



New Requirements

New Filings and Updated Registers - Ontario and Federal Corporations

Houser, Henry & Syron LLP is Here to Help You

By Jane Shpolska

Ontario and federal corporations now have more reporting and record keeping obligations.

Keeping current corporate records is a legal and business necessity. They are often overlooked or discounted. If records are not kept up to date, this may result in termination of the corporation and have other serious consequences.

This article provides details on the new filings and updated record keeping requirements for Ontario and Federal corporations.

Annual Returns Filings - Ontario Corporations

Effective May 15, 2021, the Ontario Corporations must file an annual corporate return separately from the corporation's tax filing. The annual return is due within 6 months of the corporation's year-end and must be filed with the Ontario Ministry of Government and Consumer Services under a new process to be launched.

You might be wondering: what is an annual return? It is an annual filing primarily to confirm the directors and officers of the corporation.

The Ontario government is still considering how the annual information return can be filed and has issued a temporary exemption. The expiry date of this exemption is not yet known. However, when the expiration ends, the failure to file can have serious consequences, including cancellation (i.e. involuntary dissolution) of the corporation.

Record of Real Estate – Ontario Corporations

Since December 2016, Ontario corporations are required to maintain at their registered office a register of all "ownership interests" in land situated in Ontario. Ownership interests extend to both legal and beneficial interests in land, as well as leasehold and easement interests.

The register must identify each property and list the date the corporation acquired the property or, if applicable, disposed of the property. In addition, corporations are required to keep supporting documents with the property register. Specifically, corporations must retain “a copy of any deeds, transfers or similar documents” that contain any of the following:

1. The municipal address;
2. The registry or land titles division and the property identifier number;
3. The legal description; and
4. The assessment roll number.

If you provide us with the necessary details, we can update corporate records accordingly to ensure compliance with the new requirements.

Record of Individuals with Significant Control - Federal (Canada) Corporations

Since June 2019, federal corporations are now required to keep a register of individuals with significant control over the corporation.

An individual with significant control is someone who owns or controls a corporation.

The register of individuals with significant control must be kept in the corporation's minute book and must include the following details:

1. Full name and date of birth of the individual;
2. Individual's address (residential or address for service);
3. Country (or countries) where the individual is considered a resident for tax purposes;
4. The date when control started (for example, when the individual acquired 25% or more of the corporation's shares);
5. The date when control ended (if and when applicable); and
6. A description of how the individual has significant control (for example by owning shares of the corporation, whether directly or through corporate shareholder, or by having influence on the business of the corporation as a major decision-maker).

This information is not part of corporation's public record and can only be disclosed to:

- The corporation's shareholders and creditors (they must provide an affidavit stating that the information obtained will only be used for matters related to the corporation, for example to influence voting or to acquire share);
- Investigative bodies;
- Banks; and
- Corporations Canada.

Houser Henry & Syron LLP would be happy to assist you with the required filings and keeping corporate records up to date.

If you have any questions or have information you would like recorded in your company's records, please contact Jane Shpolska at 416-860-8003 or jshpolska@houserhenry.com.

About HHS

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