as the case may be, a clause prohibiting any invitation to the public to subscribe for any shares or debentures of the company. The Ontario Corporations Act requires the words "private company" to appear on the company seal and on share certificates of such companies. (There is no federal income tax advantage to be realized in operating as a private company.)

PROSPECTUS

In those cases where capital is desired from the public, the governing Companies Act or Companies Information Act usually requires that a prospectus be prepared and filed with the relevant authorities in the provinces concerned. In addition, federal companies must also file a prospectus with the authorities in Ottawa.

From a promoter's point of view, the prospectus is drawn up to describe the company and its business in terms that make it as attractive as possible to the investing public. Such objectives sometimes conflict with the public interest. In order to ensure that material facts are fairly presented, federal and provincial authorities usually require that a prospectus contain very extensive information along certain lines. A copy signed by every director, proposed director, or his agent, must usually be filed with the federal or provincial authorities concerned with the creation of companies.

It is usually stipulated that no application for securities may be accepted unless a copy of the prospectus was mailed or delivered to the would-be subscriber or applicant within a certain length of time prior to the acceptance of his subscription.

INCORPORATION UNDER FEDERAL LAW

The Companies Act is the general statute whereby companies are incorporated under federal law. The administering body is the Companies Division, Department of the Secretary of State, Ottawa.

Under the Act, the Secretary of State may, by letters patent, grant a charter to any number of persons, not less than three, thereby constituting them "a body corporate and politic" for any legal purpose other than the construction and working of railways within Canada or of telegraph or telephone lines within Canada, the business of an insurance, loan or trust company and the business of banking and the issue of paper money.

The following documents must be completed and forwarded to the Companies Division; application for incorporation; memorandum of agreement; affidavit of a subscribing witness; and statutory declaration of one of the applicants. The printed forms can be obtained from the Department of the Secretary of State. A copy of the Companies Act may be obtained from the

Queen's Printer, Ottawa, upon request accompanied by a remittance in the amount of \$1.00, payable in Canadian funds, to the order of the Receiver General of Canada.

Application for Incorporation

Applicants must be persons of the full age of 21 years. The application must contain: (a) the proposed company name; (b) the objects for which the company wishes to be incorporated; (c) the location in Canada of its head office; (d) details as to capital stock; (e) a statement as to whether the company is to be a private company, and if so, the restrictions to be placed on the transfer of shares; (f) the names in full, addresses, and callings of the applicants; and (g) the names of the applicants, not less than three, who are to be the first or provisional directors. The customary practice is to make contact with the Companies Division prior to the submission of application.

The corporate name must convey the information that the firm has the protection of limited liability for its members. It is required that the words "Limited" or "Ltd.", be part of the company's name and appear clearly outside the company's office, on the seal, on all notices, advertisements, commercial documents, etc. Names liable to conflict with that of any other existing business organization, whether incorporated or not, are not acceptable. The Division has a listing of all companies incorporated in Canada and in some instances, information regarding the first names under which partnerships carry on business. The Division may also refuse to accept the choice on grounds that it is otherwise objectionable, such as phraseology that tends to be misleading with regard to the nature of the business.

(Canada), may be included in the corporation's name, when the entity is a subsidiary of a concern of an identical name organized under the laws of a foreign country, or of a province. The use of (Canada) is not permitted under other circumstances.

"Objects" clauses are generally drafted in the widest possible terms, with the principal activity of the company being clearly indicated but considerable leeway being allowed for incidental or ancillary powers. In many instances, the Department will accept such phraseology as "to manufacture, buy, sell and deal in goods, wares and merchandise". The objects must not be for any illegal purpose nor for a purpose specifically excluded by the general Act. A company cannot be incorporated to practise such professions as law, medicine, accountancy, engineering, architecture, etc.

A federal company must have its head office in Canada. The company's books, recording the charter, by-laws, shareholders, and directors, must be kept at such location or, in certain circumstances, at the office of its transfer agent. Other offices can be established elsewhere, of course.

In order to issue shares, a company must have specific authority in its charter; at one and the same time such specific authority also limits the number that may be allotted. The maximum number of shares or the maximum amount of stock which a company is allowed to issue (the authorized capital of a company), may consist of differing classes of shares, with or without par value. The charge for incorporation is based upon the amount of authorized capital. The schedule of incorporation fees is shown on page B20.

Any federal company has specific powers to borrow, and there is no stipulation regarding the maximum amount that may be brought into the organization in such manner. Letters patent usually reproduce section 63 of the Companies Act which provides that a company may exercise borrowing powers, if authorized by by-law passed by the directors and sanctioned by at least two-thirds of the votes cast at a special general meeting of shareholders called for the purpose of considering the by-law.

There are no regulations in the Companies Act with regard to the beneficial ownership of the shares or debentures of a company incorporated by letters patent under the federal Companies Act. Ten, fifty, or one hundred per cent of the issued capital of such company can be held in any country or by persons of any nationality or residence, and the company in question comes under no disability whatsoever. (There are exceptions in connection with commercial aviation, fishing and coasting. The requirements with regard to share ownership in these cases have been laid down either in specific legislation, or, have been developed in the course of administrative practice. There is no connection between such restrictive measures and the Companies Act.)

It should be noted that a company cannot deal in its own shares, except for the purchase of fractions of its shares for the purpose of any consolidation, although it has ancillary powers to buy, sell or deal in the shares of most other companies.

Memorandum of Agreement

The Memorandum of Agreement is in the nature of a contractual document, signed and sealed by the applicants, in which they agree among themselves to subscribe for shares in a company to be incorporated under a certain name and with a certain amount of authorized capital.

Each subscriber to the Memorandum agrees to take the amount of capital stock opposite his signature, and becomes a shareholder upon incorporation of the company.

The Memorandum is executed in duplicate, one copy being forwarded to the Secretary of State with the Application for Incorporation.

Affidavits

The person who has witnessed the execution of the Application and the Memorandum of Agreement must sign an affidavit in prescribed form.

In a second declaration, the one required from one of the applicants, the deponent states that (1) he is one of the applicants; (2) he has knowledge of the matter, and, the allegations in the application are true; (3) the proposed name of the company is not objectionable; and (4) no public or private interest will be prejudiced by the incorporation.

Directors

The letters patent of a company name the first or provisional directors. They are charged with the organization and management of the company until the first general meeting of shareholders and the election of a board of permanent directors.

