

Should You Incorporate Your Toronto Small Business Federally or Provincially?



	FEDERAL	ONTARIO
Limited personal liability	✓	✓
Business is separate entity from individual owner(s)	✓	✓
Tax advantages	✓	✓
Increased access to capital (funding and credit)	✓	✓
Continuous existence	✓	✓
Name protection within jurisdiction	✓ Nationwide	✓ Ontario only
Rights to carry on business across Canada under same corporate name	✓	Require license from other province to carry on business there
Greater prestige	✓	
More flexible name selection and acceptance	Requires NUANS report and name must be accepted by federal examiner as distinct from any other registered in Canada or names incorporated only provincially	✓
Annual filings, provincial filings, & extra-provincial registrations	✓	✓
One mandatory filing after incorporation	✓	✓
Cost of incorporation (government disbursements)	\$200	\$360

Deciding whether to incorporate federally or in Ontario? Ask yourself these questions:

- | | | | |
|--|-------------------------------|--|-------------------------------|
| <p>Q Do you plan to operate nationwide/internationally?</p> <p>Q Do you have national customers, suppliers, or international partners?</p> | <p>✓
✗</p> <p>✓
✗</p> | <p>Q Will you have a registered office located in Ontario?</p> <p>Q Are at least 25% of directors Canadian residents? (If there are only two directors, is one a Canadian resident?)</p> | <p>✓
✗</p> <p>✓
✗</p> |
|--|-------------------------------|--|-------------------------------|

IF YES

Federal incorporation is a wise choice for those businesses that need nationwide business name protection or wish to operate internationally.

IF YES

Ontario incorporation may be enough if you plan to operate locally - within Ontario only.

You can apply for extra-provincial incorporation if you wish to expand operations to another province or territory.

And you can always federally incorporate after the fact, although you may not be able to keep the same name for your federally incorporated company.

PROTECT AND GROW YOUR BUSINESS. VISIT AMKLAW.CA TO SCHEDULE YOUR FREE INITIAL CONSULTATION TODAY.



Anton M. Katz
Barrister & Solicitor