

ORGANIZATION

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EXPLANATION

When a company has been incorporated (see the **Incorporation** chapter), the Office of the Registrar forwards the following *Incorporation Documents* to the person or firm that filed the *Incorporation Application* (s. 13(3)):

- the *Certificate of Incorporation* which contains the company's:
 - name;
 - incorporation number; and
 - incorporation date;
- a certified copy of the *Incorporation Application*; and
- a certified copy of the *Notice of Articles*.

The next step is **organization**. This process includes the preparation of:

- the *Records Book*;
- the resolutions and other documents required to organize the company;
- the appropriate *Registers*; and
- a report to the client on the company's incorporation and organization.

When preparing the documents, follow the instructions received from the client (see the *Incorporation Information* form) or from the responsible solicitor.

The documents described in the **Incorporation** chapter and the **Organization** documents described in this chapter are some of the documents (or **records**) that the Company is required to keep at its records office (s. 42). These **records** may be kept in paper, electronic or microfilmed form, and if kept in paper form, they should be in a bound or loose-leaf form (s. 44(2)). The **records** are generally kept in a binder called the *Records Book*. The **records** must be kept in a manner that will allow them to be inspected and copied as set out under the Act. For a detailed list and explanation regarding **records**, see the **Records** chapter.

The Incorporator(s) of a company may be one or more persons or corporations, however in this chapter, for purposes of simplicity, the Incorporator is referred to in the singular.

In most cases, when a law firm is retained to incorporate a company, the Incorporator is either:

- the client; or
- the supervising solicitor or an agent.

The method that is chosen will dictate which documents need to be prepared.

- If the **client is the Incorporator**, the client will:
 - advise the law firm of the identities of the first director(s) and shareholder(s);
 - sign the *Incorporation Agreement* and the *Articles*; and

- generally retain the shares agreed to be taken in the ***Incorporation Agreement*** and, if the client is a first director, will generally remain as a director of the company after incorporation;
- When the **supervising solicitor or agent** is the **Incorporator**, it is generally the case that either the identities of the first director(s) or shareholder(s) have not yet been determined, or it is inconvenient for the client to sign the ***Incorporation Agreement*** and the ***Articles***. For expediency, the solicitor or agent becomes the Incorporator and after incorporation s/he:
 - if named as the first director, resigns and appoints new director(s); and
 - transfers the shares taken on incorporation to the client or resells them to the company.

Note: The Incorporator is not deemed to be the first director of the company. The directors listed in the ***Notice of Articles*** filed with the Registrar when the company is incorporated may be either the Incorporator(s) or one or more other persons designated by the client. Note: the directors must be individuals (not corporations) (s. 124).

Client = Incorporator	Solicitor or agent = Incorporator
The Client-Incorporator signs: <ul style="list-style-type: none"> • the <i>Incorporation Agreement</i> agreeing to take a share or shares upon incorporation; and • the <i>Articles</i> 	Agent/Solicitor-Incorporator signs: <ul style="list-style-type: none"> • the <i>Incorporation Agreement</i> agreeing to take a share or shares upon incorporation; and • the <i>Articles</i>
First directors	
<i>Notice of Articles</i> shows the client and/or other persons (each of whom has consented in writing to act as a director (s. 123).	<i>Notice of Articles</i> shows either: <ul style="list-style-type: none"> • the agent/solicitor; or • the client and/or other persons (each of whom has consented in writing to act as a director (s. 123)
Organization of the company	
Incorporator (if appointed as director): <ul style="list-style-type: none"> • does not resign as director; and • does not immediately transfer the Incorporator’s shares acquired upon incorporation. Additional shares may be allotted to other shareholders	When instructed by the client, the agent/solicitor: <ul style="list-style-type: none"> • resigns as director (if the solicitor is shown on the <i>Notice of Articles</i> as the first director of the company); • appoints as director(s) the person or persons designated by the client, each of whom has consented in writing to act as a director; and • transfers the share(s) agreed to be taken on incorporation to the person or corporation designated by the client or resells the share(s) to the company.

Although the documents dealing with the **organization** of the company may be signed several days or weeks after its incorporation, the general practice is to date all documents effective the incorporation date. You should consult the supervising solicitor or your corporate supervisor to ascertain your law firm's policy in this regard.

Please note that some of the steps in the **Procedure-Checklist** on the following pages are covered in more detail in other chapters of the *Guide* and are not repeated here. For example:

- the maintenance of the *Records Book*, the form of *Share Certificates* or *Acknowledgements* and the *Registers* are described in the **Records** chapter;
- the preparation and maintenance of the *Transparency Register* is covered in the **Records** chapter.
- the election and appointment of the directors is described in the **Directors and Officers** chapter; and
- the allotment of shares is described in the **Allotments** chapter.

