

# 2024 Spotlight on Canada



Invest  
**Northern  
Ireland**



# CANADA TEAM



Nav Sandhu

Regional Manager



Michael Barton

Regional Director



Cailean Kinsella

Business Development Manager



Invest  
Northern  
Ireland



# Northern Ireland Exports to Canada

Northern Ireland (NI) Exports to Canada from June 2022 to June 2023 represent 4.38% of total NI exports for this period.

Canada is Northern Ireland's 4th top export market after Republic of Ireland, United States and Germany.

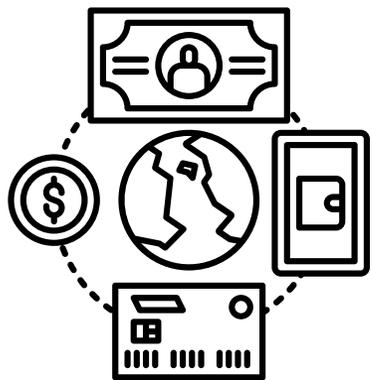
The top three export sectors within Canada are:

- Machinery and transport equipment
- Chemicals and related products
- Miscellaneous manufactured articles

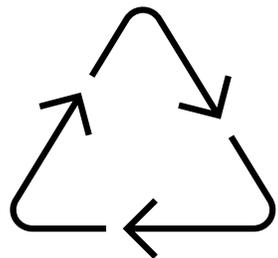
Advanced engineering and manufacturing continues to come out on top as the leading sectors representing 90% of all exports to Canada.



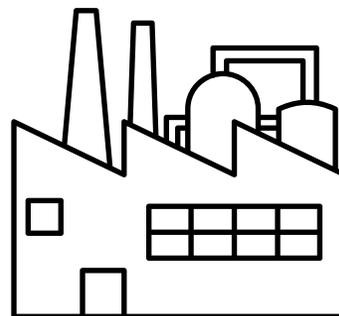
# Sector Focus



Financial services & fintech



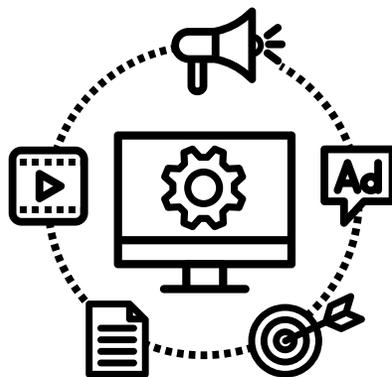
Circular economy & clean tech



Advanced manufacturing & engineering



AgriTech and agri equipment



Digital transformation



Government & infrastructure



# Our Panelists

Leslie Venon, Senior Investment Officer & Trade Commissioner High Commission of Canada to the UK

Fiona Brown, Partner and Felix Ng, Partner, Aird Berlis LLP

Fraser MacDonald, Vice President, StrategyCorp

Stephen Rupnarain, Partner, RSM Canada



# Canada: Meet the Market

## Invest Northern Ireland

**Leslie Venon**  
**Senior Investment Officer & Trade Commissioner**  
**High Commission of Canada to the UK**  
**15 February 2024**



## HOW DO WE HELP?

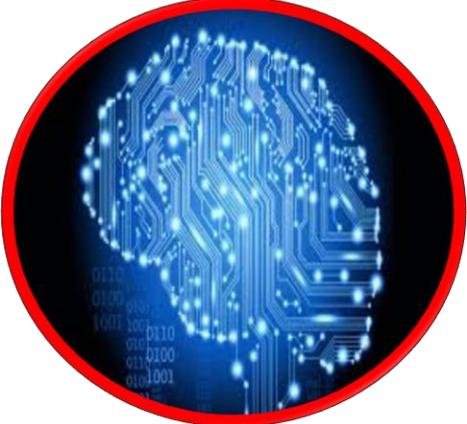
- Assistance in developing a business case for your next investment project
- Information and advice on doing business in Canada
- Strategic market intelligence on your specific industry
- Information on government programmes that can help you set up a business in Canada, access tax and R&D credits, as well as other incentives
- Introductions to provincial, territorial and local investment promotion agencies who can help you access local investment opportunities, networks and programs
- Referrals to investment support professionals, such as lenders, lawyers, accounting firms, information specialists and private- sector industry associations



# WHAT DO YOU THINK OF WHEN I SAY CANADA?



# BUT DO YOU THINK OF THIS?



**CANADA - 101**



# CANADA – A FEDERATION



# CANADA-UK BILATERAL RELATIONSHIP



# CANADA-UK COMMERCIAL RELATIONSHIP

kainos®

FDTechnologies



DIAGEO



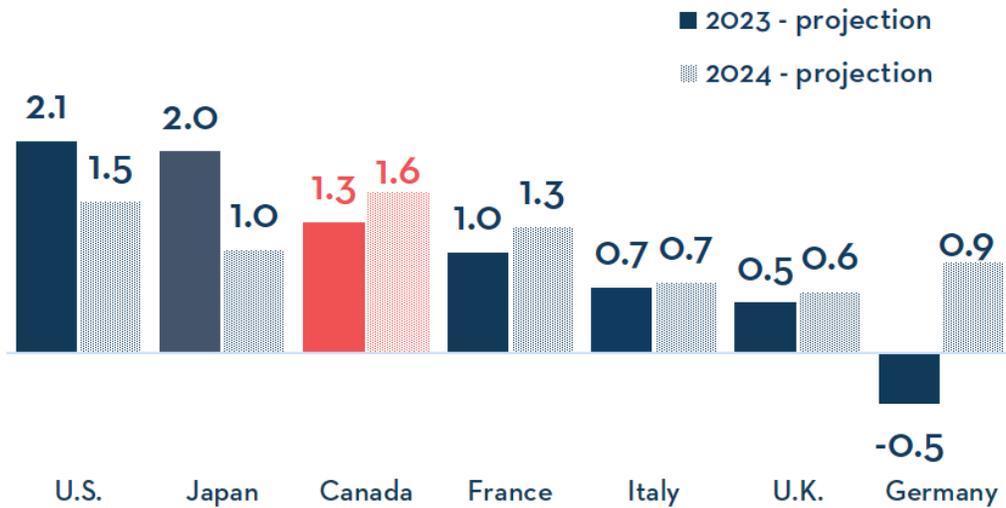
# WHY CANADA?

- Sound Economic Fundamentals
- Ease of Doing Business
- Talented Labour Force
- Progressive Immigration Programmes
- Generous R&D Incentives
- Gateway to Global Markets
- Government Support for Innovation

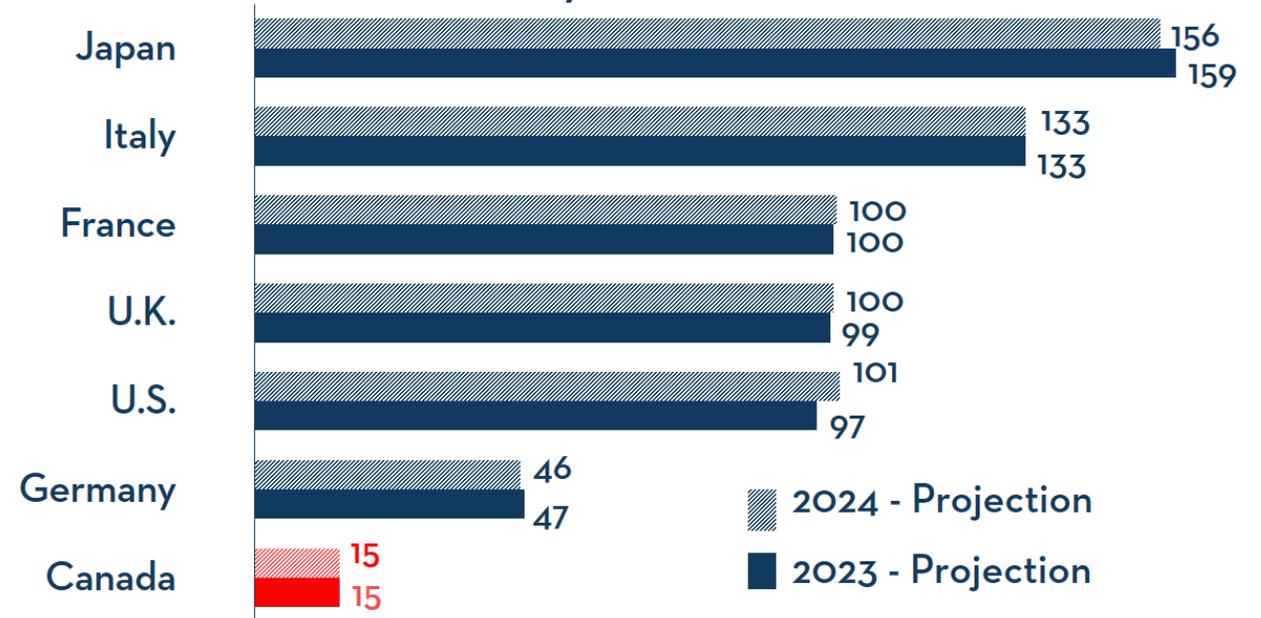


# SOUND ECONOMIC FUNDAMENTALS

Projected Real GDP Growth (%)  
G7 Countries

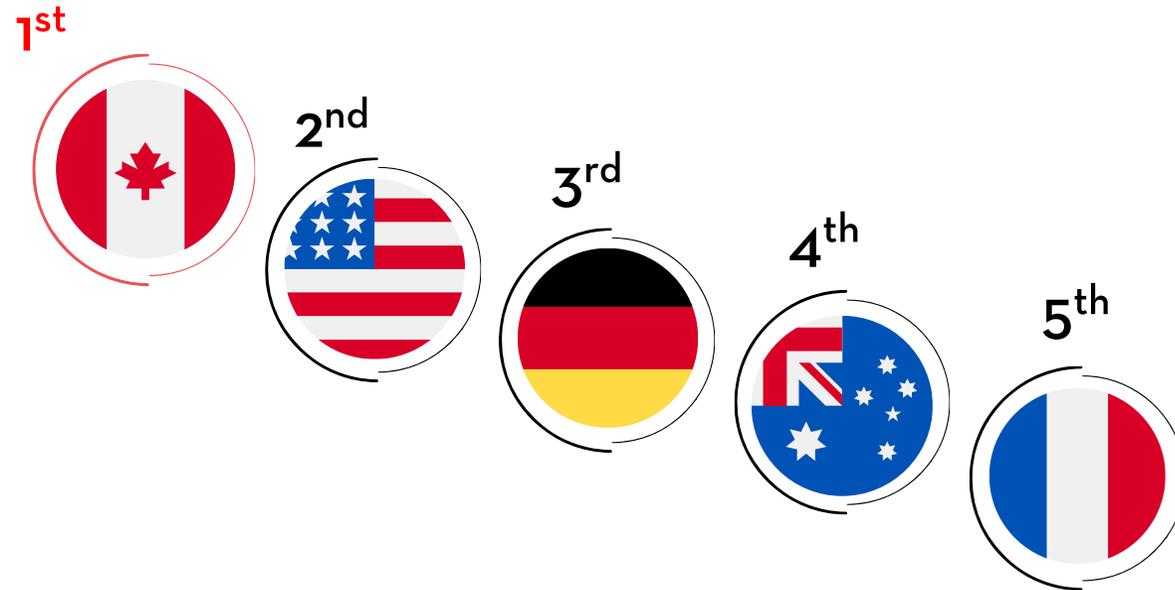


General Government Net Debt (% of GDP)  
G7 countries



# EASE OF DOING BUSINESS

## Favourable Business Environment, top G20 Countries (Rank for forecast period 2023-2027)



Source: The Economist Intelligence Unit, October 2022. The ranking includes 82 countries.

