

## How to Incorporate a Professional Practice Firm

The following instructions deal only with the administrative steps that must be taken with the Companies Office of Manitoba Consumer and Corporate Affairs and with the Institute.

Companies Office forms should be obtained directly from the Companies Office.

### STEP 1 - Reserve a name with the Companies Office of Manitoba Consumer and Corporate Affairs.

- Under *The Chartered Accountants Act*, the name must include the words “Chartered Accountant” or “Chartered Accountants”. *The Corporations Act* requires that the name include a reference to the fact that the entity is incorporated, for example, “Limited” or “Ltd.” or some other wording acceptable to the Companies Office.
- You must file a Request for Corporate Name Reservation with the Companies Office at 1010 – 405 Broadway Avenue along with their filing fee. The Companies Office policy provides that if the name reservation is received before 3:00 p.m. one day, the name will be either approved or rejected by 3:00 p.m. the next working day.
- Please note that Part B, Box 3 of the form requires a description of the main type of business activity to be carried on by the corporation. Members should use wording similar to “provision of public accounting services.”
- The name, once approved, will be reserved for 90 days. If the incorporator has not filed Articles of Incorporation within 90 days, the name reservation can be renewed by filing another Request for Corporate Name Reservation.
- If you wish, you can ask the Institute to approve your name before filing the Request for Corporate Name Reservation, or you wait until after the name has been reserved by the Companies Office.

### STEP 2 - Obtain approval of corporate name from the Institute.

- File a [Request for Approval of Corporate Name](#) with the Institute. The name you choose must be approved by the Membership Committee to ensure that it complies with the Rules of Professional Conduct. The Companies Office will not proceed with the incorporation (Step 3) until you provide evidence of approval of the name from the Institute.
- It is not necessary to provide the Institute with copies of your Articles of Incorporation, however, it will be necessary to provide the names of the First Directors and Incorporators at this point so that the Institute can ensure that the membership requirements specified in *The Chartered Accountants Act* are met by the corporation before it approves the name.



### **STEP 3 - File the Articles of Incorporation.**

- File your Articles of Incorporation and the related filing fee (currently set at \$300 for share corporations) with the Companies Office. Please note that Box 8 of this form includes an optional restriction on the business activities of the corporation. Members must include wording to restrict the business to the provision of public accounting services and other services directly associated with the provision of such public accounting services.
- The Companies Office has advised that it will take approximately 5 working days to complete the incorporation. Expedited service is available for an additional fee.

### **STEP 4 - Notify the Institute that you have completed the filing requirements with the Companies Office.**

- File an [Application for Permit to Practice Public Accounting](#) with the Institute. The application includes a declaration that the corporation complies with the requirements of the Act and Bylaws, specifically that:
  - (a) the corporation is incorporated, formed by amalgamation or continued under *The Corporations Act* (Manitoba) and is in good standing under that Act;
  - (b) the name of the corporation includes the words “chartered accountant” or “chartered accountants”;
  - (c) each voting share of the corporation is legally and beneficially owned by a member or a professional corporation;
  - (d) each other share of the capital stock of the corporation is both legally owned and beneficially owned by
    - (i) a person who is a voting shareholder of the corporation or a spouse or child, within the meaning of the *Income Tax Act* (Canada), of a voting shareholder of the corporation, or
    - (ii) a corporation, each share of the capital stock of which is legally and beneficially owned by a person referred to in (i) above;
  - (e) each director of the corporation is a member;
  - (f) the president of the corporation is a member;
  - (g) each person through whom the corporation will be practicing public accounting is
    - (i) a member, or
    - (ii) an employee under the supervision of a member through whom the corporation will be practicing public accounting.



- Remit the permit issuance fee as noted on the [Application for Permit to Practice Public Accounting](#). The annual permit registration fee (which is equivalent but not in addition to the annual practitioner assessment) will be billed on the next October 1, for the period from April 1 to March 31.

#### **STEP 5 - File an annual declaration and annual return.**

- Each fall, you will receive a report from the Institute that advises you of the information contained in our records with respect to the members and students that are practicing public accounting in your corporation.
- You will be responsible for updating the information and remitting the appropriate annual permit registration fee (equivalent but not in addition to the annual practitioner assessment fee) together with a declaration that the corporation continues to comply with the provisions of *The Chartered Accountants Act* and the Bylaws in respect of such corporations (refer to items in STEP 4 above).
- The Companies Office will also require annual reporting with respect to the corporation's shareholders, directors etc. This annual return is sent annually to the corporation's registered office and must be filed no later than the last day of the month following the anniversary month of incorporation. The annual declaration required by the Institute will include a clause, to which you must attest, that those reporting requirements have been maintained on a current basis.