PROCEDURE/CHECKLIST

1. Obtain a **Records Book** and divider tabs from the firm's stationery supplies and:
 - (a) prepare a memo to accounting or enter a disbursement for the cost of the **Records Book** according to your firm's policy
 - (b) prepare a tag for the spine for the **Records Book**
 - (c) complete the first page of the insert showing the name of the company, the number and date of incorporation and the file number

2. Prepare:
 - (a) **Incorporators Resolutions** (page 8)
 - (b) **Resignation of Director** – if the Incorporator resigns ⁽¹⁾
 - (c) **Application for Transfer** – if the Incorporator's shares are transferred to another shareholder ⁽²⁾
 - (d) **Acknowledgement of Repurchase** if the Incorporator's shares are repurchased by the company ⁽³⁾
 - (e) **First Directors Resolutions** (page 10)
 - (f) **Shareholders Resolution (Waiving the appointment of Auditor)** – if no auditor is appointed (page 18)
 - (g) **Consent(s) to Act** – if additional or replacement directors are appointed by the Incorporator ⁽¹⁾
 - (h) **Subscription(s) for Shares** – if additional shares are issued ⁽⁴⁾
 - (i) **Waiver(s) and Consent(s)** – if shares are issued to additional shareholders and if such waiver(s) and consent(s) are required by the company's **Articles** or **Shareholders Agreement** ⁽⁴⁾
 - (j) **Notice of Appointment as Auditor –if an auditor is appointed (page 20)**
 - (k) **Questionnaire – Significant Individuals (if not completed at the time of incorporation)**
 - (l) **Directors Consent Resolution re: Transparency Registers if the Directors will be maintaining the Transparency Registers for Significant Individuals**
Note: This may be incorporated into the First Directors' Resolution
 - (m) **Notice(s) to Significant Individuals** if there are any
 - (n) **Records and Registered Office Agreement** ⁽⁵⁾– if the law firm will act as the agent for maintaining the company's registered and records offices
 - (o) **Share Certificates or Acknowledgements** ⁽⁶⁾
 - (p) **Director Change** (Form 10) if there is a change in directors ⁽¹⁾
 - (q) **Register of Directors** (including the names of officers) ⁽⁶⁾

⁽¹⁾ see the **Directors and Officers** chapter

⁽²⁾ see the **Transfers and Transmissions** chapter

⁽³⁾ see the **Repurchases and Redemptions** chapter

⁽⁴⁾ see the **Allotments** chapter

⁽⁵⁾ see the **Registered & Records Offices** chapter

⁽⁶⁾ see the **Records** chapter

- (r) *Central Securities Register* ⁽⁶⁾
 - (s) *Transparency Registers*
3. Diarize the **anniversary date of incorporation** as *Annual Reports* will be prepared on this date and should be filed within two months after this date. If you do not have a corporate database, follow your office procedure for bringing forward annual maintenance dates – for example: by preparing a “to do task” organized by date or by entering the company’s name and anniversary date in a list organized by month (see the **Annual Maintenance** chapter)
 4. Diarize the **financial (fiscal) year end** of the Company and note the latest date that the annual general meeting may be held. You will need to know this in order to prepare the annual consent resolutions or minutes of the annual general meeting **but if the company actually holds a meeting there will be more required than this** (see the **Annual Maintenance** chapter)
 5. If the client is not signing the documents at your office, prepare the *Transmittal Letter* enclosing all documents in item 2 above, as appropriate, for the client’s signature (page 22)

Once the documents have been signed and returned to the law firm

6. If there is a change in directors, e-file the *Director Change* (Form 10) on BC Online (see the **Directors and Officers** chapter and **Appendix B – Electronic Filings**)
7. If there are significant individuals, mail the *Notice(s) to Significant Individuals* to them
8. **Finalize Transparency Register;**
9. File the signed documents in the *Records Book* as follows:

Tab in Records Book	Documents
Recognition Documents	<i>Certificate of Incorporation</i>
	<i>Incorporation Agreement</i>
	Certified copy of Incorporation Application
	Certified copy of <i>Notice of Articles</i>
	<i>Articles</i>
Transparency Register	<i>Transparency Register</i> (Only if it is the law firm’s policy to keep the <i>Transparency Register</i> in the Records Book (see Records Chapter) or <i>Notice of Location</i> (of Transparency Register))
Forms Filed	Copy of <i>Director Change</i> (Form 10)– if one is filed

Tab in Records Book	Documents
Consents/Resignations	if applicable: <ul style="list-style-type: none"> • <i>Resignation of Director(s)</i> • <i>Consent to Act as Director</i>
Shareholders' Minutes/ Resolutions	<i>Incorporators Resolutions</i>
	<i>Shareholders Resolution (Waiving the Appointment of an Auditor)</i>
Directors Minutes	<i>First Directors Resolutions</i> with the following attached – if applicable: <ul style="list-style-type: none"> • <i>Acknowledgement of Repurchase</i> • <i>Subscriptions for Shares</i> • <i>Waivers and Consents</i> <i>Directors Resolution re: Transparency Register</i>
Share Certificates	<i>Share Certificate(s)/copies of the Acknowledgement(s) of Issuance</i> (originals should be sent to the shareholders)

10. Prepare the *Report Letter* to the client (page 24) and attach the originals of the *Acknowledgement of Issuance*
11. Prepare a *Statement of Account* or arrange with your accounting department to prepare a statement of account for the incorporation and organization (this is not included in this chapter)
12. If an auditor was appointed and a *Notice of Appointment as Auditor* was prepared, forward the Notice to the auditor

INCORPORATORS RESOLUTIONS

General Notes

The purpose of this Resolution is to have the Incorporator:

- formally approve and adopt:
 - the *Certificate of Incorporation*;
 - the *Incorporation Application*;
 - the *Notice of Articles*;
 - the *Incorporation Agreement*;
 - the *Articles*; and
- appoint the director(s).