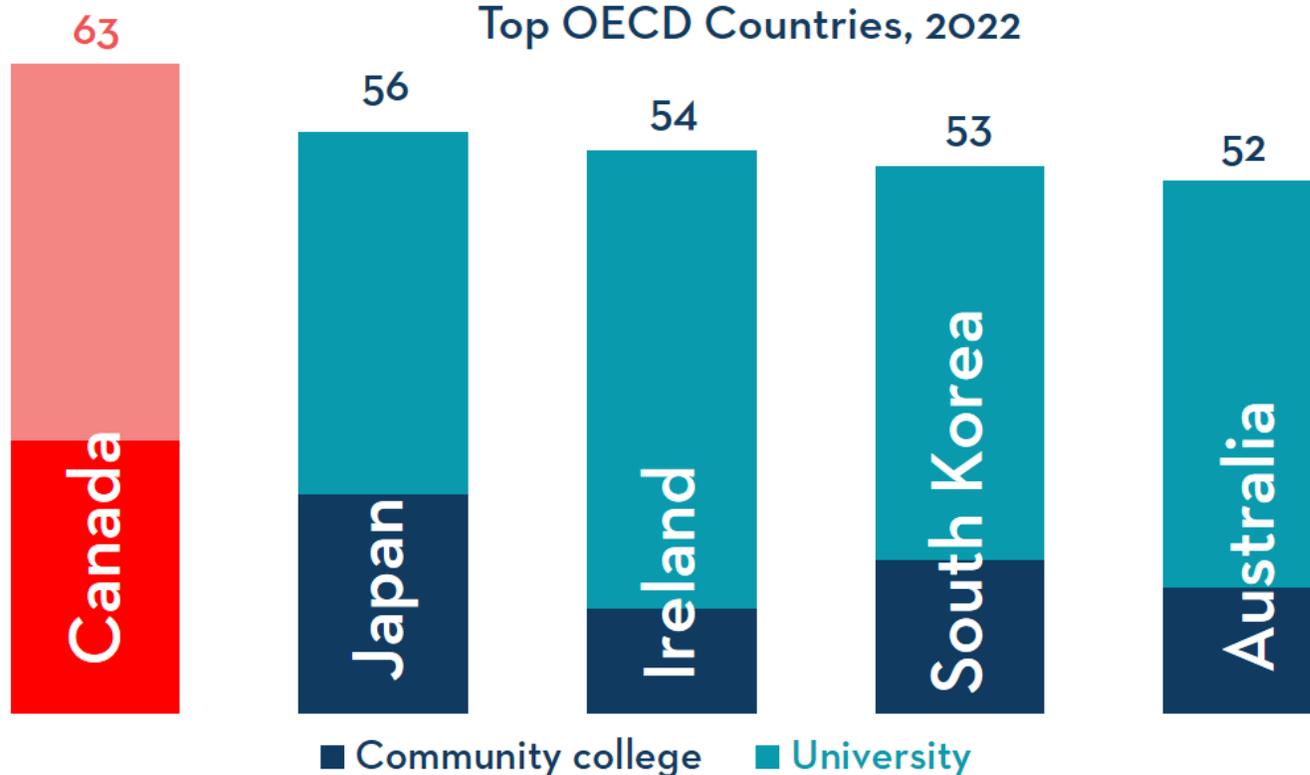


# TALENTED LABOUR FORCE

## Canada's talent pool: most educated among OECD countries

- Over half of Canadians aged 25-64 attained post-secondary education
- 2024 edition of Quacquarelli Symonds World University Rankings places three Canadian universities among top 40 in the world out of over 1,000 universities:
  - University of Toronto (21<sup>st</sup>)
  - McGill University (30<sup>th</sup>)
  - University of British Columbia (34<sup>th</sup>)

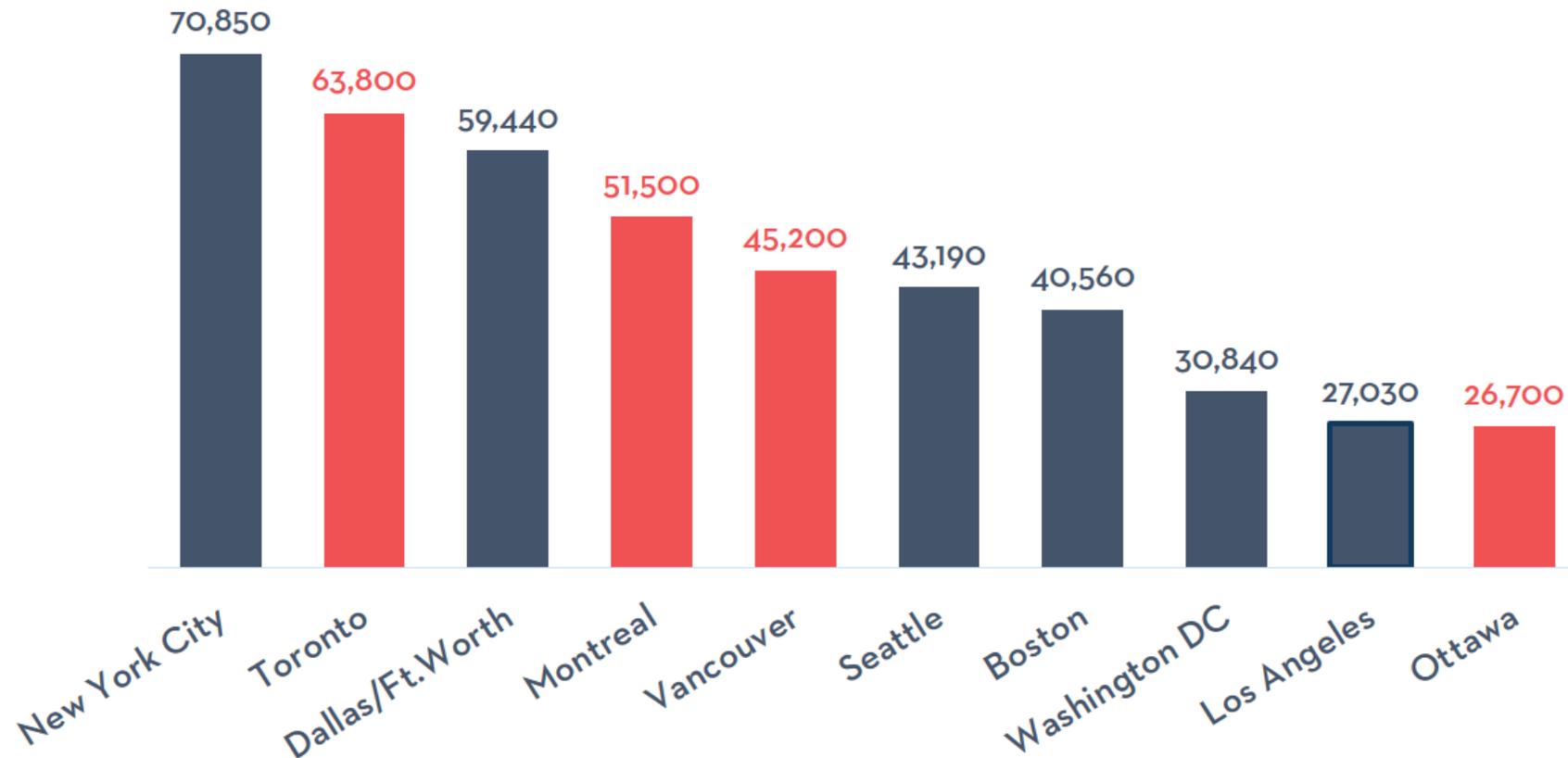
Share of Adults aged 25-64 Having Attained Post-Secondary Education (%)  
Top OECD Countries, 2022



