



CONNELLY & KOSHY
PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS

NOTICE: IMPORTANT NEWS FOR OWNER/DIRECTOR OF ANY CORPORATION
CREATED UNDER ONTARIO LAW

As you may be aware, corporations are required to file an “Annual Return”. This is not an income tax related filing to the CRA, but instead is an information return, required under corporate law, to be submitted to the government. It basically relates to confirming there have been no changes to directors, registered corporate mailing address, etc.

Owners/directors of corporations created under the **federal** statute (the Canada Business Corporations Act) have always been required to remember to visit the Industry Canada website, pay a yearly (now \$12) fee, and file the annual return.

Meanwhile, owners/directors of corporations created under the **Ontario** statute (the Ontario Business Corporations Act) may have been unaware of this legal requirement, because formerly there was an agreement between the Ontario government and the CRA, such that the relevant information to comply with this requirement was included as part of the corporate income tax return. No separate filing was required. That convenient arrangement ended in May 2021, at which time a temporary exemption was granted by Ontario.

As of this week, the Ontario government has published an online service through which obligations (like filing the Annual Return) can be handled. The website is <https://www.ontario.ca/page/ontario-business-registry>.

In order to use the service, owners/directors will need to visit that site and request a “key”. The key is basically just an identification number. Ontario will send that (either by email or more likely by mail to the registered address) within three business days. Once received, the owner/director needs to revisit the above site, in order to use the key to set up a “ONE-Key” identification, which once set up will allow use of the Ontario online service.

Each year, the Annual Return must be filed within six months of the corporate year-end.

Related items of importance to note:

- A corporation's failure to file the annual return can result in Ontario causing the company to be legally dissolved
- While not expected to be applicable, the legislation does allow Ontario to assess penalties for non-compliance
- A searchable registry now makes publicly available the name, incorporation date and address of Ontario corporations
- Any time there is a change in an Ontario corporation's directors, registered address, etc. the company is required to file a notice of change within 15 days

We highly recommend that if you have additional questions that you contact your legal advisor.

Regards,

Connelly & Koshy

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