Preparation

- ① Insert the incorporation number and the date from the *Certificate of Incorporation*.
- ② Insert the total number of directors that will be appointed.
- ③ If only one director is **appointed**, change the whole paragraph to read:

“The following person, who has consented in writing to act as the sole Director of the Company, is appointed Director of the Company to hold office until the first Annual Reference Date or until such persons is removed or resigns from office ...”.

- ④ Insert the incorporation date unless you are using another date for the organization of the company.

Check the *Notice of Articles* and insert the name of the Incorporator.

Processing

If one of the lawyers in the firm is the Incorporator, this consent resolution should be signed and placed in the *Records Book* under **Shareholders Minutes**.

Otherwise, once this document is prepared, checked and approved by the supervising solicitor, it should be sent to the company for signature (if the client is not signing the documents at your office) – see the *Transmittal Letter (Forwarding Documents for Signature)* (page 22).

Make one copy for the file.

INCORPORATORS RESOLUTIONS
OF
{NAME OF COMPANY}
(the “Company”)

RESOLVED THAT:

INCORPORATION DOCUMENTS

The following documents be inserted in the Records Book of the Company to be kept as required by the provisions of the *Business Corporations Act* (British Columbia):

1. Certificate of Incorporation No. ① dated the ① issued by the Registrar of Companies;
2. certified copy of the Incorporation Application;
3. certified copy of the Notice of Articles;
4. Incorporation Agreement; and
5. Articles.

NUMBER OF DIRECTORS

The number of directors of the Company is determined at ②.

APPOINTMENT OF DIRECTOR(S)

③The following persons, who have consented in writing to act as directors of the Company, are appointed directors of the Company to hold office until the first Annual Reference Date or until such persons are removed or resign from office:

{NAME OF NEW DIRECTOR}
{NAME OF NEW DIRECTOR}

Dated effective: *{Date}* ④

{NAME OF INCORPORATOR}

FIRST DIRECTORS RESOLUTIONS

General Notes

The purpose of these resolutions is to:

- complete the **organization** of the company in accordance with the instructions set out in the *Incorporation Information* form (see the **Incorporation**) chapter; and
- have the Director(s) adopt any contracts which were entered into on behalf of the company prior to the date of its incorporation (s. 20).
- If the Company wishes to issue *Acknowledgements* rather than *Share Certificates*, all references to *Share Certificates* should be changes to *Acknowledgements*. Further, the Company must confirm the issuance of the shares to the Incorporator but need not issue an *Acknowledgement* if the shares are to be immediately transferred to the ultimate shareholder or repurchased.

Preparation

- ① Insert the date of the *Incorporation Agreement*.
- ② Insert the number and **description** (class and par value) of each class of shares taken by the Incorporator(s).
- ③ Insert the *Share Certificate* or *Acknowledgement* number. The certificate number will usually be 1, but if any classes of shares other than common are allotted, the certificate number should be changed. For example, if Class A shares were taken, change the number to A1 or whatever numbering system your law firm uses. For a discussion of *Share Certificates* and *Acknowledgments* and more particularly certificate numbers see the **Records** chapter.
- ④ Insert the price per share multiplied by the number of shares taken. Check the price contained in the *Incorporation Information* form or the *Incorporation Agreement*.
If the solicitor/agent is the Incorporator, the shares agreed to be taken by the Incorporator in the *Incorporation Agreement* will usually be sold or transferred as directed by the client. In this case, insert **either** the “**Transfer of Incorporator’s Share**” or the “**Purchase of Incorporator’s Share**” paragraph. When the solicitor/agent is the Incorporator, most firms routinely either transfer the Incorporator’s share(s) to the client or resolve to have the company repurchase the Incorporator’s share(s). Check with the supervising solicitor or your corporate supervisor to see which of these transactions your firm uses.
Note: If the client is the Incorporator, delete both paragraphs dealing with the transfer or repurchase of the Incorporator’s share(s), together with the following paragraph dealing with the cancellation of the Incorporator’s share certificate.
- ⑥ Insert the aggregate price of the shares issued to the Incorporator (see paragraph “**Issuance of Incorporator’s Shares**”).

Continued...

DIRECTORS RESOLUTIONS
OF
{NAME OF COMPANY}
 (the “Company”)

RESOLVED THAT:**SHARE CERTIFICATES**

Each share certificate issued by the Company representing shares in the Company will be in a form that complies with the *Business Corporations Act* (British Columbia) and be signed by any one of the officers or directors of the Company whose signature thereon shall constitute adoption by the Company of such form of certificate with respect to the shares represented thereby.