# TALENTED LABOUR FORCE

## Top 10 Cities for Growing Tech Sector in North America\*

Net increase of jobs in each city between 2018 and 2022



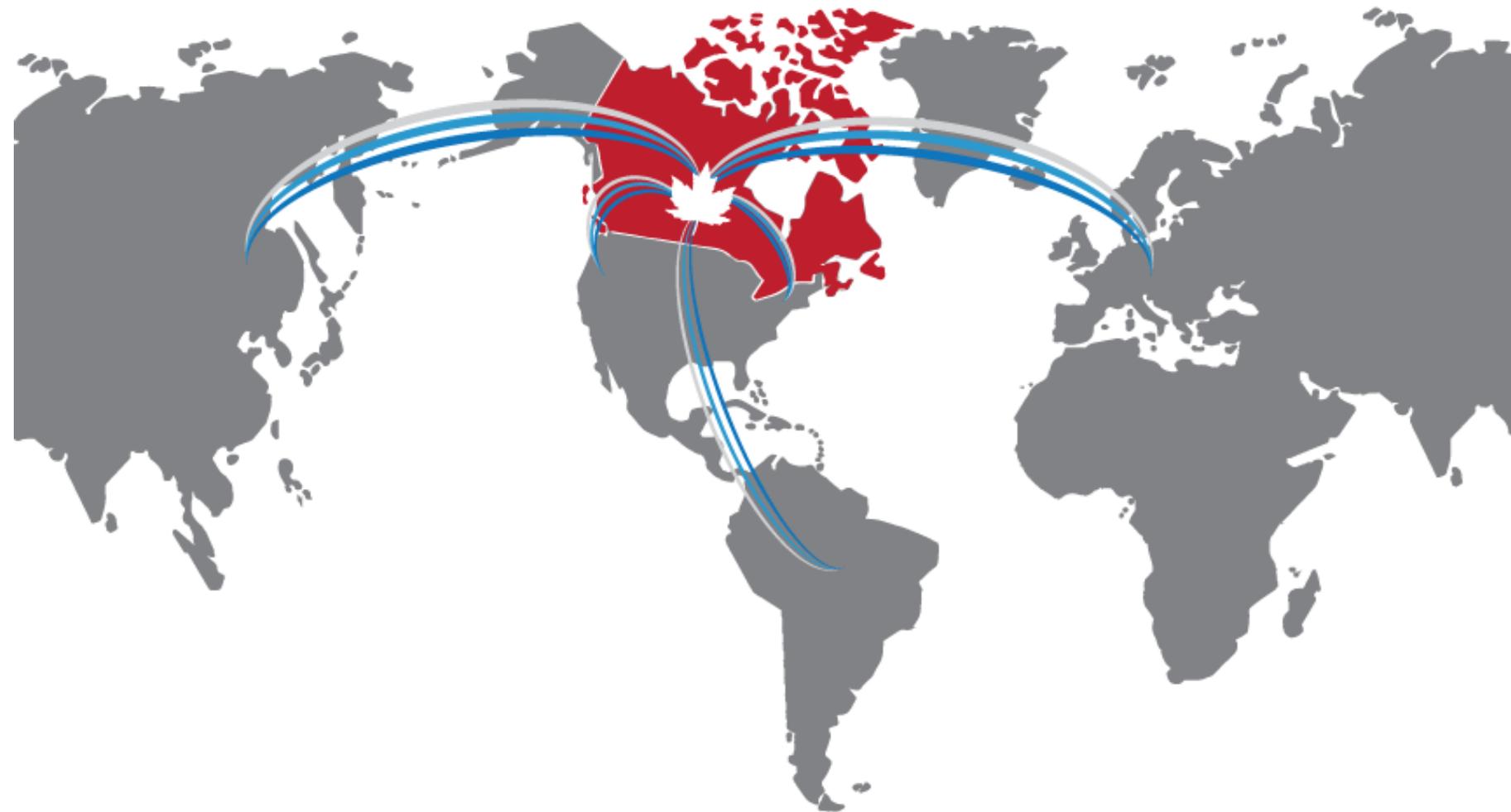
\* Rank among 50 North American cities.

Source: 2022 Scoring Tech Talent, CBRE Group Inc., July 2023





# PROGRESSIVE IMMIGRATION PROGRAMMES



# R&D INCENTIVES

Combined Federal & Provincial Scientific Research & Experimental Development (SR&ED) tax credits

Provinces	Provincial credit rate	Provincial refund	Foreign-controlled corporations (FCC)	
			Federal credit rate	Combined credit rate <sup>1</sup>
Alberta <sup>2</sup>	N/A	N/A	15%	15%
British Columbia	10%	No	15%	23.5%
Manitoba	15%	Yes	15%	27.75%
New Brunswick	15%	Yes	15%	27.75%
Newfoundland and Labrador	15%	Yes	15%	27.75%
Nova Scotia	15%	Yes	15%	27.75%
Ontario <sup>3</sup>	8.0% + 3.5%	Yes/No	15%	24.80%/18%
Prince Edward Island	N/A	N/A	15%	15%
Québec	14%	Yes	15%	26.9%
Saskatchewan	10%	No	15%	23.5%
Nunavut	N/A	N/A	15%	15%
NWT	N/A	N/A	15%	15%
Yukon	15%	Yes	15%	27.75%

<sup>1</sup>In calculating the combined credit, the federal tax credit base is reduced by the provincial tax credit receivable. The provincial tax credit is calculated first, and the federal Investment Tax Credit (ITC) is calculated on the remainder of the claim.

<sup>2</sup> Alberta's SR&ED replaced by the [Innovation Employment Grant](#) which supports small and medium-sized businesses that invest in research and development (R&D) with a grant worth up to 20% of qualifying expenditures.

<sup>3</sup> The Ontario Innovation Tax Credit (OITC) of 8.0% is refundable and is available to all corporations, irrespective of ownership. The maximum tax credit under OITC is \$300,000; this tax credit is gradually reduced when a firm's federal taxable income of the prior tax year exceeds \$500,000, and is eliminated at \$800,000. Ontario also has the Ontario business-research institute tax credit (OBRITC), a 20% refundable credit on qualified expenditures incurred under eligible contracts with eligible research institutes, and the ORDTC. The Ontario Research and development Tax Credit (ORDTC) of 3.5% is a non-refundable; in calculating ORDTC, eligible expenditures will be reduced in respect to government assistance, including the OITC, received. The ORDTC is pro-rata and without eligibility limitations.



# R&D INCENTIVES

## Mitacs



117+ research-intensive academic partners



16 000+ research and innovation projects funded



\$858 M invested in the last 10 years



33 000+ researchers in Mitacs network

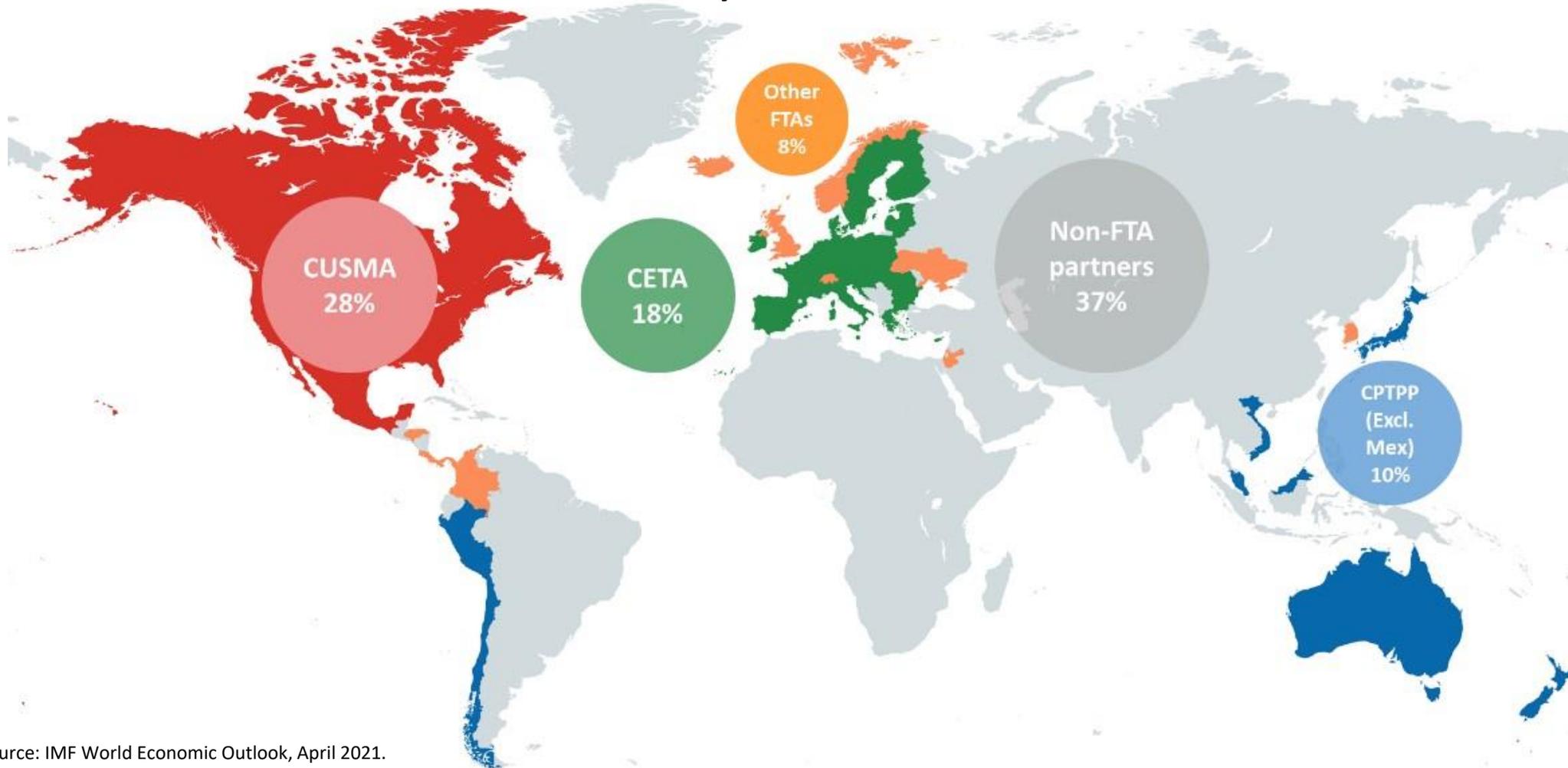


# GATEWAY TO THE UNITED STATES



# GATEWAY TO GLOBAL MARKETS

Share of Global GDP by Canada's FTA Partners in 2020



# GOVERNMENT SUPPORT FOR INNOVATION

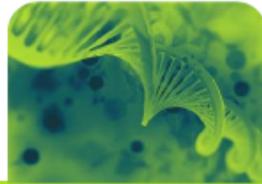
## Global Innovation Clusters



### **DIGITAL TECHNOLOGY (BC), \$173M**

To solve societal problems with Canadian-made digital technologies, including digital health and data commons

Close to 30% of Digital's members have capabilities in AI and ML; Digital's AI focus is on solutions for Health, Earth and Services.