The federal Act requires that the affairs of a company be managed by a board of not less than three directors. There are no residence requirements with which a director must comply, although the meeting at which directors are to be elected must take place in Canada.

The qualifications of directors are set out in the governing Act, the charter and the by-laws of the company. A director must own at least one share of the company.

Commencement of Business

Letters patent are only issued after receipt and approval by the Department of the Application for Incorporation and the Memorandum of Agreement. From the time its letters patent are granted, a federal company is deemed to be in existence, and can commence operations as of that date. The Department will generally inform the company, through its solicitors, that a charter has been granted as at a certain date, and will arrange to forward the letters patent as soon as they have been prepared.

INCORPORATION UNDER PROVINCIAL LAW

The Companies Acts of the provinces vary according to history and local requirements, although in the main they are comparable to the general legislation under which federal companies are incorporated.

The following text has been prepared to point up some of the salient differences, although repetition has been practised where some of the more important features are involved. Where no particular reference is made to a point appearing to be of interest, it should be considered that provincial law follows the federal Companies Act very closely. Despite the similarity, however, it is usually found advisable to retain competent legal counsel qualified to practise before the Bar of the Province in which it is proposed to incorporate the company.

As with federal law, a company can be created either by a special Act of the Legislature or under the Companies Act of the province in question. In general, a special Act of the legislature is required only for the creation of a company engaged in the construction or operation of a railway, or carrying on the business of a trust and loan company.

With the exception of Prince Edward Island, all provinces require that applicants for incorporation be 21 years of age. Prince Edward Island requires at least 5 signatures to the application.

A company incorporated under provincial law must usually have its head office in the province of incorporation, and annual meetings must normally be held within the province unless special permission is obtained to do otherwise.

Share capital may be held by anyone, either in Canada or a foreign country (with qualifications regarding the ownership of shares in commercial airline, fishing and coastal shipping companies).

Incorporation fees are outlined in Appendices A to K.

LETTERS PATENT SYSTEM

General

The Letters Patent System of incorporation is used in the Provinces of Manitoba, New Brunswick, Ontario, Prince Edward Island and Quebec. The requirements, provisions and documents to be completed are largely similar to those under the federal Act. (Refer to Page B6, Incorporation under Federal Law).

The Acts of these five provinces require that the board of directors consist of not less than 3 members. There are no residence requirements for directors, but each must hold at least one share in the company.

New Brunswick

The maximum number of directors permitted in any one company is 15.

Quebec

The Companies Act of this province does not specifically require that the firm name include "Limited". In its place, the words "Company", "Incorporated" or "Corporation" must be inserted; "and Company" is objectionable since it suggests a partnership.

REGISTRATION SYSTEM

General

The Registration System of incorporating companies is followed in Alberta, British Columbia, Newfoundland, Nova Scotia and Saskatchewan.

Under this system, the type of incorporation which may be effected varies in each of these provinces. However, in general, there are three classes of corporation that may be created -- a company limited by shares, a company limited by guarantee and a company with unlimited liability. Under each one of these classes the shareholders are subject to varying degrees of liabilities.

In a company limited by shares, the liability of each shareholder is limited to the unpaid portion of the shares for which he has subscribed. In a company limited by guarantee, the liability of each member is limited to the amount he has agreed to contribute to the assets of the company in the event of insolvency and winding-up. In a company with unlimited liability, there is no limit placed on the liability of members.

In general, three or more applicants may form an incorporated company.

Insofar as documentation is concerned, the applicants for incorporation are normally required to sign only a Memorandum of Association. When filed and approved by a certificate from the provincial registrar concerned, the Memorandum of Association becomes the charter of the company.

Generally speaking, the Memorandum of Association sets out such information as the name of the company, the location of its head office, the objects for which the company is formed; provides detail regarding authorized capital

and the shares which the subscribers to the Memorandum agree to take; and, stipulates the nature of the shareholder's liability.

The governing Acts usually provide for the adoption and filing of a set of rules, known as Articles of Association. Such articles are analogous to by-laws (letters patent system) in that they regulate the internal management of the company in question, but unlike in that they must be filed with the administering office and consequently are deemed to be public knowledge. An appendix to each Act contains a model of articles, and it is usually provided that, except where modified or specifically excluded, such model constitutes the articles of the company being formed.

Alberta

The Alberta Companies Act makes no provision for the incorporation of companies with unlimited liability.

No organization consisting of more than 20 persons can carry on business for purposes of gain unless incorporated as a company, or unless working under some other Act on letters patent.

Although three applicants are required for the formation of a public company, only two applicants are sufficient for a private company.

British Columbia

At least one of the directors must be a resident of the province.

A partnership of more than 20 must normally incorporate. However, special permission may be obtained from the Lieutenant Governor-in-Council for a partnership with up to 35 members.

Five or more applicants are needed for the formation of a public company, and two for a private company.

Newfoundland

An organization carrying on business for profit must incorporate if it has more than 10 members or partners.

Saskatchewan

Saskatchewan requires that at least one director reside in the province.

An organization must be incorporated if it consists of more than 20 persons in business for profit.

COMMENCEMENT OF BUSINESS

The letters patent (in Manitoba, New Brunswick, Ontario, Prince Edward Island and Quebec) or the certificate of registration (in Alberta, British Columbia, Newfoundland, Nova Scotia and Saskatchewan) are conclusive evidence that the formal preliminaries have been complied with and that the company is duly incorporated. However, they indicate only that the statutory requirements

have been fulfilled and that the prescribed fees have been paid; in most provinces there are still other formalities to comply with before a company can obtain authority to commence business operations.

Alberta

Companies are required to file with the Registrar of Companies, within seven days of issue, an identical copy of the prospectus which has been approved by the Alberta Securities Commission. Once this document has been filed, they are in business.

British Columbia

A public company must usually obtain a certificate entitling it to carry on business. This certificate is issued normally only upon receipt of a statutory declaration from one of the directors indicating that a stipulated proportion of the capital stock (a minimum set by themselves) has been issued and paid up.

Manitoba

After the letters patent have been issued, the company itself must be registered.

Newfoundland

A statutory declaration by a solicitor engaged in the formation of a company indicating compliance with all the requirements of The Companies Act in respect to registration must be filed with the Registrar at the time of the filing of the Memorandum and Articles of Association (if any). However, as soon as its certificate of incorporation is issued a company may carry on business.