ISSUANCE OF INCORPORATOR’S SHARES

The following shares be allotted to the Incorporator(s) pursuant to the Incorporation Agreement dated ①*{date}* entered into between the Company and the Incorporator(s) at a price or consideration as set out below and that the following Share Certificate(s) be issued:

Name of Shareholder	Number and Class of Shares	Certificate No.	Consideration per share
<i>{Name of 1st Incorporator}</i>	②	③	\$④
<i>{Name of 2nd Incorporator}</i>	②	③	\$④

TRANSFER OF INCORPORATOR’S SHARE(S)

The following transfer of share(s) of the Company be approved:

Transferor	Transferee	Number and Class of Shares
<i>{NAME OF INCORPORATOR}</i>	<i>{NAME OF SHAREHOLDER}</i>	②

or:

PURCHASE OF INCORPORATOR’S SHARE

The Company purchase from the Incorporator the *{number and class of shares}*② of the Company (the “Incorporator’s Share(s)”) for the amount of \$⑥ and the Incorporator’s Share(s) be cancelled and restored to the status of authorized but unissued shares of the Company.

CANCELLATION OF SHARE CERTIFICATE

Certificate number ③ representing the Incorporator’s Share(s) be cancelled.

Continued...

FIRST DIRECTORS RESOLUTIONS

Preparation (Continued)

① This section is only included if there are allotments and issuances of shares in addition to those described on the previous page of this resolution (in the paragraph “**Issuance of Incorporator’s Shares**”). **Note:** if the company has repurchased the Incorporator’s shares, there are in fact no outstanding shares at this time and additional shares **must** be allotted and issued.

② Check the *Incorporation Information* form for the number and class of shares to be issued and insert the **number** and **description** of the class of shares being issued. Check this information from:

- the *Notice of Articles* (for the **description** of the class of shares); and
- the *Incorporation Information* form (for the **number** of shares).

The description of the class of shares inserted in this resolution must be identical to the description of the class of shares contained in the *Notice of Articles*.

③ Copy the price per share from the *Incorporation Information* form.

④ Insert the number and description of the class of shares being issued or transferred.

Include any shares being transferred by the Incorporator(s) in the *Share Certificates*. If the transferee is being issued shares of the same class as the Incorporator, you may combine the transferred shares with the issued shares and issue one certificate (e.g. 1 common share being transferred from the Incorporator to shareholder X and 99 common shares also being issued to shareholder X = 100 common shares on the certificate).

Insert the number for each *Share Certificate/Acknowledgement*.

If common shares are being issued, the certificate issued to the Incorporator is No. 1. Assign the next numbers (2, 3, 4, etc.) to subsequent *Share Certificates*. If other classes of shares are being issued, for example Class A, issue certificates Nos. 2A, 3A, 4A, etc. Check your office’s policy on numbering share certificates.

For a discussion on certificate numbers and *Share Certificates/Acknowledgements of Issuance*, see the **Records** chapter.

⑥ Change as appropriate. Check your firm’s policy. Some firms prefer to name an officer, such as President or Secretary. If there is only one director you could substitute:

“*The sole Director of the Company...*”

Continued...

First Directors Resolutions**Page 2****① ALLOTMENT AND ISSUANCE OF SHARES**

Payment in full having been received, the following shares of the Company be allotted and issued for the price set opposite each shareholder's name:

Name of Shareholder	Number and Class of shares	Price per share
<i>{NAME OF SHAREHOLDER}</i>	②	\$③
<i>{NAME OF SHAREHOLDER}</i>	②	\$③

SHARE CERTIFICATES/ACKNOWLEDGEMENTS

The following Share Certificates/Acknowledgements of Issuance be issued:

Name of Shareholder	Number and Class of shares	Cert. No.
<i>{NAME OF SHAREHOLDER}</i>	④	
<i>{NAME OF SHAREHOLDER}</i>	④	

⑥ Any Director of the Company be authorized to execute the Share Certificates/Acknowledgements on behalf of the Company and deliver the Share Certificates/Acknowledgements to the persons entitled to them.

Continued...

FIRST DIRECTORS RESOLUTIONS

General Notes (Continued)

Every company must have an auditor (s. 203(1)) and the directors of the company are required to appoint an authorized person as the first auditor of the company to hold office until the next Reference Date (s. 204(1)). However, the appointment of an auditor may be waived if all the shareholders of a company consent in writing to a resolution waiving such appointment (s. 203(2)) (see **Explanation** in the **Annual Maintenance** chapter).

Preparation (Continued)

- ① Insert this paragraph only if the Incorporator or Director(s) entered into a pre-incorporation contract on behalf of the company.
- ② The quorum for most companies is a majority of the directors, but check the ***Incorporation Information*** form and the company's ***Articles*** to see if it is different from this.
- ③ Insert the names of the officers from the ***Incorporation Information*** form. Refer to the **Directors and Officers** chapter for a discussion on the qualifications of officers. Also, check the requirements for the appointment of officers in the ***Articles*** of the company. If no officers are appointed (s. 141(1)), delete the entire paragraph, including the heading.
- ④ Insert the date of the financial (fiscal) year end. If the date has not yet been determined you may leave a blank space for the client to fill in the date or substitute:

“The financial year end of the Company be determined by the directors at a later date.”