### **PLANT-BASED PROTEIN (Prairies), \$173M**

To position Canada as a global source of high-quality plant protein and plant-based products

Potential AI applications in the PIC ecosystem include genetic analysis, in analyzing material data, and on farms to drive consistency and supply volume.



### **ADVANCED MANUFACTURING (Ontario), \$250M**

To connect advanced manufacturing & tech to drive digital transformation in Canada

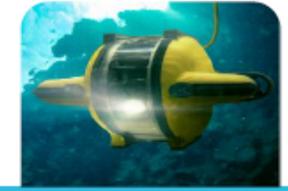
NGen has been advancing work on an important connection between AI, materials and quantum systems/physics.



### **AI FOR SUPPLY CHAIN & LOGISTICS (Québec), \$230M**

To boost productivity across industries in Canada by integrating AI with supply chains

Scale AI has active projects across the different types and applications of AI, inclusive of AI for finance, AIoT, robotics, & cleantech.



### **OCEAN INDUSTRIES (Atlantic), \$153M**

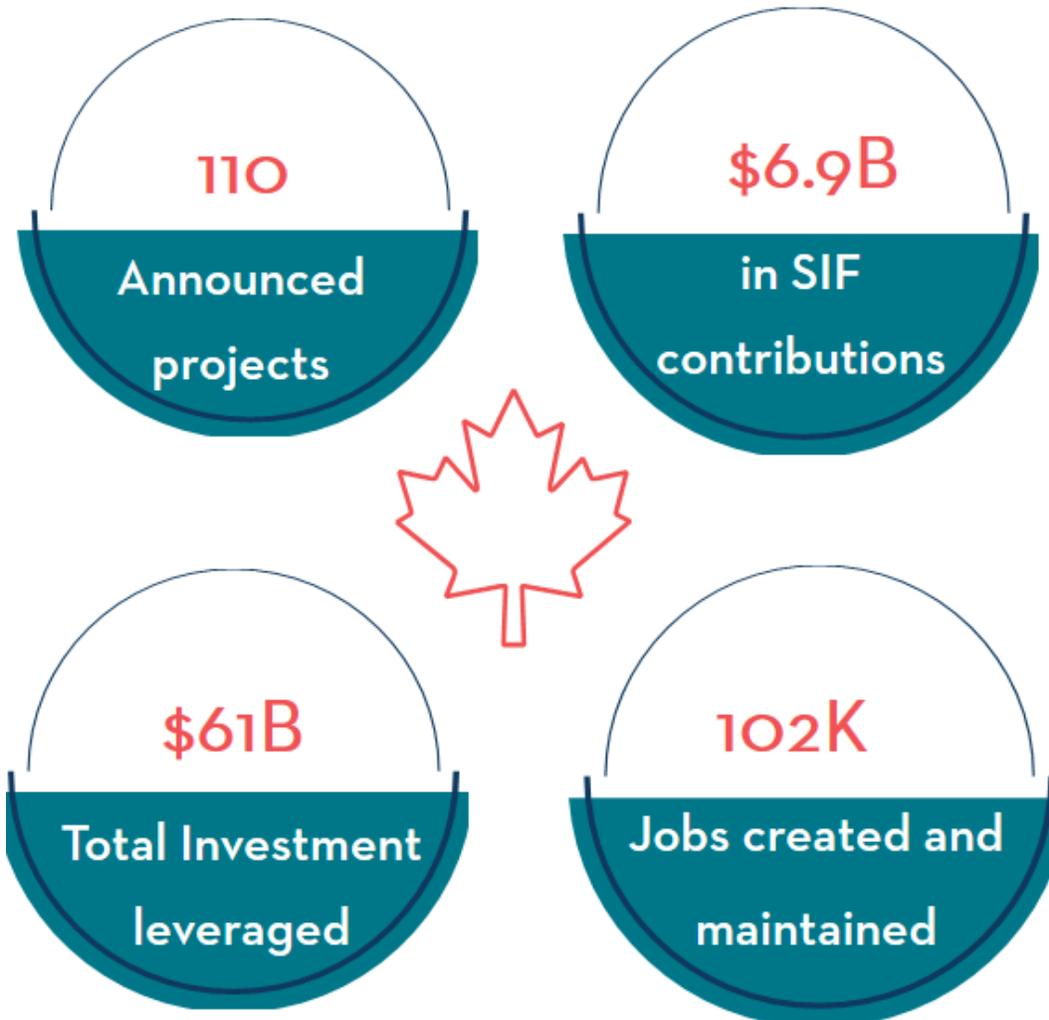
To grow Canada's ocean economy in a sustainable, digital, and inclusive way

OSC is establishing its position in the ocean sector in adding value to AI institutional outputs.

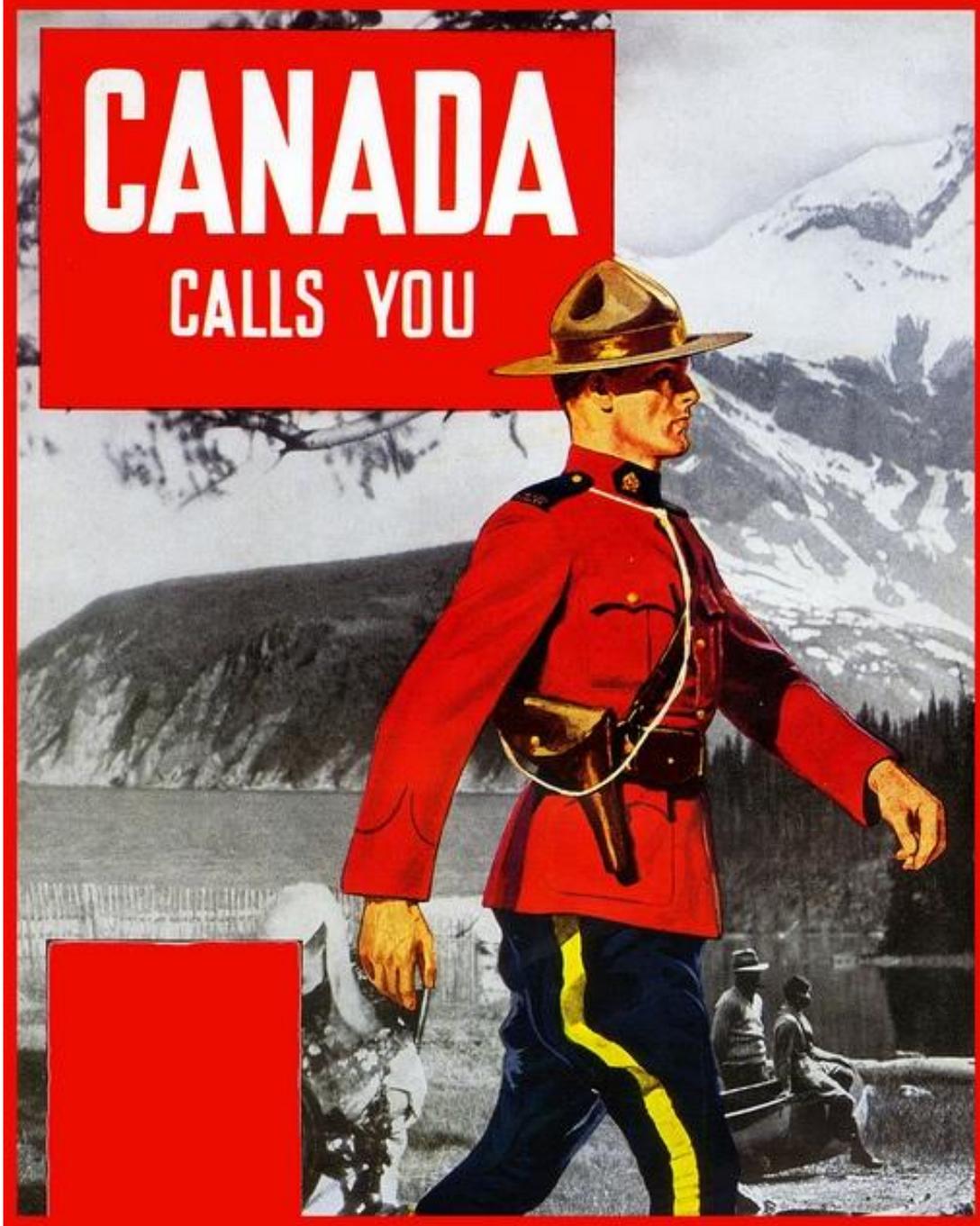


# GOVERNMENT SUPPORT FOR INNOVATION

## Strategic Innovation Fund (SIF) Snapshot



**CANADA**  
**CALLS YOU**





**THANK YOU!**

Leslie Venon  
Senior Investment Officer & Trade Commissioner  
High Commission of Canada to the UK  
[Leslie.venon@international.gc.ca](mailto:Leslie.venon@international.gc.ca)



# SECTORS

- Artificial Intelligence
- Financial Services
- Creative Industries
- Life Sciences
- Sustainable Technologies



# ARTIFICIAL INTELLIGENCE

In 2017, the Government of Canada appointed CIFAR to develop and lead a \$125 million Pan-Canadian Artificial Intelligence Strategy, the world's first national AI strategy.

CIFAR works in close collaboration with **Canada's three national AI Institutes — Amii in Edmonton (Alberta) Mila in Montréal (Québec), and the Vector Institute in Toronto (Ontario)**, as well as universities, hospitals and organizations across the country to foster talent and support innovation.

Since the establishment of the AI Strategy in 2017:

- **1,200+** graduate students and postdoctoral fellows trained at the AI institutes (Amii, Mila and Vector Institute) and over 200 students graduates annually from the three national AI institutes.
- **680+** formal industry partnerships have been established at the AI institutes.
- **50+** new AI R&D labs have been established in Canada by multinational companies such as Microsoft, Samsung, Google and more.

## Industry research collaboration



Manulife



In early 2020, Manulife data scientists from across the globe attended the firm's first NLP Academy which is part of Manulife's Advanced Analytics function. As a Vector sponsor, Manulife scientists engage in Vector-hosted industry AI projects, working alongside top AI researchers on business-relevant experiments, including an NLP project.



In 2019, OKAKI, which provides the technical support for Alberta's province-wide prescription monitoring program, engaged the Amii team with their first AI project: to use machine learning (ML) to help prevent opioid overdoses.

