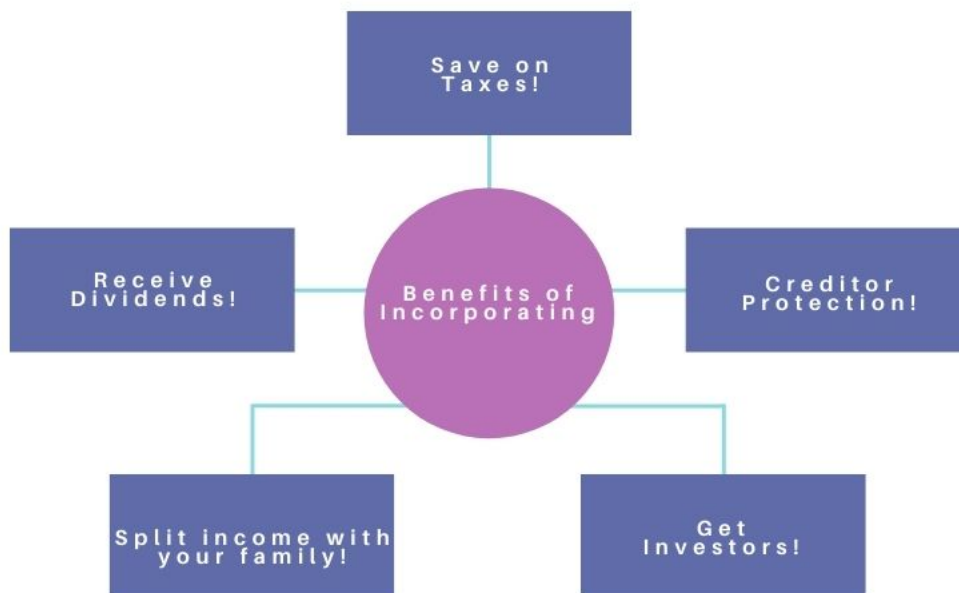


# Our Incorporation Services



Looking to incorporate a business? Hire a professional tax accountant so that your business is incorporated in the best jurisdiction, has an optimal share structure to minimize taxes, and gives you the liability protection you need. Starting From \$918 + tax!



# Our Service Package

## *Our incorporation service package includes the following 12 items:*

#1	<i>Articles of Incorporation</i>	A set of formula documents filed with the Province or Canada to legally document the creation of a corporation
#2	<i>Multiple Share Classes</i>	Your articles of incorporation include multiple classes of shares to allow: (a) the payment of dividends, (b) income splitting with family members, (c) a future estate freeze to minimize estate taxes, and (d) future investors to become shareholders.
#3	<i>NUANS Report</i>	A 7 page report that provides a listing of similar small businesses, corporations and trademarks to your proposed name. Required to avoid any naming conflicts.
#4	<i>Corporate By-Laws</i>	The rules established to run the inner workings of the corporation, including the relationships between the Corporation, its shareholders, directors, officers and many others.
#5	<i>Corporate Minute Book</i>	The official record of the corporation's activities. The minute book should document all material corporate transactions that affect and involve the corporation.
#6	<i>Corporate Seal</i>	A tool used to stamp or emboss your company's important documents in order to show the document is certified by, and agreed upon by, the Board of Directors of the company.
#7	<i>Register of Directors</i>	List of the directors elected by the shareholders, generally stored in the company's minute book.
#8	<i>Securities Register</i>	Shows the names and addresses of those who are or have been a shareholder; the number of shares held by each shareholder; and, the date and particulars of the issue as well as the transfer of each share.
#9	<i>Register of Transfers</i>	A record of every share transfer.
#10	<i>Share Certificates</i>	Also known as a stock certificate, it is a documented proof of shareholding in a company.
#11	<i>Initial Return (Provincial)</i>	Reports changes to corporate information: registered or head office, mailing address, language preference, director / officer information.
#12	<i>CRA Tax Numbers</i>	We will obtain a Business Number and GST/HST Number from the Canada Revenue Agency for your Corporation.

# Frequently Asked Questions

## *What's Madan CA's fee to incorporate a company?*

Our fee starts from \$918 + tax and includes all items listed in the Incorporation Package. Government fees are included and not billed to you.

## *How long does it take to incorporate?*

We require 5 to 10 business days to incorporate a company and prepare a corporate minute book with all of the relevant documents.