Insert one of these paragraphs depending on whether or not an auditor is appointed. If an auditor is appointed, insert the name of the auditor. If an auditor is **not** appointed (see **General Notes** above), the Shareholders must waive the appointment of an auditor and you will need to prepare a ***Shareholders Resolution (Waiving the appointment of an Auditor)*** (page 18).

- ⑥ Insert this paragraph and the name of the company's bank (from the ***Incorporation Information*** form) if the company will be opening a bank account. If you have not been provided with the name of the bank, either call the client or leave a blank space and ask the client, in the ***Transmittal Letter***, to complete this information.
- ⑦ If there is only one director or officer, delete “any one director or officer” and substitute:

“The Director (or: President) of the Company be authorized ...”.

- ⑧ A seal is usually **not** required. However, if the client has instructed you to order a seal, delete this paragraph and insert the following:

“The Seal of the Company, an impression of which is made in the margin of these Resolutions, be adopted as the seal of the Company.”

Continued...

First Directors Resolutions***Page 3*****① PRE-INCORPORATION CONTRACT**

The *{Insert Description of Contract}* entered into on *{Date of Contract}* on behalf of the Company prior to incorporation be ratified, confirmed and approved.

QUORUM

The quorum for meetings of directors be fixed at ② a majority of the Board.

OFFICERS

The following persons are appointed to the following offices of the Company:

President *{NAME OF PRESIDENT}* ③

Secretary *{NAME OF SECRETARY}* ③

FINANCIAL YEAR END

The financial year end of the Company be *{date}* ④

APPOINTMENT OF ACCOUNTANT

{NAME OF ACCOUNTING FIRM}, Chartered Professional Accountants (or: Certified General Accountants) be appointed the accountants of the Company.

or:

APPOINTMENT OF AUDITOR

{NAME OF ACCOUNTING FIRM}, Chartered Professional Accountants, be appointed the first auditor of the Company, to hold office until the first Annual Reference Date and the remuneration of the auditor be fixed by the Directors.

ACCOUNTING RECORDS

The accounting records of the Company be kept at the Company's head office or principal place of business or such other place that the directors may from time to time determine.

⑥ BANK

{Name of Bank} ⑥ (the "Bank") is appointed the bank of the Company and the attached form of banking resolution provided by the Bank is adopted as a resolution of the directors.

Any one director or officer ⑦ of the Company be authorized to execute and deliver to the Bank such banking resolution and all other documents required by the Bank, whether under the seal of the Company or otherwise.

⑧ SEAL

The Company will not adopt a common seal at this time.

Continued...

FIRST DIRECTORS RESOLUTIONS

Preparation (Continued)

- ① Omit the whole of the section regarding the Registered and Records Office (including the heading) if the Registered and Records Office is situated somewhere other than at the law firm.
- ② The **Records Office Agent** is usually the law firm, but some law firms use a corporate records management company to maintain the records of the companies that it acts for. If that is the case, insert the name of the management company rather than the name of the law firm as the agent.
- ③ If the company wishes to prepare and maintain its own *Transparency Register*, you may insert here the contents of the *Directors Resolution re: Transparency Register* from the Records chapter. Otherwise, prepare a separate resolution.
- ④ Insert the incorporation date unless you are using another date for the organization of the company.

Provide a signature line for all directors, who are:

- the individuals (other than the solicitor/agent who has resigned) who were appointed at incorporation and whose names are listed in the *Notice of Articles*); and
- any additional persons who are appointed by the Incorporator (see the *Incorporators Resolutions* – page 8).

Processing

Once this document is prepared, checked and approved by the supervising solicitor, it is sent to the company for signature (if the client is not signing the documents at your office) – see the *Transmittal Letter (Forwarding Documents for Signature)*.

If a seal has been ordered, (see ③) on page 3 of this resolution), affix the seal to this page.

Note: The lawyer will want to ensure that the Incorporator (and all other shareholders) actually pay for the share(s) being issued (even if the consideration is only \$1.00) because a share must not be issued until it is fully paid (s. 64(2)). Payment is sometimes made to the law firm. The law firm will issue a receipt as evidence that the share is fully paid. Check with the supervising solicitor or corporate supervisor as to the policy of your firm.

Make one copy for the file.

*First Directors Resolutions*Page 4**① REGISTERED AND RECORDS OFFICE**

- (a) The Company appoint *{name of agent}*②, as its agent to maintain the Company's Records Office and Registered Office as required under the *Business Corporation Act* at such location as *{name of agent}* may from time to time determine.
- (b) The Company enter into an agreement (the "Records and Registered Office Agreement") submitted by *{name of agent}* relating to the Records Office and Registered Office of the Company and that any one director of the Company may approve, execute and deliver the Records and Registered Office Agreement on behalf of the Company.
- (c) If *{name of agent}* gives written notice to the Company that it will no longer act as agent:
- (i) the Records Office and Registered Office of the Company will be located at the head office of the Company in British Columbia at its last known address or, if there is no such office, at the last known address of any director or former director resident in British Columbia;
 - (ii) *{name of agent}* is authorized to deliver to such address all the records of the Company formerly at its office; and
 - (iii) *{name of agent}* is authorized to complete, execute and file with the Registrar of Companies an Address Change (Form 2) and any other documents required by the *Business Corporations Act*.