Nova Scotia

A public company must normally obtain a certificate entitling it to carry on business.

Prince Edward Island

Capital stock to an amount not less than \$500 must be subscribed before letters patent are granted.

Quebec

At least 10 per cent of the authorized capital must be subscribed before letters patent are issued, and the latter must be registered prior to commencement of business.

EXTRA-PROVINCIAL COMPANIES

General

All provinces require that foreign or extra-provincial companies be registered or hold a licence when carrying on business in their respective

areas. Their individual requirements differ slightly, but it may be generally stated that each has legislation or regulation of one sort or another with which a foreign or extra-provincial company must comply.

The definition of 'foreign' or 'extra-provincial' company usually includes all companies other than those incorporated under statute of the province in question. Banking, railway, insurance, trust and loan companies are sometimes excepted. In the Provinces of Ontario and Quebec licensing provisions are inoperative insofar as federal companies and companies incorporated in either of the two Provinces are concerned. In all other provinces federal companies are considered as extra-provincial companies for purposes of registration or licensing.

A company incorporated under the laws of another country is under no disability with regard to business in Canada providing it complies with provincial registration or licensing requirements (with qualifications insofar as commercial flying, fishing and coasting are concerned). There is no need to incorporate a subsidiary.

Registration is effected by filing a statement and specified documents with the provincial authorities concerned. In general, the statement must include the corporation name; when, where and under what special or general act it was incorporated; where its head office is located; the nature of the business carried on; the address of the principal place of business in the province in question; and, the date on which business was or is to be commenced. All the provinces do not require the same information, and complete detail as to format and content in each can be obtained from the pertinent provincial office.

In addition to such sworn statement, a copy of the charter and regulations of the company must also be filed usually. In most instances, a Power of Attorney must be recorded empowering a resident of the province, among other things, to carry out contracts and accept service of process in all suits and proceedings by or against the company within the province.

As a general rule, the contracts made by a non-registered extra-provincial corporation, in the course of or in connection with business carried on in a specific province, are not void but only unenforceable. Non-registered extra-provincial companies cannot maintain action or other proceedings in any court in the province. Such disability does not apply to federal companies, however, although they, like any other non-registered extra-provincial company, suffer from a disability with regard to acquiring or holding lands in the province.

In addition, a heavy fine is usually imposed upon the company and upon its officers and agents where a company carried on business without being registered or licensed, as the case may be. The fine, heavy enough in the first instance, is cumulative.

In most provinces, the schedule of fees for registration or licensing are related to the capital employed in the province, subject usually to a minimum charge in some cases, and a maximum charge in other cases. Methods followed by the various provinces differ in determining the amount of capital employed in their respective areas.

Alberta

In Alberta, registration with the Registrar of Joint Stock Companies must be effected within thirty days after commencement of business. The schedule of fees for extra-provincial registration is the same as for incorporation.

To "carry on business" in Alberta means transacting any of the ordinary business of a company, whether by means of an employee, agent, representative, warehouse, office, or place of business in the province.

British Columbia

Extra-provincial companies must register with the Provincial Secretary within thirty days after commencement of business in the province, and the schedule of fees is the same as for incorporation. A company created otherwise than under the laws of British Columbia, which has no resident agent or representative, warehouse, or place of business in the province, is not considered to be carrying on business so as to require registration.

Manitoba

A foreign corporation must obtain a licence from the Provincial Secretary before undertaking to carry on business; a federal company is granted a 30 day period within which to register. The schedule for fees is the same as for incorporation.

Without limiting the ordinary meaning "carrying on business", the taking of orders by travellers for goods, wares or merchandise to be subsequently imported into the province, or the buying or selling of goods, wares or merchandise by correspondence, whether or not a corporation has a resident agent or representative or a warehouse, office, or place of business in the province, are considered to be actions coming within the definition of "carrying on business" so as to require registration.

New Brunswick

New Brunswick requires that extra-provincial companies register with the Provincial Secretary before commencing business. The schedule of fees for extra-provincial registration is lower than for incorporation. Administration practise requires that every extra-provincial company pay a fee of \$25.00 before commencing operations. This entitles the company to carry on business until the first day of June, when the annual returns become due.

Newfoundland

In Newfoundland, all dominion companies, domestic companies (companies incorporated in Newfoundland by a statute other than The Companies Act) and foreign companies are required to register. Registration must be effected with Registrar of Companies for Newfoundland. Domestic and foreign companies must register within thirty days after commencing business.

Foreign companies, other than dominion companies, which do not register in accordance with the Act, are prevented from maintaining any action, suit or other proceeding in any court in Newfoundland in respect of any contract made in

whole or in part within Newfoundland in the course of or in connection with its business. Commercial travellers employed by extra-provincial or foreign companies are subject to a licensing requirement under the provincial Hawkers' and Pedlars' Act.

Nova Scotia

Extra-provincial companies must register with the Registrar of Joint Stock Companies prior to commencing business. Federal companies are granted thirty days grace. The schedule of fees for registration is lower than for incorporation.

Any company which carries on business in the province while it does not hold a certificate of registration is liable to a penalty of \$10 for every day on which it does so, as are the officers, agents, travellers, and salesmen of the company. Such penalty does not apply to a federal company until one month after the commencement of business. A company is considered to be carrying on business when it transacts any of the ordinary business of a corporation, whether by means of an employee or an agent, and whether or not the corporation has a resident agent or representative or a warehouse, office or place of business in the Province.

Ontario

All foreign companies, with the exception of insurance companies, loan and trust companies, federal companies, and companies incorporated under the laws of the Province of Quebec, are required to obtain a licence from the Provincial Secretary before carrying on business in the province. The schedule of fees for licensing are the same as for incorporation. Taking orders or buying or selling goods, wares and merchandise by travellers or by correspondence, if the company has no resident agent or representative or no office or place of business in the province, are not considered to come within the meaning of the phrase "carrying on business" in the province.

Although federal companies, and companies incorporated under the laws of Quebec, are exempt from registration as extra-provincial companies, they may find they require a licence in mortmain as authority to operate a manufacturing plant or otherwise acquire a proprietary right to land within the province. The Mortmain and Charitable Uses Act of Ontario states that land may not be acquired by, or on behalf of, any corporation, otherwise than under the authority of a licence from the province or of a statute for the time being in force. A company incorporated under the Companies Act of the province, or carrying on business under licence as an extra-provincial company is automatically given such authority.