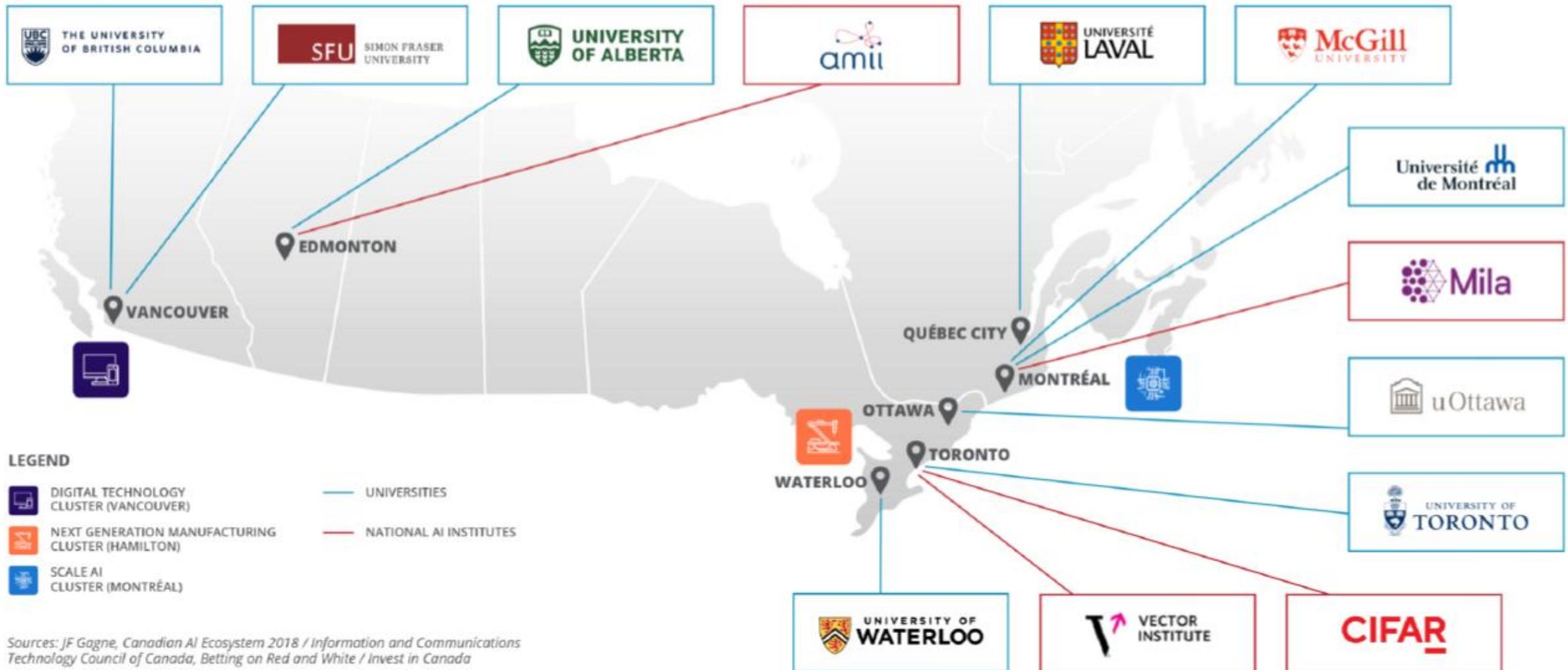
Dialogue



Dialogue provides a telemedicine platform that aims to facilitate diagnoses through a chatbot that collects relevant information about a patient's symptoms. Mila is helping the company make the chatbot more effective by using reinforcement learning techniques.



# KEY AI HUBS IN CANADA



Sources: JF Gagne, Canadian AI Ecosystem 2018 / Information and Communications Technology Council of Canada, Betting on Red and White / Invest in Canada



# FINANCIAL SERVICES



Ebury

ALPHA

quantexa

Swoop

ClearScore®



# FINANCIAL SERVICES

## Federal Regulators

Regulator	Act/Regulations	Entity	Focus
<b>OSFI</b>	Bank Act, Trust & Loan Companies Act, Insurance Companies Act, Cooperative Credit Assoc. Act., Pension Benefits Standards Act	Federally regulated financial institutions - banks, trust cos., loan cos., insurance cos., cooperative credit associations. Federally regulated pension plans	<b>Financial Soundness</b> Governance Ownership
<b>FCAC</b>	Bank Act, Trust & Loan Companies Act, Insurance Companies Act, Cooperative Credit Assoc. Act	Federally regulated financial institutions - banks, trust cos., loan cos., insurance cos., cooperative credit associations.	<b>Market Conduct</b> Consumer provisions Voluntary codes
<b>CDIC</b>	CDIC Act and various by-laws	Deposit-taking institutions	<b>Consumer Protection</b> Insurance of deposits Disclosure
<b>FINTRAC</b>	Proceeds of Crime (Money Laundering) and Terrorist Financing Act and Regulations	Financial institutions, foreign exchange businesses, money services businesses, legal, accounting & real estate, casinos	<b>AML</b> Reporting Compliance
<b>Privacy</b>	Personal Information Protection and Electronic Documents Act (PIPEDA)	All entities (except BC, AB & PQ for provincially regulated entities)	<b>Privacy</b>



# FINANCIAL SERVICES

## Provincial Regulators

Regulator	Act/Regulations	Focus
<b>Financial Services Commissions</b>	Varies by province – generally covers: <ul style="list-style-type: none"><li>• Credit Unions, Cooperatives and Mortgage Brokers</li><li>• Auto Insurance Cos., Agents, Brokers and Adjusters</li><li>• Trust &amp; Loan and certain Pension Benefits</li></ul>	Protection of consumers, licensing, industry specific regulation and standards, investigations and enforcement
<b>Provincial Securities Commissions</b>	Provincial securities acts, regulations and rules	Protection of investors and ensuring integrity in marketplace. Delegates certain aspects of regulation to IIROC, the MFDA, and the TSX. All commissions formed the Canadian Securities Administrators (CSA), which is a national group aimed at making securities regulation consistent in Canada.
<b>IIROC</b>	National self-regulatory organization and representative of member firms in the securities industry	Member regulation: <ul style="list-style-type: none"><li>• Registration</li><li>• Capital Adequacy</li><li>• Standards &amp; Practices</li><li>• Compliance Reviews</li><li>• Investigation &amp; Enforcement</li></ul>
<b>MFDA</b>	Self-regulatory organization for mutual fund sales by members (except Quebec)	Member regulation: <ul style="list-style-type: none"><li>• Registration</li><li>• Standards &amp; Practices</li><li>• Compliance Reviews</li><li>• Investigation &amp; Enforcement</li></ul>
<b>CCIR/CISRO members</b>	Provincial insurance acts, regulations, rules and codes of conduct	Public confidence in the insurance sector



# CREATIVE INDUSTRIES

## Post-Production and Digital Media

*Shape of Water* (2017)  
Filmed in Toronto;  
Visual effects by Mr. X  
(now MPC); winner  
of 4 Oscars and 3  
BAFTAs.



## DEADPOOL



## Foreign Location Service Production & Coproduction

*Deadpool & Deadpool 2*  
(2016 & 2018)  
Filmed in British Columbia;  
Grossed US\$1.57 billion  
globally.





# LIFE SCIENCES

## CANADA'S LIFE SCIENCES CENTRES OF EXCELLENCE



# LIFE SCIENCES

## Notable Companies in Canada



# LIFE SCIENCES

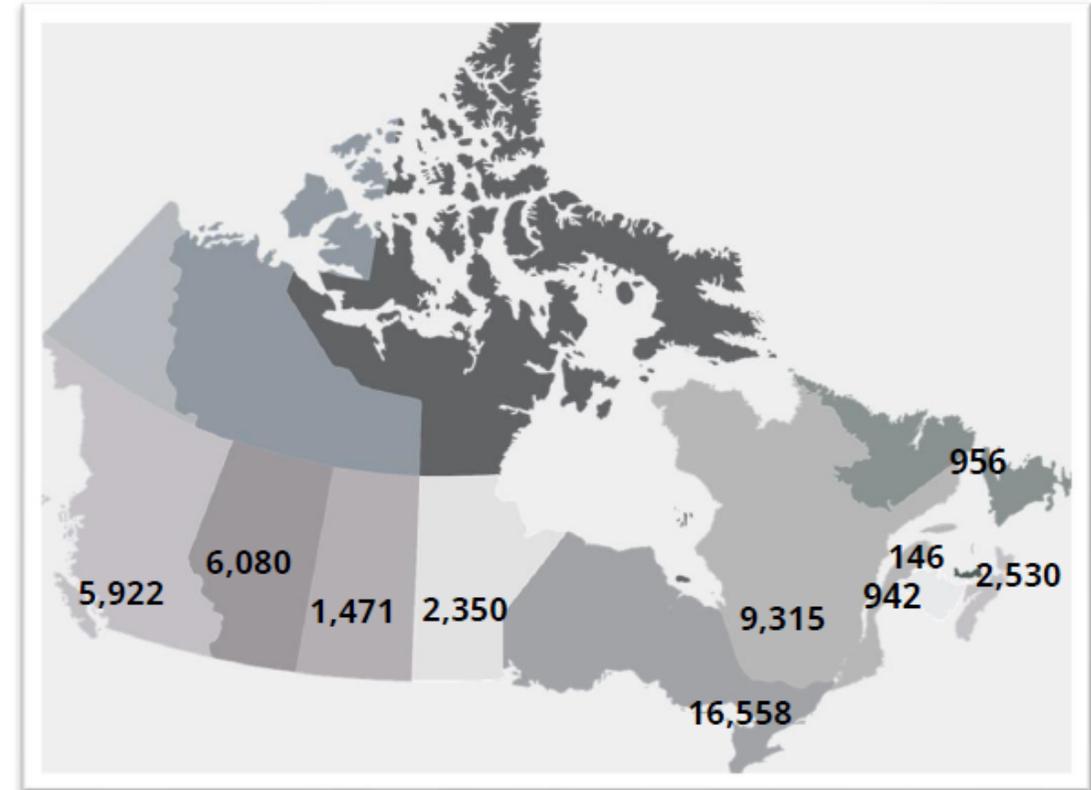
Canada's strengths in conducting clinical trials include:

- high capacity for collaboration
- diverse and multi-ethnic population
- rich and comprehensive group of data sharing platforms and a broad network of disease registries to provide important information to those planning and executing clinical trials
- highly educated population and top academic institutions
- leading research hospitals and research institutes across the country that are open to partnering with industry to conduct drug discovery work or execute clinical trials

Clinical trials in Canada are regulated by [Health Canada](#). Health Canada has been developing new processes to improve and expedite clinical trial approvals and is also planning changes to make the conduct of clinical trials more flexible and provide sponsors with the ability to have new and innovative technologies trialed more effectively.