③ TRANSPARENCY REGISTER

Dated effective: *{Date}* ④

{NAME OF DIRECTOR}

{NAME OF DIRECTOR}

SHAREHOLDERS RESOLUTION
(Waiving the appointment of an Auditor)

General Notes

The *Shareholders Resolution (Waiving the appointment of an Auditor)* is prepared and signed by all shareholders (voting and non-voting) if the appointment of an auditor is to be waived and no auditor was appointed in the *First Directors Resolutions* (see General Notes on page 14).

Waiving the Appointment of an Auditor

This paragraph is included if the appointment of an auditor is to be waived and no auditor was appointed in the *First Directors Resolutions* (see General Notes on page 14).

Inspection of Records

The Act permits the company's records to be inspected during business hours, which may be impractical and disruptive to the orderly running of the corporate department. However, pursuant to Section 46 (8) of the Act, company may, by an ordinary resolution, restrict the times during which a person, other than a current director, may inspect the company's records for a minimum number of hours permitted by the Regulations. Regulation 13 provides that the company must ensure that its records are open for inspection for a period of at least **two** consecutive hours per day within statutory business hours.

At present, the fee prescribed by Regulation 12 for the inspection of records is \$10.00 per day.

Preparation

- ① Insert the incorporation date unless you are using another date for the organization of the company.
- ② Provide a signature line for each shareholder to whom shares have been issued (whether voting or non-voting). If a shareholder is a company, use the following form of execution:

{NAME OF SHAREHOLDER COMPANY}

Per: _____
 Authorized signatory

Processing

Once this document is prepared, checked and approved by the supervising solicitor, it is forwarded to the company for signature – see the *Transmittal Letter (Forwarding Documents for Signature)*, unless the client is signing the documents at your office.

Make one copy for the file.

SHAREHOLDER(S) RESOLUTION
OF
{NAME OF COMPANY}
 (the “Company”)

RESOLVED THAT:

The appointment of an Auditor for the Company be waived until the first Annual Reference Date.

INSPECTION OF RECORDS

The records, documents or instruments may be inspected at the records office of the Company by persons other than directors of the Company in accordance with the provisions of the British Columbia *Business Corporations Act*, during such period or periods of time as shall be determined by a director or officer of the Company or, where an agent is retained by the Company to maintain the records office, then by such agent, provided, however, that at least two consecutive hours in each business day shall be allowed for such inspection. The following fees be charged by the Company in connection with the inspection of the records of the Company:

<u>Type of Fee</u>	<u>Charge</u>
Inspection of Records Fee	\$10.00 per day
Copying Fee	\$0.50 per page

Dated effective: *{Date}* ①

②*{NAME OF SHAREHOLDER}*

②*{NAME OF SHAREHOLDER}*

NOTICE OF APPOINTMENT AS AUDITOR

General Notes

Promptly after an auditor is appointed, the company must provide written notice to the auditor of the appointment (s. 204(6)). This notice should be prepared if an auditor is appointed in the *First Directors Resolutions* and the company has not forwarded a written notice to the auditor.

Preparation

- ① Insert the name and address of the accounting firm.
- ② Insert the incorporation date unless you are using another date for the organization of the company.

Processing

Once this document is prepared, checked and approved by the supervising solicitor, it is sent to the company for signature (if the client is not signing the documents at your office) – see the *Transmittal Letter (Forwarding Documents for Signature)*.

Make one copy for the file.

Once this notice is signed by the company, it should be forwarded to the auditor with a simple covering letter.

NOTICE OF APPOINTMENT AS AUDITOR

TO: *{Auditor Name}* ①
{Auditor Address}

{COMPANY NAME} (the “Company”) has appointed you to be the auditor of the Company to hold office until the first Annual Reference Date.

Dated effective: *{Date}* ②

{COMPANY NAME}

Per: _____
Its authorized signatory

TRANSMITTAL LETTER (Forwarding documents for Signature)

General Notes

The *Transmittal Letter* should be prepared if the client is not signing the organization documents at the law firm's office.

Preparation

- ① Copy the date and the incorporation number (upper right hand corner) from the *Certificate of Incorporation*.
- ② Omit if consents in writing have already been obtained from all directors.
- ③ Omit if **no** new directors have been appointed or if the responsible solicitor will sign the form. For a form of *Director Change* (Form 10), see the **Directors and Officers** chapter.
- ④ Omit if no shares will be issued to additional shareholders, other than to the Incorporator(s).
Omit:
 - if no shares will be issued in addition to those issued to the Incorporator; or
 - if the *Articles* or the *Shareholder's Agreement* do not provide for preemptive rights on allotment of shares.
- ⑥ Omit if an auditor is appointed.
- ⑦ Omit if no auditor is appointed.
- ⑧ List the numbers of the *Share Certificates* or *Acknowledgements*, the corresponding name of each shareholder and the number and class of shares taken by such shareholder (as shown on the share certificate or acknowledgement).
- ⑨ Omit if the law firm will be preparing and maintaining the *Transparency Register* or if it has been included in the First Directors Resolution;
- ⑩ *Questionnaire(s) for Significant Individual(s)* – Omit if already completed and signed. Prepare one *Questionnaire* for each significant individual;
- (11) Omit if the law firm is not appointed as the registered and records office of the company or if the law firm or agent does not require a *Records and Registered Office Agreement*.