It should be mentioned that mortmain legislation relates to almost every type of interest in land, including leaseholds. Moreover, it is of general application and has no reference to the business objects of the company. Application for a licence in mortmain must be filed with Provincial Secretary; further information, including detailed requirements, may also be obtained from the same source.

Prince Edward Island

All extra-provincial companies must file a declaration with the Provincial Secretary prior to carrying on business in the province. Such

companies are also liable to a licensing fee payable semi-annually, with the fee for most companies being lower than the incorporation fee.

Quebec

In general, companies not created by a statute of the province are required to take out a licence before doing business in the province. Such a licence is obtained from the Provincial Secretary, and the schedule of fees is usually higher than for incorporation. Companies created under Ontario legislation and federal companies are exceptions to this rule.

Any company, firm, broker, agent or other person representing a foreign firm in any capacity, other than as a traveller simply taking orders, is considered as "carrying on business" in the province and must take out a licence.

Although federal companies, and companies incorporated under Ontario legislation are exempt from registration as extra-provincial companies, they may find they require a licence in mortmain as authority to operate a manufacturing plant, or otherwise acquire a proprietary right to land within the province. The Mortmain Act of Quebec states that land may not be held by a corporation otherwise than under the authority of a licence from the province, or of a statute for the time being in force. A company incorporated under the Companies Act of Quebec or carrying on business under a licence as an extra-provincial company, is automatically given such authority.

Although mortmain legislation in Quebec relates to almost every type of interest in land, including leaseholds, there are certain exceptions. Every company incorporated in Great Britain, in the United States, or in Canada, has the right, without specific authorization, to acquire and hold lands and immoveable property, provided such right is used for the prosecution of its business. Application for a licence in mortmain must be filed with the Provincial Secretary; further information, including detailed requirements, may also be obtained from the same source.

Saskatchewan

Registration must be effected within thirty days after commencement of business with the Registrar of Joint Stock Companies. Fees payable for registration are computed on the basis of authorized capital, and are the same as the fees for incorporation. However, in the case where an extra-provincial company has an authorized capital exceeding \$2 million and at least 50% of its subscribed capital pertains to an established business outside Saskatchewan, the maximum registration fee is \$540.

ADDITIONAL INFORMATION

Additional information including copies of the respective provincial Acts, together with instructions regarding departmental requirements, may be obtained from the following provincial authorities:

- | | |
|-------------------------|---|
| Alberta | - Registrar of Companies,
Department of the Provincial Secretary,
Edmonton. |
| British Columbia | - Registrar of Companies,
Attorney General's Department,
Victoria. |
| Manitoba | - Registrar of Companies,
Department of Provincial Secretary,
Winnipeg 1. |
| New Brunswick | - Deputy Provincial Secretary,
Department of Provincial Secretary-Treasurer,
Fredericton. |
| Newfoundland | - Assistant Deputy Attorney General,
Department of the Attorney General,
St. John's. |
| Nova Scotia | - Registrar of Joint Stock Companies,
Civil Service Commission,
Department of Provincial Secretary,
Halifax. |
| Ontario | - Deputy Provincial Secretary,
Provincial Secretary's Department,
Toronto. |
| Prince Edward
Island | - Director of Trade,
Department of Industry and Natural Resources,
Charlottetown. |
| Quebec | - Director,
Bureau of Statistics,
Department of Trade and Commerce,
Quebec. |
| Saskatchewan | - Registrar of Joint Stock Companies,
Department of Provincial Secretary,
Regina. |

FEDERAL OR PROVINCIAL INCORPORATION

A company created by federal authority has the capacity and status to carry on business in all parts of Canada. The powers conferred by federal statute cannot be limited by legislative action on the part of provincial governments nor circumscribed by administrative action on the part of provincial officials, unless such legislative or administrative action applies to all companies.

While the powers and status of a federal company cannot be restricted nor curtailed by discriminatory legislation on the part of provincial authorities, it must be mentioned that such powers are exercisable only within the general framework of provincial law. Even though the status of any particular company cannot be adversely affected, federal companies as a group are required to comply with provincial laws of general application. Their position, under general legislation enacted by provincial governments, is the same as that of any other company in such matters as taxation, land, licences, annual returns, contracts, etc.

For example, a federal company carrying on business in Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia and Saskatchewan, is required to take out a licence or to register as an extra-provincial, foreign, or dominion company as the terminology may be, under the laws of the province in question. In Prince Edward Island a federal company must file a declaration with the Provincial Secretary prior to commencing business.

A federal company must comply with provincial legislation regarding annual returns, as, of course, must all companies carrying on business in the province concerned. In addition, a federal company is also required to file an annual return with federal authorities.

Any company proposing to sell securities must file a prospectus with the relevant authorities in the province or provinces in which the sale is to be undertaken. Federal companies are not exempt, and in addition must file a prospectus with the authorities in Ottawa.

In connection with the licensing of particular types of business operations, a federal company, or any company, is obliged to make application and pay the requisite fee, whether the licence is a feature of federal, provincial or municipal control. All companies are equally liable no matter where incorporated and no matter how long in existence.

In summation it may be said that a federal company cannot be prevented from exercising the powers that have been validly conferred on it by federal authority. A province cannot prohibit a federal company from doing business within its borders, nor can it prevent such a company from suing in the courts to enforce contracts made in the course of business authorized by its charter. However, each province can and does require that a federal company comply with legislation of general application. Such legislation of general application will most certainly have an effect on day to day operations.

The Provinces derive their powers to incorporate companies from a provision in the British North America Act stating that Provincial Legislatures may exclusively make laws with regard to the incorporation of companies having provincial objects. While it might appear that Provincial

Legislatures have an authority that is clear-cut and all-inclusive, although limited insofar as the sphere of jurisdiction is concerned, subsequent rulings of the courts have served to qualify the position.

One of the more important modifications refers to the exclusive position of the Provinces, and is centred around the difficulty of accurately defining the phrase 'provincial objects'. It has now become accepted that there is no derogation from the status or capacity of a federal company where that company confines the exercise of its powers to one province only, as against the two or more provinces in which it has the right and capacity to exercise its powers. A company incorporated under federal authority can operate solely within one province without invalidating the charter by which it was incorporated.