Clinical trials are performed in all Canadian provinces, with most concentrated in **Ontario, Québec, British Columbia and Alberta.**

Clinical trials in Canada



Source: [clinicaltrials.gov](#), 2023

Note: Some trials are counted multiple times when examining clinical trials by province. For example, a clinical trial could have sites in ON, QC and BC and would be counted as 1 active trial in each province but only as one trial when looking at Canada's overall clinical trial numbers.



# LIFE SCIENCES



## University of Toronto

Canada life science rank: #1

WUR life science rank: #24

City: **Toronto**

The **University of Toronto** is not only ranked best in Canada for life sciences, but it is also ranked as the best university in Canada overall. With a strong reputation in the sciences (insulin, the pacemaker and the electron microscope were all discovered at the university), the University of Toronto receives the most annual research funding of any Canadian institution in this field, making it a top site for cutting-edge scientific discovery.



## University of British Columbia

Canada life science rank: #2

WUR life science rank: #33

City: **Vancouver**

The **University of British Columbia's** center provides year-round research facilities and technical assistance for biologists, ecologists and oceanographers, as well as offering placements to life science students. The university's biology program has one major, two combined majors, eight honours and three combined honours options.



## McGill University

Canada life science rank: #3

WUR life science rank: #49

City: **Montréal**

**McGill University** has produced more Nobel laureates (12) and Rhode Scholars (147) than any other Canadian institution. Researchers at McGill University are responsible for several scientific world firsts, including artificial cells, web search engines and charge-coupled devices.



## University of Alberta

Canada life science rank: #5

WUR life science rank: #101

City: **Edmonton**

The **University of Alberta's** Department of life sciences has research laboratories and instructional facilities for 250 to 300 graduate students. These include facilities for digital image processing, electron and confocal microscopy, analytical chemistry, molecular biology, fermentation, biotechnology, DNA synthesis and sequencing, cultivation of microbial cells and cells of yeasts, plants, insects and mammals.



# SUSTAINABLE TECHNOLOGIES

On March 28, 2023, the Government of Canada tabled a budget that bolstered its ongoing commitment to building one of the cleanest economies in the world with new support measures:

- 1) **Investment Tax Credit for Clean Electricity** - A 15% refundable tax credit for eligible investments in non-emitting electricity generation systems (wind, solar, hydro, wave, tidal and nuclear). Companies can receive this tax credit on the day of Budget 2024 as long as the project did not begin before March 28, 2023.

**Timeline:** The Clean Electricity Investment Tax Credit would be available as of the tabling of the 2024-25 budget for projects that did not begin construction before March 28, 2023. The Clean Electricity Investment Tax Credit would not be available after 2034.

- 2) **Investment Tax Credit for Clean Technology Manufacturing** - A refundable tax credit equal to 30% of the cost of investments in new machinery and equipment used to manufacture or process key clean technologies, and extract, process, or recycle key critical minerals.

**Timeline:** The credit would apply to property that is acquired and becomes available for use on or after January 1, 2024. The phase-out will begin in 2034 (previously 2032) and will not be available thereafter.

- 3) **Investment Tax Credit for Clean Hydrogen** - The levels of support will vary between 15-40% of eligible project costs, with the projects that produce the cleanest hydrogen receiving the highest levels of support. Will also extend a 15% tax credit to equipment needed to convert hydrogen into ammonia, in order to transport the hydrogen.

**Timeline:** The Clean Hydrogen Investment Tax Credit is available for investments made as of March 28, 2023. It will be phased out after 2030.

## Enhanced and Proposed Supports

**Clean Technology Investment Tax Credit – \$185 million:** Following the 2022 Fall Economic Statement announcement, the refundable investment tax credit of 30% is expanded to include geothermal systems.

**Reduced Tax Rates for Zero-Emission Technology Manufacturers – \$1.3 billion:** Following the 2021 budget, which reduced corporate income tax rates by half for zero-emission technology manufacturers, this budget proposes to extend these reduced tax rates by three years to 2034, with phase-out beginning in 2032. This budget proposes also to and expand eligible activities (e.g., manufacturing of nuclear energy equipment and processing of nuclear fuels and heavy water).

**Carbon Capture Utilization and Storage Investment Tax Credit – \$520 million:** Extension of the tax credit to dual use heat and/or power equipment and water use equipment.

**Strategic Innovation Fund – \$500 million:** Applied to the development and application of clean technologies.

**Canada Infrastructure Bank:** An increased mandate to invest in clean power and green infrastructure. Impact assessment and permitting processes for major projects: A commitment to outlining a concrete plan for improving efficiency.

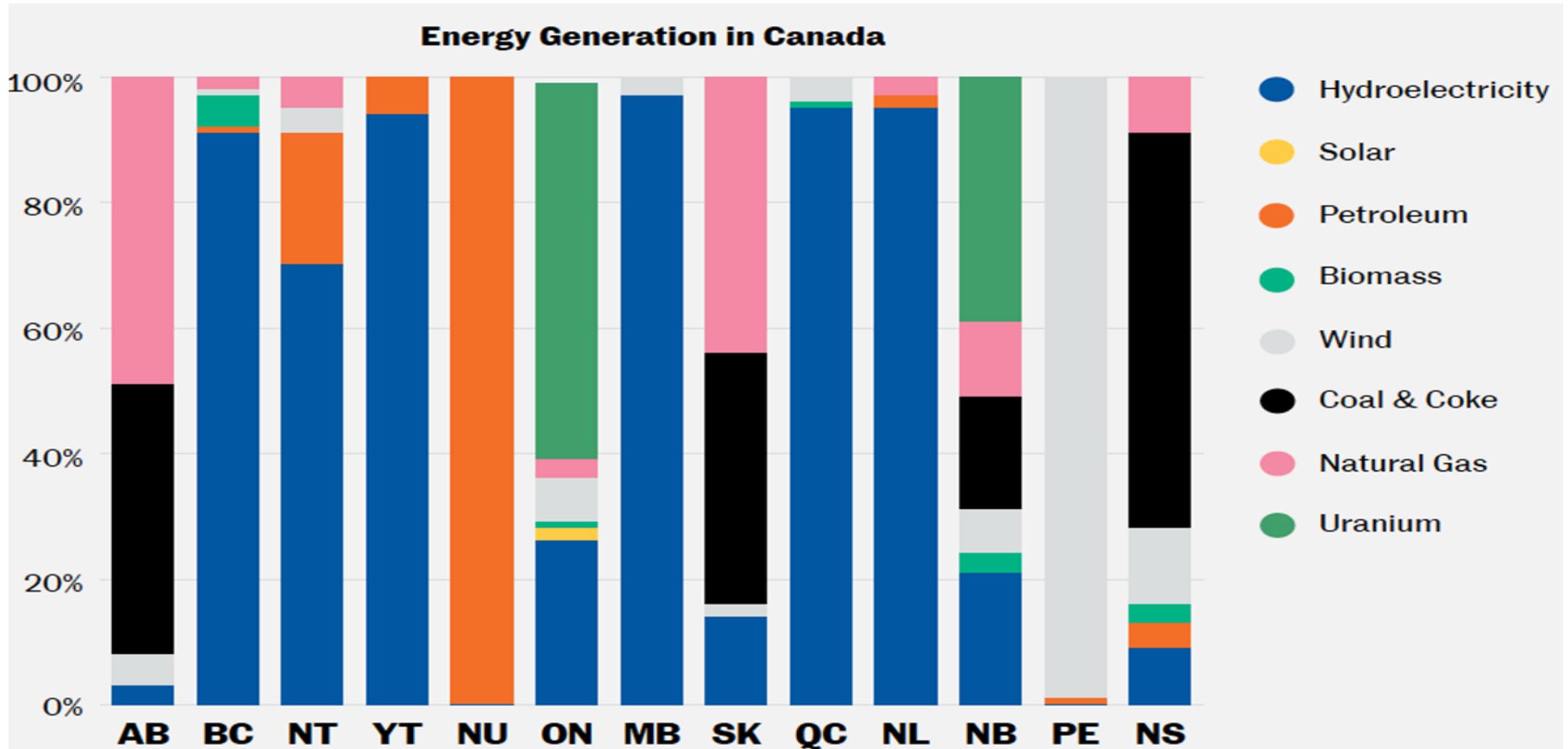
**Mineral exploration tax credit and flow-through shares:** Proposal of an expansion to the critical mineral exploration tax credit (CMETC) and flow-through share regime to include eligible expenses related to exploration and development activities for lithium from brines.

