

CHOICE OF JURISDICTION FOR INCORPORATION (COMPANY)

Last update: February 1st, 2005

	QUEBEC	CANADA
1.	<p><u>Delay for Incorporation:</u></p> <p>The average is 5 days for regular service.</p> <p>Priority service is available (a 50% surcharge in government fees applies).</p>	<p><u>Delay for Incorporation:</u></p> <p>Approximately 4-6 hours (Numbered company via www.incoweb.com).</p>
2.	<p><u>Incorporation Fees:</u></p> <p>Government fees: \$300.</p>	<p><u>Incorporation Fees:</u></p> <p>Government fees: \$250 (paper filing).</p> <p>\$50 reduction in government fees when filing electronically.</p>
3.	<p><u>Corporate Name:</u></p> <p>Must be in compliance with rules and regulations – MUST be in French (there may be an English version).</p> <p>A search report is mandatory.</p>	<p><u>Corporate Name:</u></p> <p>Must be in compliance with rules and regulations - Can be in French and/or English.</p> <p>Search report and reservation are mandatory.</p>
4.	<p><u>Residence of Directors:</u></p> <p>There are no restrictions as to the residence of the directors.</p>	<p><u>Residence of Directors:</u></p> <p>At least 25% of directors must be Canadian residents.</p>
5.	<p><u>Registered Office:</u></p> <p>Must be based permanently in the province of Quebec AND located in the judicial district as determined in the articles of the company.</p>	<p><u>Registered Office:</u></p> <p>Must be located in one of the Canadian provinces or territories.</p>
6.	<p><u>Registration:</u></p> <p>The incorporation automatically results in the registration.</p>	<p><u>Registration:</u></p> <p>The Corporation must register itself in the province in which it conducts business (In Quebec: Government fees of \$212 apply).</p>
7.	<p><u>Articles of Amendment:</u></p> <p>Government fees are \$140.</p> <p>Priority service is available (a 50% surcharge in government fees applies).</p>	<p><u>Articles of Amendment:</u></p> <p>Government fees are \$200.</p> <p>The corporation must have filed its annual reports and paid the related fees (be up to date).</p>
8.	<p><u>Merger:</u></p> <p>Government fees are \$482.</p> <p>Priority service is available (a 50% surcharge in government fees applies).</p>	<p><u>Merger:</u></p> <p>Government fees are \$200.</p> <p>The corporation must have filed its annual reports and paid the related fees (be up to date).</p>

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9.	<p><u>Continuance:</u></p> <p>Continuance is not possible.</p>	<p><u>Continuance:</u></p> <p>Continuance can be in another jurisdiction (except for Quebec).</p> <p>The corporation must have filed its annual reports and paid the related fees (be up to date).</p>
10.	<p><u>Dissolution:</u></p> <p>Stringent requirements (notice in a newspaper, resolution by extraordinary meeting, formal declaration, etc.).</p> <p>The corporation must have filed its annual declarations and paid the related fees (be up to date).</p>	<p><u>Dissolution:</u></p> <p>Filing the articles of dissolution is the only requirement.</p>
11.	<p><u>Resumption:</u></p> <p>When a corporation dissolves voluntarily, it is extremely complex for it to resume its existence.</p>	<p><u>Revival:</u></p> <p>A dissolved corporation can be revived.</p>
12.	<p><u>Annual Update:</u></p> <p>By filing an annual declaration.</p> <p>Government fees are \$79.</p> <p>Priority service is available (a 50% surcharge in government fees applies).</p>	<p><u>Annual Update:</u></p> <p>By filing an annual report.</p> <p>Government fees: \$40 (paper filing).</p> <p>\$20 reduction in government fees when filing electronically.</p> <p>If registered in Quebec, must also produce an annual declaration.</p>
13.	<p><u>Location of Annual Meetings:</u></p> <p>The shareholders' annual meeting can be held outside Quebec (subject to certain terms).</p>	<p><u>Location of Annual Meetings:</u></p> <p>The annual shareholders' meeting can be held outside Canada (subject to certain terms).</p>
14.	<p><u>Loans to Shareholders:</u></p> <p>Banned, except in specific exceptions that are provided in the <i>Companies Act</i>.</p>	<p><u>Loans to Shareholders:</u></p> <p>There is no ban on loans to shareholders.</p>
15.	<p><u>Capital Stock:</u></p> <p>Possible to issue a limited or unlimited number of shares with and/or without par value.</p>	<p><u>Capital Stock:</u></p> <p>Shares of a corporation are registered without par value.</p>
16.	<p><u>Issue of Shares:</u></p> <p>During the its first meeting, the corporation must necessarily issue at least one share.</p>	<p><u>Issue of Shares:</u></p> <p>A corporation is not obliged to issue any shares during its first meeting.</p>
17.	<p><u>Consideration for the Shares:</u></p> <p>It is possible to issue partially paid shares.</p>	<p><u>Consideration for the Shares:</u></p> <p>A share must be fully paid before being issued.</p>

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18.	<p><u>Resolutions:</u></p> <p>Shareholders and directors can draft written resolutions instead of holding a meeting.</p>	<p><u>Resolutions:</u></p> <p>Shareholders and directors can draft written resolutions instead of holding a meeting.</p>
19.	<p><u>Recourse for Shareholders:</u></p> <p>The Companies Act does not contain specific rights and recourses favoring shareholders. The latter can be sought before the judicial courts.</p>	<p><u>Recourse for Shareholders:</u></p> <p>The <i>Canada Business Corporations Act</i> grants shareholders very clear rights and recourses.</p>
<p>There are several other factors that may influence the choice of jurisdiction for incorporation such as the type of activities. Nevertheless, we hope that this table will facilitate your choice of jurisdiction for incorporation.</p>		