A second qualification refers to the powers of provincially incorporated companies to carry on business beyond the province of incorporation. While the actual powers and rights which a Provincial Legislature can bestow are limited to those exercisable within the province, the incorporating authority is not precluded from conferring capacity to accept extra-provincial powers and rights. Companies incorporated under provincial jurisdiction do not have, in their own right, a status enabling them to exercise their powers in any other province; they obtain such status only where it is granted by the other province, and, of course, become eligible only when they comply with requirements. The rights of a provincially incorporated company to carry on business in another province are made available solely at the discretion of that other province. As a consequence, such company could find that the powers granted to it by its document of incorporation might be circumscribed insofar as its operations in a second province are concerned.

It may be generally stated that a provincial company must register or take out a licence in each of the provinces in which it proposes to carry on business. One important exception is the reciprocal arrangement between the Provinces of Ontario and Quebec whereby licensing requirements are inoperative insofar as companies incorporated in the other province are concerned. Such reciprocal exemption does not apply to companies merely licensed to do business; only companies that have been incorporated under laws of one or the other province are entitled to such relief.

A provincial charter is usually cheaper and preferable for a company intending to restrict its activities to one province. The instrument of incorporation is drawn up in the light of laws of that province and the company is responsible to one authority only. Duplication in the matter of filing prospectuses and returns is eliminated. Furthermore, the power to hold land or to begin business operations as a corporate entity is obtained without recourse to two differing legislative bodies.

However, where an operation in more than one province is contemplated it is usually found advisable to incorporate under federal authority. Incorporation under federal statute ensures that a company can exercise the same powers in all provinces. Any one province or all provinces cannot by discriminatory legislation restrict the powers that have been validly conferred by federal statute.

APPENDIX A

FEDERAL COMPANIES - SELECT FEES

(Companies Organized for Gain)

Incorporation Fees

On application for Letters Patent:
based on the proposed capital,

up to \$50,000	\$100;
\$50,001 to \$200,000	\$100 and \$1 for each \$1,000 or fraction thereof in excess of \$50,000;
\$200,001 to \$500,000	\$250 and 50¢ for each \$1,000 or fraction thereof in excess of \$200,000;
\$500,001 and over	\$400 and 20¢ for each \$1,000 or fraction thereof in excess of \$500,000; and

where the proposed capital consists wholly or in part of shares without nominal or par value, the fee shall be calculated according to the foregoing tariff and in respect of shares without nominal or par value on the basis of the amount fixed by the letters patent or supplementary letters patent for which such shares may be issued and, if no amount is so fixed, on the sum of \$100 per share.

Fees for Annual Return

based on share capital,

up to \$200,000	\$5;
\$200,001 to \$500,000	\$10;
\$500,001 to \$1,000,000	\$25;
\$1,000,001 and over	\$25 and \$1 on each \$1,000,000 or fraction thereof in excess of the first \$1,000,000 but not exceeding \$50 in all; and

where the capital stock consists wholly or in part of shares without nominal or par value, a fee calculated upon the capitalization of such company according to the manner prescribed for computing the fee for letters patent issued to such company.

APPENDIX B

ALBERTA - SELECT COMPANY FEES

(Companies Organized for Gain)

Incorporation Fees

(A) Companies with nominal capital:

Based on nominal capital as follows,

up to \$20,000	\$55
\$20,001 to \$100,000	\$55 plus \$5.50 for each \$5,000 or part thereof in excess of \$20,000
\$100,001 to \$500,000	\$143 plus \$3.30 for each \$10,000 or fraction thereof in excess of \$100,000
in excess of \$500,000	\$275 plus \$22 for each \$100,000 in excess of \$500,000.

(B) Companies without nominal or par value shares:

The same schedule of fees as in (A) applies;
the nominal capital is arrived at as follows,

(1) where a maximum price for each share is mentioned in the memorandum or articles of association,

$$\begin{array}{l} \text{No. of shares} \times \text{maximum price} = \\ \text{or } \text{No. of shares} \times 25 \text{ cents} = \end{array} \left. \vphantom{\begin{array}{l} \text{No. of shares} \times \text{maximum price} \\ \text{No. of shares} \times 25 \text{ cents} \end{array}} \right\} \text{Nominal capital,}$$

whichever is greater.

(2) where an aggregate value for total shares is mentioned in memorandum or articles of association,

$$\begin{array}{l} \text{Aggregate value} = \\ \text{or } \text{No. of shares} \times 25 \text{ cents} = \end{array} \left. \vphantom{\begin{array}{l} \text{Aggregate value} \\ \text{No. of shares} \times 25 \text{ cents} \end{array}} \right\} \text{Nominal capital}$$

whichever is greater.

(3) where no maximum for each share or aggregate value is mentioned:

$$\text{No. of shares} \times \$50 = \text{Nominal capital.}$$

(C) Companies having shares with and without nominal or par value:

The nominal capital, for purposes of calculating the fee, is arrived at by combining the methods used in (A) and (B) above.

Registration Fees - Foreign Companies

(A) Same fee as for incorporation.

Alberta (cont'd)

(B) Companies employing only a portion of their capital in Alberta:

Amount of capital employed in Alberta = Nominal Capital
(for purposes of fee applicable).

(C) The maximum fee for Dominion Companies is \$165.

Miscellaneous Fees

For filing annual statement by a foreign company	\$5.50
Publication in the Alberta Gazette	\$5.50
For filing articles of association	\$2.20

APPENDIX C

BRITISH COLUMBIA - SELECT COMPANY FEES

(Companies Organized for Gain)

Incorporation Fees

- (A) Companies with shares of nominal or par value:

Based on the authorized capital,

up to \$10,000	\$ 50
\$10,001 to \$25,000	\$ 50 plus \$5 for each \$5,000 or fraction thereof in excess of \$10,000
\$25,001 to \$500,000	\$ 65 plus \$2.50 for each \$5,000 or fraction thereof in excess of \$25,000
in excess of \$500,000	\$302.50 plus \$1.25 for each \$5,000 or fraction thereof in excess of \$500,000.

- (B) Companies having shares without nominal or par value:

The same schedule of fees as in (A) applies.

