



Passport to Canada

McMillan's "Passport to Canada" is a fixed fee setup package designed to provide key legal services to establish a business in Canada in an efficient and cost effective manner.

No decision to establish a business abroad should be made without a basic understanding of the legal framework in which the business will operate.

McMillan professionals understand the risks and challenges faced by Canadian business and can help you build long-term plans for success. We focus on the industry-specific aspects of your business that bring you the greatest value, covering everything from business law to financing to government relations.

Five key elements need to be addressed in order to establish a business in Canada:

- Entity formation
- Tax/Commercial considerations
- Labour and Employment
- Data protection/Privacy
- Regulatory

McMillan developed Passport to Canada to allow our clients to quickly and efficiently establish a Canadian business at a competitive fixed fee rate. Passport to Canada includes services in these five essential areas, in addition to a year of corporate secretarial services, for a fixed fee (plus applicable taxes).

*In federal jurisdiction or any provincial jurisdiction in which we have offices.

The Passport to Canada package includes:

Entity formation

- Corporate secretarial services for one year
- Incorporation and organization of a subsidiary company in Canada*
- Guidance on duties and liabilities of directors
- An intercompany agreement between parent company and its Canadian subsidiary

Tax/Commercial considerations

- Two calls of up to an hour each to answer your questions on tax and/or commercial issues
- Guidance on the use of contractual terms in Canada

Labour and employment

- One call of up to an hour to help your HR team understand Canadian regulations and immigration considerations
- A template offer letter for employees
- A template employment agreement

Data protection/Privacy

- Guidance on Canadian data protection and privacy laws

Regulatory

- Preparation and filing of a Notification re: establishment of a new business under the Investment Canada Act

Additional included services

- Check-in call six months after incorporation
- Introductions to our network of accounting and payroll professionals

In addition to the services included in Passport to Canada, McMillan offers a full range of business law services. Additional elements you may wish to address include:

- Employee incentive plans
- Customs/import duties
- Transfer pricing
- Negotiation of an office lease
- IP protection, trademarks and patent advice
- Competition, marketing and advertising regulations
- Privacy

Lawyers in our Business Law Group are supported by top-notch specialists in these areas. We are committed to providing value to our clients and conduct ourselves to support this goal.

Welcome to Canada!

For more information regarding how McMillan can help you establish your business in Canada, please contact:



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10 things that might surprise you about Canada:

1. Every province has its own securities regulator

Securities and take-over regulation in Canada is the responsibility of the provinces and territories. Issuers may have to deal with up to 13 different jurisdictions. Regulatory authorities coordinate their activities and develop a harmonized approach to securities regulation through the Canadian Securities Administrators.

2. Investments by non-Canadians may require government approval

The acquisition of “control” by a non-Canadian of a Canadian business with assets that exceed certain monetary thresholds is reviewable under the *Investment Canada Act*. Some transactions may be subject to approval by the federal Minister of Industry or, all investments are subject to scrutiny under a broad national security provision and, in the case of a cultural business, the federal Minister of Canadian Heritage. Other Canadian statutes limit foreign ownership in specified industries.

3. Canadian directors required

Canadian corporations may be incorporated under the federal *Canada Business Corporations Act* or one of the similar provincial or territorial business corporations acts. In some jurisdictions 25% of the directors of a corporation must be residents of Canada.

4. Employment is not “at will”

All Canadian jurisdictions have minimum standards for the basic terms and conditions of employment including standards for conditions, wages, hours of work, overtime pay, statutory holidays, vacation, maternity and parental leave, and individual and mass termination or lay-off. “Contracting out” of these minimum standards is prohibited.

5. Anti-spam legislation

Unlike the U.S., Canada’s Anti-Spam Law (CASL) requires recipients to affirmatively ‘opt-in’ to receive promotional emails and other regulated commercial electronic communications.

6. Dividend and interest payments may attract withholding tax

Dividend payments made by a Canadian company to a foreign investor are generally subject to a 25% withholding tax, however, under most of Canada’s tax treaties this withholding tax rate is reduced to no more than 15%, and 5% in certain cases if certain ownership thresholds are satisfied.

7. A single antitrust regulator with broad powers

Canada’s single antitrust statute—the federal Competition Act—regulates all aspects of competition and antitrust in Canada. Private rights of action are limited, with no trebling of damage awards, and the provinces have no oversight role.

8. Québec has French language requirements

The Charter of the French Language (Québec) provides that French is the official language of the province of Québec. Any company that maintains an address in Québec is deemed to be carrying on business in Québec and, therefore, is subject to the Charter and its various requirements regarding the use of French.

9. Tax on dispositions

Foreign investors are generally not subject to Canadian tax on capital gains realized on the sale or other disposition of shares of a Canadian company unless the shares derive the majority of their value from real property (including resource properties) situated in Canada.

10. Litigation rules favour balance

Litigation practice and procedure in Canada is quite different from the U.S. and other jurisdictions: Rights of discovery are limited (i.e. a party may as of right examine only one individual from a corporate party), civil jury trials are rare and, as a basic principle, the losing party pays the winning party’s costs.

McMillan is a business law firm serving public, private and not-for-profit clients across key industries in Canada, the United States and internationally. With recognized expertise and acknowledged leadership in major business sectors, we provide solutions-oriented legal advice through our offices in Vancouver, Calgary, Toronto, Ottawa, Montréal and Hong Kong.

Industry recognition

The experience and leadership of our lawyers is recognized by leading directories in Canada and internationally including:

