

## **Corporate Maintenance: Is Your Corporation Up-To-Date?**

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Corporate maintenance refers to the obligations that a corporation must perform regularly in order to comply with the corporate law. We are often asked what these requirements are for a Canadian corporation. This is top of mind for many international companies looking to enter the Canadian market as they weigh the administrative burden and costs associated with maintaining a Canadian subsidiary.

All Canadian corporations are required to hold annual shareholder and director meetings to elect directors, approve financial statements and approve other prescribed matters. Other significant corporate decisions, such as issuing additional shares, require corporate approval. The good news is that Canadian corporate law does not require private Canadian corporations to hold in-person annual shareholder or director meetings, so the corporate law requirement is typically satisfied through written resolutions instead.

In addition, a corporation must file an annual return to update the corporation's information in the public records. If the corporation carries on business outside of the jurisdiction in which it was formed, it will also have to complete extra-provincial registrations and file an annual return in each jurisdiction. For example, an Ontario corporation that carries on business in British Columbia will be required to file an annual return with the Ontario Business Registry, as well as an annual report with the BC Registry. The failure to file may subject the corporation to administrative penalties or cause the corporation to be dissolved.

Overall, the administrative burden and costs of maintaining a Canadian corporation are relatively low compared to other international jurisdictions. For example, there is no requirement for a private Canadian corporation to publish its financial statements, nor is there an obligation to prepare audited financial statements if the shareholders agree to waive this requirement.

As always, we encourage you to reach out to your Aird & Berlis contacts for more information.

*Disclaimer: This article offers general comments on legal developments of concern to business organizations and individuals and is not intended to provide legal advice. Readers should seek professional legal advice on the particular issues that concern them.*

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Fiona has extensive experience advising international businesses entering the Canadian market. To date, she has advised more than 100 companies expanding into Canada. Fiona advises clients in this space all day, every day. She has been practising for more than a decade and is a regular speaker and writer on market expansion matters. Fiona is proud to have been recognized by *The Best Lawyers in Canada*, *The Canadian Legal Lexpert Directory* and *Benchmark Canada*.

A proactive and comprehensive approach is required to succeed in a new market. Fiona manages teams of other lawyers and patent agents to provide her clients with a full range of legal services to help their businesses grow. She acts as project manager to ensure her clients receive seamless legal services in all relevant areas.

Fiona takes great care to understand her clients' businesses and deliver advice that is tailored to meeting their specific needs. Her responsiveness, dedication to clear communication and hands-on approach show that she is personally invested in the success of her clients.

Andrew is a member of the firm's Capital Markets Group. He has experience in mergers and acquisitions, corporate finance and securities law. His practice spans a variety of industry sectors where he has participated in a variety of transactions, including public and private equity financing, debt financing, share and asset purchase transactions, corporate reorganizations and ongoing general corporate and commercial activities. Andrew frequently advises international clients on doing business in Canada.

Andrew's clients receive rapid, responsive service based on a thorough understanding of their needs. Clients trust his ability to analyze a potential course of action and avoid unintended consequences. Andrew provides business-minded advice to a wide range of clients from individual entrepreneurs to family businesses to multinational corporations.

Felix is a dedicated corporate lawyer. He is committed to learning about the intricacies of his clients' businesses in order to help them reach their goals. Felix's clients appreciate his responsiveness and problem solving skills on a wide variety of corporate matters.

Felix is a member of the firm's Corporate/Commercial Group. His practice focuses on M&A transactions and advising international clients on expanding their businesses into Canada. Felix represents clients in a range of industries, including pharma, e-commerce, transportation, agriculture, food and beverage and construction.

Felix has passed Level III of the Chartered Financial Analyst (CFA) Program.

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