The authorized capital is arrived at as follows,

- (1) where a maximum price for each share is mentioned in the memorandum or article of association:

Maximum price x No. of shares = Authorized Capital

- (2) where no maximum price is mentioned:

No. of shares x \$100 = Authorized Capital

- (C) Companies having both, shares with and without nominal or par value:

The authorized capital, for purposes of calculating the fee, is arrived at by combining the methods used in (A) and (B) above.

Registration Fees - Foreign Companies

- (A) The registration fee is the same as for incorporation.

- (B) Companies having a paid-up capital or net assets exceeding \$250,000:

where it is shown that at least 50% of such capital or assets is employed in an established business outside the province, the fee is calculated on the basis of paid-up capital or assets instead of authorized capital, with a maximum fee of \$250.

APPENDIX D

MANITOBA - SELECT COMPANY FEES
(Companies Incorporated For Gain)

Incorporation Fees

1. Company with capital not exceeding \$20,000 \$25
- Each additional \$10,000 or fraction thereof not exceeding \$100,000 ... \$10
- Each additional \$25,000 or fraction thereof not exceeding \$150,000 ... \$15
- Each additional \$50,000 or fraction thereof not exceeding \$300,000 ... \$20
- Each additional \$100,000 \$20

To ascertain the capital of a company with non-par value shares, multiply the total number of shares by \$100, but where the application states a maximum price for which the shares shall be issued, multiply the total number of shares by the amount of that maximum price.

To ascertain the capital of a company with both par value and non-par value shares, multiply the total number of shares by the par value of the shares with a nominal or par value.

2. Filing Memorandum of Association \$ 5
3. Notice in "The Manitoba Gazette", actual cost of Gazette advertising rates
4. Each one hundred words or fraction thereof in charter over and above three hundred, an additional \$ 5

Licensing Fees for Foreign Companies

5. Fees as in (1) above, provided such fees may be based on the capital of the company employed in the province, subject to a minimum fee of \$50
6. Cost of Notice in "The Manitoba Gazette" and News Paper \$11

Registration Fees for All Companies

7. Certificate of registration, including the filing of all documents required to be filed with the application \$25
8. Notice in "Manitoba Gazette", actual cost, at Gazette advertising rates.

Miscellaneous Fees

9. Filing every prospectus or amended prospectus or statement in lieu of prospectus \$ 5
10. Filing an annual return where there is no authorized capital \$ 2
- Where the authorized capital does not exceed \$100,000 \$ 5
- Where capital authorized by charter exceeds \$100,000 but does not exceed \$250,000 \$10
- Over \$250,000 to \$1,000,000 \$15
- In excess of \$1,000,000 \$25
- Filing any special return required by the Provincial Secretary \$10

APPENDIX E

NEW BRUNSWICK - SELECT COMPANY FEES

(Companies Organized for Gain)

Incorporation Fees

In accordance with capital stock as follows:

Not exceeding	\$5,000	\$ 50
"	\$10,000	60
"	\$20,000	70
"	\$30,000	80
"	\$40,000	90
"	\$50,000	100
"	\$60,000	110
"	\$70,000	120
"	\$80,000	130
"	\$90,000	140
"	\$100,000	150
"	\$125,000	160
"	\$150,000	170
"	\$175,000	190
"	\$200,000	210
"	\$225,000	230
"	\$250,000	250
"	\$300,000	270
"	\$400,000	300
"	\$500,000	350
"	\$600,000	400
"	\$700,000	450
"	\$800,000	500
"	\$900,000	550
"	\$1,000,000	600
for each additional \$1,000 or fractional part thereof		.20

Annual Filing Fees - Provincially Incorporated Companies

In accordance with authorized capital as follows:

Not exceeding	\$5,000	\$ 5
"	\$10,000	10
"	\$20,000	15
"	\$40,000	20
"	\$60,000	25
"	\$80,000	30
"	\$100,000	40
"	\$150,000	50
"	\$200,000	60
"	\$350,000	70
Exceeding \$350,000		20¢ for each \$1,000 of capital with a maximum of \$250

"When the whole or part of the stock of a company consists of shares without nominal or par value, each such share shall, for the purpose of ascertaining the fee payable upon such return, be reckoned as having a par value equal to the maximum amount for which a share might be issued or allotted during the year preceeding the date of such return, and the total value of all such shares thus ascertained shall be considered as forming the whole or part of the authorized capital, as the case may be."

Annual Filing Fees - Foreign Companies

When the capital invested and/or used in conducting the company's business within the province of New Brunswick during the company's last fiscal year was

\$10,000 or under	\$ 25
Not Exceeding \$25,000	50
" \$50,000	100
" \$100,000	150
" \$500,000	200
Exceeding \$500,000	200 and 10% additional for each \$1,000 exceeding \$500,000

Licence Fee - Foreign Companies

Foreign companies must pay a fee of \$25 before beginning operations in the province. The receipt entitles the company to carry on business until the first day of June, when the annual return becomes due.

APPENDIX F

NEWFOUNDLAND - SELECT COMPANY FEES

Incorporation Fees

- (A) For companies with shares of nominal or par value:

Based on authorized capital as follows,

up to \$5,000	\$50
\$5001 to \$10,000	\$75
\$10,001 to \$50,000	\$75 plus \$1 for each \$1,000 or fraction thereof in excess of \$10,000
\$50,001 to \$100,000	\$115 plus \$.75 for each \$1,000 or fraction thereof in excess of \$50,000
\$100,001 to \$250,000	\$152.50 plus \$.50 for each \$1,000 or fraction thereof in excess of \$100,000
\$250,001 to \$1,000,000	\$227.50 plus \$.25 for each \$1,000 or fraction thereof in excess of \$250,000
in excess of \$1,000,000	\$415 plus \$.15 for each \$1,000 or fraction thereof in excess of \$1,000,000.

- (B) For companies having shares of no par value:
the same schedule of fees as in (A) applies.

The authorized capital is arrived at as follows:

- (1) where the memorandum states the maximum price for each share:
 $\text{No. of shares} \times \text{maximum price} = \text{Authorized capital}.$

- (2) where no maximum price is mentioned:
 $\text{No. of shares} \times \$5.00 = \text{Authorized capital}.$

- (C) For companies having both, shares with and without nominal or par value:
The authorized capital, for purposes of calculating the fee, is arrived at by combining the methods used in (A) and (B) above.