Processing

Ensure that all enclosures are attached and that a copy of the letter and each enclosure is on file.

Diarize for two weeks.

File No. _____

(date)

(name and address of client)

Dear Sirs:

Re: {Name of Company} (the “Company”)

We are pleased to report that the Company was incorporated under the British Columbia *Business Corporation Act* on *{Date}*① under Certificate of Incorporation number①.

In order to organize the Company, we have prepared and enclose the following documents for signature and return to our office:

1. Incorporators Resolutions;
2. ②Consents to Act as Directors;
3. ③ Director Change (Form 10);
4. ④Subscriptions for Shares;
5. ⑤Waiver and Consent;
6. First Directors Resolutions;
7. ⑥Shareholders Resolutions (Waiving the appointment of an Auditor);
8. ⑦ Notice of Appointment as Auditor;
9. ⑧Share Certificate(s)/Acknowledgement of Issuance (s) No(s):
10. ⑨Directors Resolution re: Transparency Register;
11. ⑩Questionnaire(s) for Significant Individual(s);
12. (11)Agreement with respect to the Registered and Records Offices.

Please ensure that full payment for the shares being issued is made to the Company on or before the date of issuance. We would suggest that evidence of such payment and evidence of payment for all future issuances be kept in a safe place.

We trust you will find the enclosed documents in order. If you have any questions relating to the organization, operation or legal requirements of the Company, please let us know.

When all organizational matters are completed, we will provide you with a comprehensive reporting letter to assist you in the operation of the Company.

Yours truly,

{NAME OF LAW FIRM}

REPORT TO CLIENT

General Notes

When the organization documents have been signed, returned to the law firm and, if applicable, you have e-filed a *Director Change* (Form 10) showing the new directors, prepare a *Report to Client*. Some firms also prepare a document brief for the client containing copies of the various incorporation and organization documents of the Company.

Preparation

- ① Copy the date from the *Certificate of Incorporation*.
- ② Copy the incorporation number from the Certificate of Incorporation (upper right hand corner).
- ③ Copy the authorized share structure of the company from the *Notice of Articles*.
- ④ Insert the delivery address and mailing address of the registered and records offices (usually the law firm).

Insert the number of directors.
- ⑥ Insert the names of the directors from the *Notice of Articles* or, if one is filed, the *Director Change* (Form 10).
- ⑦ Insert the names of the officers and the offices held. If no officers are appointed, delete this paragraph (including the heading).

Continued...

File No. _____

(*date*)

(*name and address of client*)

Dear Sirs:

Re: (*Name of Company*) (the “Company”)

We are pleased to report on the incorporation and organization of the Company.

Incorporation

The Company was incorporated under the British Columbia *Business Corporations Act* (the “Act”) on *{date}* ① and its incorporation number is ②. We enclose a copy of the Certificate of Incorporation and a certified copy of the Notice of Articles for your records.

Name

The Company was incorporated with the name “*{Name of Company}*”. Section 27 of the Act requires that the Company display its name to the public in legible English or French characters in a conspicuous position at every place at which it carries on business within British Columbia, and on all notices and other official publications, contracts, business letters, purchase orders, invoices, statements of account, receipts, letters of credit, bills of exchange, promissory notes, endorsements, cheques and money orders signed by it or on its behalf.

Authorized Share Structure

The authorized share structure of the Company consists of: ③

Registered and Records Offices

Section 34 of the Act requires that the Company maintain a registered office and a records office in British Columbia, which may, or may not, be located at the same place. The registered office is the Company’s official address for service of documents and the records office is the location where the Company’s Records are kept, mainly the Records Book.

The Company's registered and records offices are located at ④.

Directors and Officers

The number of directors has been fixed at ⑤. The directors of the Company are as follows:

{NAME OF DIRECTOR} ⑥

{NAME OF DIRECTOR} ⑥

⑦The Officers of the Company are as follows:

President *{NAME}*

Secretary *{NAME}*

Vice-President *{NAME}*

Continued...

REPORT TO CLIENT

Preparation (Continued)

- ① Insert the total number of shares allotted and issued.
- ② Insert the price per share of the shares allotted and issued. If more than one class of shares was issued, you will need to adjust this paragraph as set out in ③ below.
- ③ List the numbers of the *Share Certificates/Acknowledgements*, the corresponding name of each shareholder and the number and class of shares taken by such shareholder (copy from the *Central Securities Register* and compare to the *Share Certificates/Acknowledgments* in the *Records Book*).

If there are several classes of shares, change this to read:

“The Company has issued the following shares:

Name of Shareholder	Number and Class of Shares	Certificate No.	Consideration
③	③	③	\$②

- ④ Insert the financial year end date if known. If the financial year end date has not yet been determined, you may substitute:

“Please advise us of the Company’s financial year end as soon as it has been determined, in order that we may diarize the due date for future annual consent resolutions.”