Budget  
**2023**

Canada



# SUSTAINABLE TECHNOLOGIES



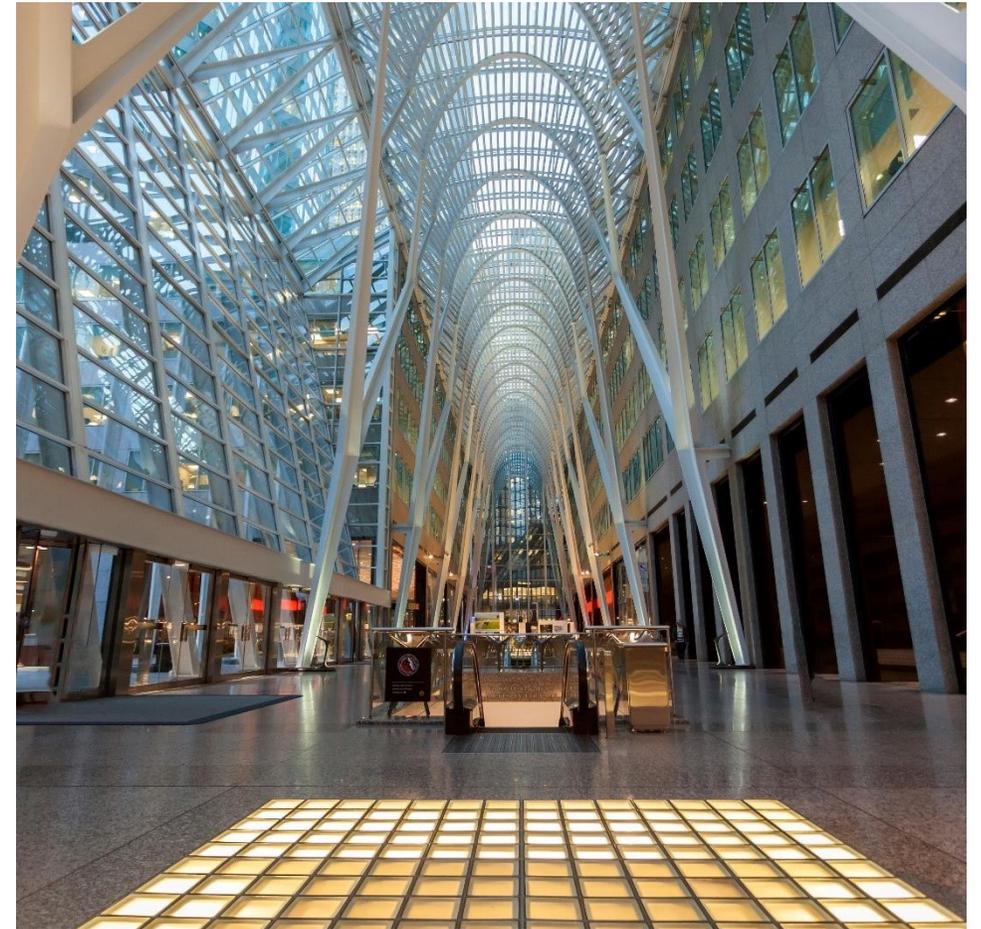


# Expanding into Canada

AIRD BERLIS

# Introduction: Aird & Berlis LLP

- Aird & Berlis is a full-service Canadian firm recognized for providing high-profile corporations, financial institutions and governmental entities around the world with the highest quality legal advice.
- We regularly act for international companies expanding into Canada. In 2023, our market expansion team supported over 100 companies with their expansions into the Canadian market.



# Full-Service Law Firm

- As a full-service law firm, we are a “one-stop shop” for our clients. Our broad range of expertise ensures we can provide you with the full breadth of legal services required to meet your needs.

- Banking & Finance
- Cannabis
- Capital Markets
- Capital Pool Company/Reverse Takeover
- Charities & Not-For-Profits
- Commercial Leasing
- Competition, Antitrust & Foreign Investment
- Construction
- Corporate/Commercial
- Energy
- Environmental
- Esports
- Estates & Trusts
- Expropriation
- Fintech
- Franchising, Distribution & Licensing
- Gaming
- Health
- Hospitality
- Indigenous
- Infrastructure
- Insolvency & Restructuring
- Intellectual Property
- Investment Management & Registration
- Labour & Employment
- Life Sciences
- Litigation
- Mergers & Acquisitions
- Mines & Minerals
- Municipal & Land Use Planning
- Occupational Health & Safety
- Privacy & Data Security
- Private Business Services
- Private Equity
- Procurement
- Real Estate
- REITs
- Sports, Media & Entertainment
- Startups & Emerging Companies
- Tax
- Technology
- Telecommunications
- Transportation
- Venture Finance

# Incorporation Considerations: Jurisdiction

## Does it make a big difference to incorporate federally instead of under the laws of a particular province?

- When establishing a wholly-owned Canadian subsidiary, there are generally no meaningful disadvantages to incorporating provincially vs. incorporating federally.
- In fact, there can be advantages to incorporating provincially, as the corporate statutes of certain provinces do not have director residency requirements, such as Ontario.
- The statutes are substantially similar and there are no significant cost differences.
- Incorporating federally does provide slightly stronger legal name protection, but it can be challenging and time-consuming to obtain federal corporate approval (vs. approval in certain provinces), and clients seeking strong brand protection should look to register a trademark to properly protect their intellectual property rights.



# Incorporation Considerations: Type of Entity

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## **What type of entity can be used?**

- Unlike in the U.S., where companies have to determine whether to establish a C Corp, S Corp or LLC, in Canada, the choice is quite simple. In most provinces, including Ontario, the only option is a standard corporation.
- A standard corporation provides limited liability and is a separate legal entity from its parent company.
- However, some clients, typically those with U.S. parents, may decide to establish an unlimited liability corporation (ULC). Both British Columbia and Nova Scotia allow for the creation of ULCs and do not require a resident-Canadian director.

## Incorporation Considerations: Other Things to Know

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**Electronic Signatures:** All of the documents required to form the company can be signed electronically. You won't be required to notarize documents or provide wet ink signatures.

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**No Minimum Investment Requirements:** There are no minimum investment requirements to incorporate a Canadian company. Technically, the parent entity must pay for the initial shares of the Canadian subsidiary, so most of our clients proceed with a nominal amount (e.g., \$1 for 100 shares).

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**Pre-Incorporation Checklist:** If you choose to work with us, we will circulate to you a pre-incorporation checklist that sets out the information we need from you in order to incorporate and organize the entity (e.g., proposed name, name of the shareholder, etc.).

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**Timing:** Upon receiving the required information, we can incorporate the company within 24-48 hours.

# Corporate Maintenance

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- Corporate maintenance requirements for Canadian corporations are very minimal and routine, especially for wholly owned subsidiaries.
- Directors and shareholders have a statutory obligation to hold an annual meeting or pass written resolutions in lieu of a meeting.
- There is also an obligation for the corporation to file annual return (also known as an annual report, depending on the province) with the corporate registry to keep the corporation in good standing.

## Post-Incorporation: What's Next?

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- Upon setting up the entity, we will provide you with a post-incorporation checklist which provides an overview of required next steps and recommended steps following incorporation, including registrations and filings.
- Some examples:
  - Extra-Provincial Registrations
  - *Investment Canada Act*
  - Tax Account Registrations (e.g., GST/HST and Payroll)

# Employment Considerations

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## **What should a company entering Canada know on the HR side?**

- In Canada, organizations' employment relations are subject to either federal or provincial regulation, depending on their industry. Approximately only 6% of industries are governed by federal jurisdiction. The federal government jurisdiction is limited to limited industries, including certain banking, fisheries and railways. Most of our clients fall within the ambit of provincial employment legislation – meaning that they will be subject to different provincial laws within each province they operate.
- Most of the regulations are fairly similar and consistent across the country, but there are some important differences that employers should be aware of.

# Employment Considerations

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## **What is the first piece of advice to give to a company expanding into Canada once the entity is established?**

- Our first piece of advice to clients entering Canada on the HR side is that they should have us prepare an employment agreement designed to limit their liability. In most Canadian provinces, without an employment agreement, employees are generally in a very good position and their employment is governed by the employee-favourable judge-made law.
- However, an employment agreement can contract out of the common law and limit employer liability. As an example, absent an employment agreement waiving the common law, a short service employee with three months' service could in fact be entitled to three months' pay.
- This wouldn't be the case under our preferred form of employment agreement. Using our common law waiver, an employer would owe an employee with less than three months of service no notice and no pay, with only one week notice or pay if the employee was employed for more than three months and less than a year.

# Expanding to Canada Q&A

## Expanding Your Business into Canada

Category	Question	Answer
<b>Timing</b>	How long does it take to incorporate?	<b>Within 24 hours</b> after we have the required information. Everything can be done electronically and signed via DocuSign. We make the process as smooth and simplified as possible.
<b>Resident Canadian Director</b>	Do I need a resident Canadian director to incorporate a Canadian company?	<b>No</b> – on July 5, 2021, Ontario joined Nova Scotia, Alberta, British Columbia and Quebec in the growing trend of provinces no longer requiring provincially incorporated companies having at least one Canadian resident act as a director. As a result, there is no need to incorporate the Canadian subsidiaries in one of the above-noted provinces where there is no resident Canadian director – we can simply incorporate in Ontario.
<b>Federal vs. Provincial Incorporation</b>	Does it make a big difference if I incorporate in B.C. instead of federally or in Ontario?	<b>No</b> – federal and provincial legislation relating to incorporations are substantially similar. A federally incorporated company, however, requires at least 25% of a corporation's directors to be either Canadian citizens or permanent residents ordinarily residing in Canada.

# Expanding to Canada Q&A

<b>Type of Corporation</b>	What type of corporation should I incorporate?	<b>Two options</b> – either a standard Canadian corporation or an unlimited liability corporation (ULC). We'll work with you and your tax advisors to determine the optimal approach. Note that there are no C Corps, S Corps or LLCs in Canada.
<b>Bank Account</b>	Do I need a bank account to incorporate?	<b>No</b> – and you don't need to have any assets in Canada at the time of incorporation.
<b>Minimum Investment</b>	Is there a minimum amount you have to invest in Canada in order to incorporate?	<b>No</b> – there is no minimum requirement.
<b>Employment</b>	Are employment laws substantially the same as in the United States?	<b>No</b> – there are numerous and important differences. For instance, Canada does not have at-will employment. As a result, it is critical to use carefully constructed employment agreements before any employees begin working. We can provide Canadian employment agreements on a very cost-efficient basis. We also have significant experience in all aspects of employment-related issues that can arise in the Canadian context once employment commences, such as wrongful termination lawsuits, human rights complaints and workplace investigations.

# Resources

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- [One Pager on Expanding Your Business to Canada](#)
- [Expanding Your Business to Canada](#)
- [Incorporating in Canada](#)
- [Fiona Brown and Andrew Magnus Answer Frequently Asked Questions](#)

# Contacts



**Fiona Brown**

Partner  
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Fiona is known for her commitment to outstanding client service. Whether assisting companies with their expansion into Canada, working with a team to manage transactions, or acting as point person for advice on everyday matters, she is a hands-on client relationship partner. Fiona takes great care to understand her clients' business objectives and to help her clients leverage the firm's strengths across all practice areas. She leads multi-disciplinary teams of lawyers to provide clients with comprehensive service across all areas of business law. She is proud to have been recognized in *The Canadian Legal Lexpert Directory*, *The Best Lawyers in Canada* and *Benchmark Litigation Canada*.