Registration Fees

- (A) For domestic, dominion, and foreign companies having only shares of a fixed value:
Based on authorized capital as follows:

<u>Authorized capital</u>	<u>Domestic and Dominion Companies</u>	<u>Foreign Companies</u>
up to \$5,000	\$ 10	\$ 50
\$5,001 to \$10,000	20	50

Newfoundland (cont'd)

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\$10,001 to \$25,000	\$ 30	\$100
25,001 to 50,000	50	100
50,001 to 75,000	75	150
75,001 to 100,000	100	150
100,001 to 250,000	125	200
250,001 to 500,000	150	200
500,001 to \$1,000,000	200	200 plus ten cents for each \$1,000 in excess of \$500,000
in excess of \$1,000,000	200 plus ten cents for each \$1,000 in excess of \$1,000,000	

(B) For domestic or foreign companies not having a capital divided into shares:

- (a) where the number of members in the company does not exceed 20 \$ 50
- (b) where the number of members exceeds 20 but does not exceed 100 \$100
- (c) where the number of members exceeds 100, \$100 plus \$1 for each 50 members or fraction thereof in excess of 100.
- (d) where the number of members is unlimited \$250
- (e) where the number of members is increased above the number stated in paragraph (a), (b) or (c), in respect of every 50 members or fraction thereof \$ 1

Miscellaneous Fees

- (a) filing of statement on application for registration \$ 10
- (b) filing of prospectus or statement in lieu of prospectus ... \$ 10
- (c) filing of amended prospectus \$ 5
- (d) filing of power of attorney \$ 5
- (e) certificate of registrar \$ 2
- (f) filing of notice that company has ceased carrying on business in Newfoundland \$ 5
- (g) registration of change of name or alteration of an addition to charter, memorandum of association or objects of incorporation \$10
- (h) filing of notices \$ 5

For registering any document required or authorized to be registered, other than the memorandum of association \$ 5

For making a record of any fact required or authorized to be recorded by the Registrar \$ 5

APPENDIX G

NOVA SCOTIA - SELECT COMPANY FEES

(Companies Organized for Gain)

Incorporation Fees

<u>Capital of:-</u>	<u>Fees</u>	<u>Capital of:-</u>	<u>Fees</u>
\$ 5,000.00	\$ 50.00	\$ 95,000.00	\$148.75
10,000.00	75.00	100,000.00	152.50
15,000.00	80.00	125,000.00	165.00
20,000.00	85.00	150,000.00	177.50
25,000.00	90.00	155,000.00	180.00
30,000.00	95.00	175,000.00	190.00
35,000.00	100.00	200,000.00	202.50
40,000.00	105.00	250,000.00	227.50
45,000.00	110.00	300,000.00	240.00
50,000.00	115.00	350,000.00	252.50
55,000.00	118.75	400,000.00	265.00
60,000.00	122.50	450,000.00	277.50
65,000.00	126.25	500,000.00	290.00
70,000.00	130.00	750,000.00	352.50
75,000.00	133.75	1,000,000.00	415.00
80,000.00	137.50	1,500,000.00	490.00
85,000.00	141.25	2,000,000.00	565.00
90,000.00	145.00	3,000,000.00	715.00

Annual Registration Fee

(A) In the case of a domestic corporation or of a dominion corporation:

Based on the authorized capital as follows;

	<u>Until Dec. 31/61</u>	<u>Effective Jan. 1/62</u>
up to \$ 5,000	\$10	\$10
" 10,000	20	20
" 25,000	30	30
" 50,000	50	50
" 75,000	75	60
" 100,000	100	60
" 200,000	125	75
" 250,000	125	100
" 500,000	150	100
" 1,000,000	200	150
in excess of 1,000,000	200 plus ten cents for each \$1,000 over \$1,000,000	200

(B) In the case of a foreign corporation:

Based on authorized capital as follows,

		<u>Until Dec. 31/61</u>	<u>Effective Jan. 1/62</u>
up to	\$ 5,000	\$50	\$15
"	10,000	50	30
"	25,000	100	45
"	50,000	100	75
"	100,000	150	90
"	200,000	200	115
"	500,000	200	150
"	1,000,000	200 plus ten cents for each \$1,000 over \$500,000	200
in excess of	1,000,000	(same as above)	250

The original registration fee is determined in the same way as the annual registration fee, with a proportionate reduction for every full calendar month that may have elapsed between the date of registration and the first day of the preceding January.

APPENDIX H

ONTARIO - SELECT COMPANY FEES

(Companies Organized for Gain)

Incorporation Fees

In accordance with aggregate capital as follows:

Not exceeding \$40,000	\$100
" \$100,000	\$100 plus \$1 for each \$1,000 or fractional part thereof in excess of \$40,000
" \$500,000	\$160 plus 50 cents for each \$1,000 or fractional part thereof in excess of \$100,000
" \$2,000,000	\$360 plus 25 cents for each \$1,000 or fractional part thereof in excess of \$500,000
Exceeding \$2,000,000	\$735 plus 20 cents for each \$1,000 or fractional part thereof in excess of \$2,000,000.

Filing Fee for Annual Return

- A - For corporation with share capital,
(except co-operative corporations),
where the authorized capital does not exceed,
- | | |
|-------------------|------|
| \$40,000 | \$5 |
| \$100,000 | \$10 |
| \$500,000 | \$20 |
| \$1,000,000 | \$25 |
- where the authorized capital exceeds,
\$1,000,000 \$30
- B - For corporations without share capital \$1

Extra-Provincial Companies - Licensing Fees

Licensing fees are the same as indicated for Ontario Incorporation Fees.

Mortmain Fees

Licences in Mortmain are generally issued:

- a) for a period of 15 years
- b) for a period of 30 years
- c) in perpetuity

Fees payable for a licence in mortmain are based on the value of the land:

(A) In the case of a licence for 15 years

(1) where the value of the land is not in excess of:

\$100,000	\$100
\$500,000	\$100 plus 50 cents for each \$1,000 in excess of \$100,000,
\$1,000,000	\$300 plus 25 cents for each \$1,000 in excess of \$500,000 and,

(11) where the value of the land set out in the licence is in excess of \$1,000,000, a fee of \$425 plus 10 cents for each \$1,000 in excess of \$1,000,000;

(B) In the case of a licence for 30 years, the fee is the same as in (A) plus 50 per cent thereof;

(C) In the case of a licence in perpetuity the fee is the same as in (A) plus either 50% or 100% thereof depending on specified circumstances.