## *What's a holding company and do I need one?*

A holding company is a corporation that owns shares of another company (the main operating business). A holding company is meant to protect the cash retained earnings and valuable assets of its operating companies that it owns. If you want to protect your company's cash and assets, consider a holding company.

## *Can I pay dividends to family members?*

Yes, dividends can be paid to family members who are shareholders. However, the dividends paid must be reasonable based on the work performed in the business by the family member. In addition, the family member must work at least 20 hours / week continuously in the business.

## *Should I make my spouse a shareholder?*

Making your spouse a shareholder is a good idea for income splitting purposes. There are restrictions on the amount of dividends that can be paid to a spouse (see FAQ #5).

## *What's the difference between a Director and a Shareholder?*

A director is elected to the Board of Directors and makes management decisions on behalf of the shareholders. Shareholders are owners of the corporation. A director's fee can be paid to a director and dividends can be paid to a shareholder.

## *Can my children be shareholders in my corporation?*

Minor children (i.e. under the age of 18) cannot own shares in your corporation. However, they can be beneficiaries of a Trust, where the Trust owns shares of your corporation.

## *What is creditor proofing?*

Creditor proofing means protecting the accumulated after-tax cash profits from potential creditors (those who may make a financial claim against the corporation). To accomplish this, pay dividends from an operating corporation to a holding corporation (see FAQ #3).

# Frequently Asked Questions

*Cont'd*

## *Can non-residents be directors of a corporation?*

Yes, non-residents of Canada can be directors of a corporation. However, many provinces require that at least 25% of the directors of a corporation be residents of Canada. The provinces of British Columbia and Ontario allow 100% of the directors to be non-residents.

## *Can non-residents be shareholders of a corporation?*

Yes, non-residents can be shareholders of a corporation. In fact, non-residents can own 100% of the shares of a corporation.

## *What is a Canadian Controlled Private Corporation?*

A Canadian Controlled Private Corporation (CCPC) is a corporation incorporated in a Province of Canada or Federally and controlled by Canadian residents. CCPCs that run an active business pay a low rate of tax, starting from 12.2% on profits.

## *How does a corporation protect my personal assets?*

A corporation is a separate legal entity, which means that its debts and liabilities are not your personal responsibility. Furthermore, if a corporation is sued, then your personal assets will not be at risk.

## *What is a professional corporation?*

A professional corporation (PC) allows professionals — such as, doctors, dentists, lawyers, and accountants — to provide their services to clients through a corporate entity, rather than personally. We, at Madan CA, can incorporate professional corporations.

## *What is a Personal Real Estate Corporation?*

A Personal Real Estate Corporation (PREC) allows real estate agents to have their commissions paid to a corporation. We, at Madan CA, can incorporate a PREC. See <https://madanca.com/services/corporate-and-business-tax/personal-real-estate-corporation/>

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# Frequently Asked Questions

*Cont'd*

## *Do I need to obtain a GST/HST Number?*

If your corporation's sales exceed \$30,000 in a year, then your corporation needs to obtain a GST/HST number from the Canada Revenue Agency (CRA) and charge GST/HST to customers. Note that certain goods and services are exempt from GST/HST (e.g. medical services, residential rents). In addition, services provided to clients outside Canada are 'zero rated', but are subject to reporting on a GST/HST Return.

## *Can another business take my corporation's name?*

By incorporating your business, your corporation name is protected and cannot be used by others. This is especially important for branding and marketing purposes.

## *How do I add investors to my business?*

Investors can subscribe for shares in the capital stock of your corporation. We have created special share classes in your articles of incorporation meant specifically for investors.

## *Can a Corporation Purchase Real Estate?*

Yes, a corporation can purchase real estate, such as vacant land, or a rental property.

## *Should I pay myself dividends or a salary?*

It depends. The benefit of dividends is that they are not subject to costly Canada Pension Plan Premiums, and you can avoid the headache associated with maintaining a company payroll (e.g. payroll taxes, monthly remittances, etc.) However, a salary is advantageous if you want to contribute to your RRSP, increase your available CPP benefits upon retirement, or take advantage of certain tax credits and deductions (e.g. tuition credits, medical expense tax credits, personal vehicle deductions, etc.).

# Contact Info



**Have any further questions?**

**What about other tax related issues?**

**Contact us today!**

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