**Felix Ng**

Partner

Felix is a member of the firm's Corporate/ Commercial Group. His practice focuses on advising international clients on expanding their businesses into Canada and M&A transactions. Felix represents clients in a range of industries, including pharma, e-commerce, transportation, agriculture, food and beverage, and construction. 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. He has passed Level III of the Chartered Financial Analyst (CFA) Program.

A Canadian flag is shown flying on a silver pole against a blue building facade with diagonal lines. The flag is the central focus, with its red and white colors and maple leaf clearly visible. The building's facade consists of dark blue panels with lighter blue diagonal lines.

AIRD BERLIS



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# A Political Overview of Canada

Fraser Macdonald, Vice President

# Unlocking Potential Through a Unique Suite of Integrated Services

Established in 1995, our **multi-disciplinary firm** of strategists provides strategic advisory services to private, public, broader public sector, and not-for-profit clients operating in complex political, financial, regulatory, and public process environments

What sets **StrategyCorp** apart from **others** is our ability to provide unique strategic advice by **integrating** our **business and analytical capabilities** with a deep understanding of external **public affairs and communications environments**

We believe a deep understanding of both the **substance and politics of a matter** is essential to shaping an effective and successful strategy.



## Public Affairs/Government Relations

- Public affairs strategy and campaign development
- Ability to reach the right decision-makers
- Funding & application support
- Policy solution design
- Partnership brokering/formation
- Monitoring and surveillance
- Regulatory affairs

## Communications

- Reputation management and profile enhancement
- Corporate communications
- Media engagement
- Digital campaigns & grassroots mobilization
- Stakeholder engagement and consultation
- Crisis response and risk management

## Management Consulting

- Strategy and business plan development
- Organizational and operational design
- Performance and change management
- Public policy and program development
- Strategic facilitation and negotiation
- Governance



## Political Context: 2024 Look Ahead

### Domestic:

- Budget priorities are being firmed up - special focus, driven by PMO, on Gen Z / Millennials, women voters, and seniors
- BC, SK, NB Elections in October 2024
- Trudeau needs to increase polling numbers in 2024

### International:

- US Election 2024 – Republican candidate will likely be confirmed on Super Tuesday (March 5), election and its outcome will take up GoC bandwidth
- El Nino climate pattern will drive extreme weather, increasing climate action imperatives

# Canadian Political State of Play

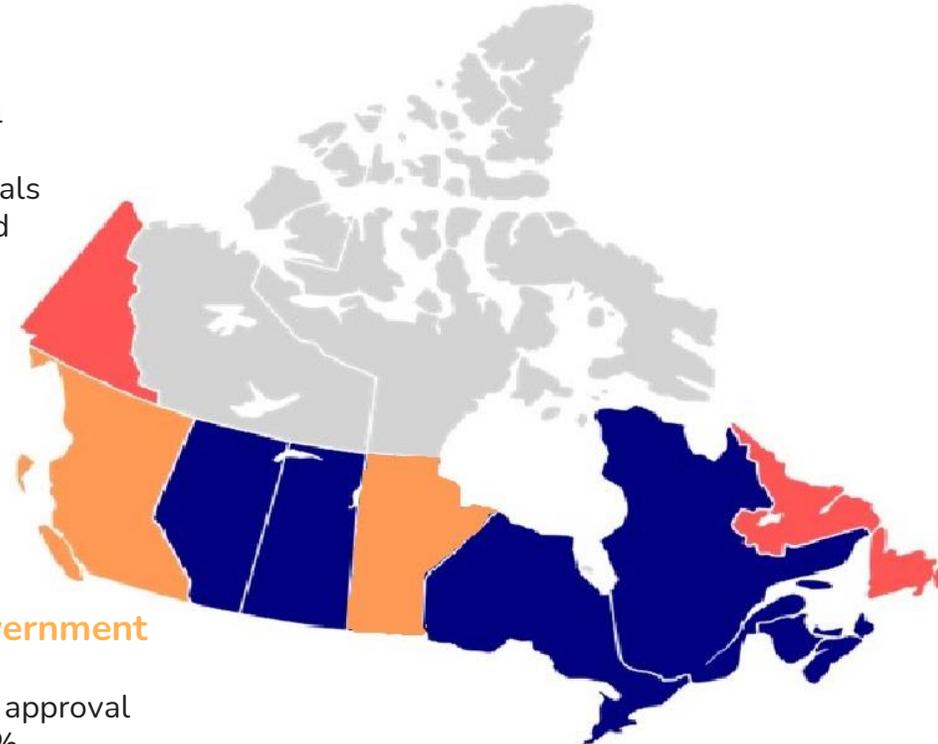
## Federal

Next election expected in 2025

**Liberal Party - Minority Govt**

Prime Minister Justin Trudeau

- Current agreement with the NDP could enable the Liberals to stay in power until 2025.
- Polling numbers have Trudeau and Liberals running a consistent 10-18 points behind Pierre Poilievre and the Conservatives
- Solidity of Confidence and Supply Agreement with NDP will be an active question through 2024



## British Columbia

Election in October 2024

**New Democratic Party - Majority Government**

Premier David Eby

- Still buoyed by strong majority and similar approval rating to his predecessor, currently at ~51%
- Opposition ranks in disarray – BC Liberal rebrand as “BC United” plus Conservative Party of BC gaining support = split opposition on the centre-right

## New Brunswick

Election scheduled for Oct. 2024

**Progressive Conservative Party - Majority Government**

Premier Blaine Higgs

- Premier Higgs has faced controversy around his “parental rights” proposal last year, but is moving to nominate candidates and loyalists for a possible earlier than expected election – but election will be no later than this October

## Saskatchewan

Election in October 2024

**Saskatchewan Party - Majority Government**

Premier Scott Moe

- Remains highly popular and has strong chances to win another majority government next year
- “Two-Horse” race between SP and NDP means NDP has a lot of ground to make up, although has performed well in recent by-elections

# Election Projection



IF AN ELECTION WAS HELD TODAY, WHICH NATIONAL POLITICAL PARTY WOULD YOU VOTE FOR? - UNDECIDED REMOVED

## FEDERAL VOTE INTENTION

	CURRENT VOTE SHARE	CHANGE FROM December 12, 2023
<b>CONSERVATIVE</b>	<b>41%</b>	<b>+4</b>
<b>LIBERAL</b>	<b>24%</b>	<b>-3</b>
<b>NDP</b>	<b>18%</b>	<b>-1</b>
<b>BQ</b>	<b>7%</b>	<b>NC</b>
<b>GREEN</b>	<b>4%</b>	<b>-1</b>
<b>PEOPLE'S</b>	<b>5%</b>	<b>+1</b>
<b>OTHER</b>	<b>0%</b>	<b>-1</b>

Source: Abacus Data, Jan 11, 2024

# What's Driving the Politics?

 What are the 3 most important issues facing Canada today?

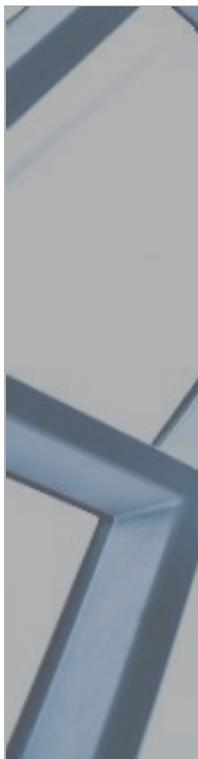
## TOP 3 ISSUES

	All	CHANGE FROM DECEMBER
The rising cost of living	71%	-1%
Housing affordability and accessibility	47%	+3%
Healthcare	44%	-1%
The economy	37%	-1%
Climate change and the environment	25%	-1%
Immigration	19%	+1%
Inequality and poverty	16%	-2%
Crime and public safety	14%	+1%
Too much political correctness	7%	NC
The threat posed by China and Russia	7%	+1%
A lack of freedom in Canada	6%	NC
Indigenous reconciliation	4%	NC
Chinese election interference	2%	NC

Source: Abacus Data, Jan 11, 2024



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# RSM Canada

Invest NI Presentation

*Delivering insights and experience to drive transformative value*

# Canada M&A Investment Landscape

- Generally “smaller” deals compared to the US Market – most middle market transactions are between \$20-\$75M CAD.
- Deal multiples have “generally” come down since the pandemic highs. Certain industries have seen steeper decline than others
- Notwithstanding the general comment above a good business will still continue to attract a high multiple given the supply on the market is low.
- With current financing costs, the LBO math becomes difficult for many buyers to provide more cash on closing. As a result, it is increasingly common for transaction values to have increased weighting towards rollover equity and earnouts to allow buyers to defer additional borrowing costs.
- Generally, deal activity from RSM’s perspective continues to be slower than normal in the higher values, but still robust at the lower middle market.
- Despite headwinds, many founder owners are approaching retirement and will need to consider exit options. Combined with available capital in the marketplace, we wouldn’t be surprised if deal making continues in earnest

# Canada Tax

- Expansion into Canada - Greenfield vs. Acquisition
- The principal ways non-residents carry on business in Canada is via a corporation, branch or treaty protected business.
- Common traps – Regulation 105 and Regulation 102 withholding
- Corporate rates in Canada continue to hold steady at a relatively low 26-28% depending on the province + an additional 5-15% branch tax
- Sales tax in Canada (GST/HST/PST/QST) requirements and rates differ by province. An area of heavy audit activity in Canada
- Ensuring transfer policies and documentation are in place to provide support for non-resident related party transactions or profits distributions from Canada
- R&D/Grant/Credit incentives in Canada continue to be very favorable when paired with relatively low labor costs, particularly for certain industries like technology and life sciences.
- Financing considerations and interest deductibility regimes

# Canada Tax

- Payroll and Employer remittances
- Accounting and Financial Statements
- CRA Administration and Enforcement

## **Larger Enterprise**

- Digital Services Tax recently introduced (3% tax on Can revenue > \$20M and consolidated of revenue of €750M)
- Canada is a party to the MLI
- Pillar II considerations on Canadian activities (e.g., proposed global minimum tax)

THANK YOU FOR  
YOUR TIME AND  
ATTENTION