


# INCORPORATION OVERVIEW

## What is a corporation?

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

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

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



### Advantages



- Limited **liability**  
No personal liability for the shareholders. The shareholder's loss is limited to their investment in the corporation.
- Easier to **transfer ownership**
- Possible **tax advantages**
- Potential **financing options**  
by selling shares of the company to generate capital.




### Disadvantages

- Higher **cost to establish**  
and additional costs for maintaining corporate records.
- Closely **regulated** by government
- Extensive **record keeping**  
and more complex taxation and tax filing processes.
- Increased **formalities**  
as to how documentation must be filed and maintained.

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

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

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



# Federal Incorporation

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

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

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

### Corporate name:

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

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

### Numbered company:

💡 for ex: *123456789 Ontario Ltd.*

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

## Options for **Incorporating online**

1. **Ontario** Business Registry
2. **OWNR** third party platform



**TIP: OWNR** is **simple** to navigate, has an option to handle your corporate **records** and is **cheaper** using our 20% discount link: visit: <https://partners.ownr.co/crg9ajc08cap>



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