APPENDIX I

PRINCE EDWARD ISLAND - SELECT COMPANY FEES
(Companies Organized for Gain)

Incorporation Fees

1. With shares of par value -

<u>When Capital Stock is</u>	<u>And Less Than</u>	<u>The Fee Shall be</u>	<u>When Capital Stock is</u>	<u>And Less Than</u>	<u>The Fee Shall be</u>
\$	\$ 10,000.	\$ 20.	\$275,000.	\$300,000.	\$140.
10,000.	20,000.	25.	300,000.	325,000.	150.
20,000.	30,000.	30.	325,000.	350,000.	160.
30,000.	40,000.	35.	350,000.	375,000.	165.
40,000.	50,000.	40.	375,000.	400,000.	170.
50,000.	60,000.	45.	400,000.	425,000.	175.
60,000.	70,000.	50.	425,000.	450,000.	180.
70,000.	80,000.	55.	450,000.	475,000.	185.
80,000.	90,000.	60.	475,000.	500,000.	190.
90,000.	100,000.	65.	500,000.	525,000.	195.
100,000.	125,000.	70.	525,000.	550,000.	200.
125,000.	150,000.	80.	550,000.	575,000.	205.
150,000.	175,000.	90.	575,000.	600,000.	210.
175,000.	200,000.	100.	600,000.	625,000.	215.
200,000.	225,000.	110.	625,000.	650,000.	220.
225,000.	250,000.	120.	650,000.	675,000.	225.
250,000.	275,000.	130.	675,000.	700,000.	230.

For each \$25,000.00 or part thereof increase in capital stock in excess of \$700,000.00, the fee is increased by \$5.00.

2. Without par value -

Where the authorized capital consists in whole or in part of shares without par value and the maximum consideration for which the shares without par value may be issued is stated in the letters patent, or fixed by the directors, the fee is based upon the maximum consideration and computed in accordance with the above schedule but in no case less than \$20.00.

Licensing Fees

Under the "Licensing and Registration of Certain Corporation and Persons Act", companies are required to pay an annual licensing fee. (Most companies and corporations, not being incorporated under the laws of the Province and having their head office or chief place of business located outside the Province, the fee is \$30.00.) Fees are payable semi-annually on the first day of June and the first day of December.

A company commencing business after the first day of June must file requisite documentation with the Provincial Secretary before commencing business, but does not obtain a licence or registration certificate until the time of paying the next half-yearly licence fee.

APPENDIX J

QUEBEC - SELECT COMPANY FEES

(Companies Organized for Gain)

Incorporation Fees

In accordance with authorized capital stock as follows:

- (A) up to \$40,000 \$ 75
- \$40,001 to \$200,000 \$ 75 plus \$1 for each \$1,000 or fraction thereof in excess of \$40,000
- \$200,001 to \$1,000,000 \$75 plus 50 cents for each \$1,000 or fraction thereof in excess of \$200,000
- in excess of \$1,000,000 \$75 plus \$100 for each \$1,000,000 or fraction thereof in excess of \$1,000,000.
- (B) When the capital stock is composed, in whole or in part, of shares without par value, for the purposes of the present tariff, the shares without par value are valued at \$5.00, unless the letters patent or the supplementary letters patent fix the price at a multiple of \$5.00.

Extra-Provincial Companies - Licensing Fees

Based on the capital stock of the company as follows:

- (A) under \$40,000 \$100
- \$40,001 to \$100,000 \$100 plus \$1 for each \$1,000 or fraction thereof over \$40,000
- \$100,001 to \$1,000,000 \$160 plus \$2.50 for each \$10,000 or fraction thereof in excess of \$100,000
- in excess of \$1,000,000 \$385 plus \$2.50 for each \$10,000 or fraction thereof in excess of \$1,000,000.
- (B) When the company has no determined stock, the fee is \$100.
- (C) When the company employs only part of its capital in the Province of Quebec, the fee is calculated on the basis of that portion of capital so employed.

APPENDIX K

SASKATCHEWAN - SELECT COMPANY FEES

(Companies Organized for Gain)

Incorporation Fees

Schedule A - Fees for Companies having only shares of a fixed value

Based on the proposed or authorized capital as follows:

up to \$20,000	\$40
\$20,001 to \$100,000	\$40 plus \$5 for each \$5,000 or fraction thereof in excess of \$20,000
\$100,001 to \$500,000	\$120 plus \$3 for each \$10,000 or fraction thereof in excess of \$100,000
in excess of \$500,000	\$240 plus \$20 for each \$100,000 or fraction thereof in excess of \$500,000.

Schedule B - Fees for Companies having only shares of no par value

Based on the number of shares in the proposed or authorized capital as follows:

up to	500 shares	\$ 50
"	1,000 "	70
"	2,000 "	90
"	3,000 "	110
"	5,000 "	150
"	10,000 "	200
"	20,000 "	250
"	50,000 "	300
"	75,000 "	400
"	100,000 "	475
in excess of	100,000 "	475 plus two dollars for each 5,000 shares or part thereof in excess of 100,000 shares.

Schedule C - Fees for Companies having shares of no par value and also shares of par value

As in Schedule B plus one-fifth of the fee payable in respect of shares of a fixed value as set forth in Schedule A.

Saskatchewan (cont'd)

Registration Fees for Foreign Companies

Fees are the same as for incorporation, provided that where an extra-provincial company, having a nominal capital exceeding \$2 million, proves to the satisfaction of the Registrar that it is actually carrying on an established business beyond Saskatchewan in which at least fifty per cent of its subscribed capital is invested, the fee payable on registration shall not exceed \$540.

Annual Licence Fee

Extra-provincial companies must renew their licence annually.

(A) Federal companies only	\$ 10
(B) Extra-provincial companies having only shares of a fixed value, the fee is based on authorized capital;	
up to \$50,000	10
in excess of \$50,000	15
(C) Extra-provincial companies having only shares of no par value, the fee is based on the number of shares,	
up to 1,000 shares	10
in excess of 1,000 shares	15

N.B. - For companies having all, or a portion of shares at no par value, the licence fee is qualified as follows:

- (1) where a maximum value for the no par shares is set forth in the memorandum or articles of association the licence fee is the same as for companies having all shares of par value.
- (2) where no such maximum is set forth, the licence fee is the same as for companies having all shares of no par value.

HF3226/.A3
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