If accountants have been appointed, insert the name of the Company’s accountants.

Note: If you are appointing an auditor in ⑥, you usually would **not** also appoint an accountant.

- ⑥ If an auditor has been appointed, delete and substitute the following:

“{NAME} has been appointed the first auditor for the Company to hold office until the first Annual Reference Date and the auditor has been provided with a Notice of Appointment. This appointment may be waived annually by the shareholders.”

- ⑦ If you have not been provided with the name of the Company’s bank, you may delete this paragraph and replace with:

“We have not been advised of the name of the Company’s Bank and the signing officers. When determined, please provide us with the name and branch of the Company’s bank and forward to us a copy of the banking resolution appointing the signing officers.”

- ⑧ If the company has a seal, delete the entire paragraph and replace with the following:

“The common seal, the form of which was adopted by the Company, is presently at our office.”

Continued...

Report to Client**Page 2****Shares**

The Company has issued a total of ① shares at a consideration of \$② per share as follows:

Name of Shareholder	Number and Class of Shares	Certificate No.
③	③	③

You should ensure that the amount paid for the issued shares is deposited into the Company's bank as evidence that the shares are fully paid.

Financial Year End

The financial year end of the Company has been set at *{Date}*④.

Accountants

{NAME} have been appointed as the Company's accountants.

or:

Auditors

⑥The appointment of an auditor has been waived for the current year.

Banking

⑦The Company has appointed the *{Name of Bank}* as its bank. In due course, please provide us with copies of the signed account documentation for insertion in the Company's Records Book.

Upon request, we will provide your bank with copies of the incorporation documents and any other documents as required.

Seal

⑧ The Company does not presently have a seal and is not required to have one. Please contact us if a seal is required.

Continued...

REPORT TO CLIENT**Preparation (Continued)**

- ① Insert the name of the company exactly as set out in the *Certificate of Incorporation*.

Continued...

Report to Client
Page 3**Signing Authority**

The authorized signing officers of the Company are set out in the Articles of the Company.

In order to ensure that any person (whether an officer, director or employee of the Company) who signs, issues or authorizes the issue of any cheques, promissory notes or endorsements that do not display the name of the Company, is not considered the payor and therefore personally liable to the holder of the instrument for the amount of it, all corporate documents should be signed as follows:

{NAME OF COMPANY} ①

Per: _____
President and/or Secretary
(*or: Authorized signatory*)

Trademark

The fact that a company has been incorporated under a specific name will not automatically entitle it to the exclusive or unrestricted use of the name. Use of the name is subject to federal and provincial trademark laws. The best way to protect the name is to register it with the Trade-marks Branch of the Canadian Intellectual Property Office. This allows a company to restrict the use of the name by another company where it is likely to cause confusion in regard to the products offered by that company. Please let us know if you wish us to conduct a federal NUANS search to determine whether there are any corporate names or registered trade names in Canada that might conflict with your Company's name.

Corporate Records

We have set up a Records Book for the Company that is held by us at our office as the Records Office of the Company. Please provide us with copies of all shareholders' and directors' resolutions not prepared by us together with copies of your annual financial statements for insertion in the Records Book.

Please review the Records and Registered Office Agreement carefully with respect to your responsibility to provide us with certain information and documents to ensure that the Company's corporate records are properly maintained.

Filing requirements

Every year within two months after the anniversary date of the Company's incorporation, the Company must file with the Registrar of Companies an Annual Report in the form established by the Registrar of Companies (s. 51). We have diarized this matter and will forward the Annual Report to you for signature at the required time.

Within 15 days after a change in its Directors or in the prescribed address of any of its Directors, the Company is required to file with the Registrar of Companies, a Director Change (Form 2) in the form established by the Registrar (s. 127).

Continued...

REPORT TO CLIENT

Preparation (Continued)

- ① If the date of the financial (fiscal) year end has already been determined in ④ of page 2 of this report, omit this sentence.
- ② If the correspondence from Canada Revenue Agency has not yet been received, you may substitute:

“Canada Revenue Agency sends material to every newly incorporated company. We will forward this material to you when we receive it. In the meantime, we enclose a copy of the Cover Sheet received from the Registrar of Companies setting out the federal business number assigned to the Company. Please make note of this number in your records and advise your accountants.”
- ③ Adjust this paragraph as necessary. If your firm does not split the fee portion of the account delete the last two sentences, or you may delete the whole paragraph if the account has previously been forwarded to the client.

Report to Client**Page 4****Annual General Meeting**

The Act requires that:

- (a) the first Annual General Meeting of the Company must be held not more than 18 months after the date of incorporation;
- (b) from then on, the Company must hold an annual general meeting at least once in every calendar year and not more than 15 months after the holding of the last preceding Annual General Meeting; and
- (c) the Company's financial statements must be presented to the shareholders within six months of the company's financial year end.

The requirement of convening an actual meeting can be dispensed with if all the shareholders of the Company consent in writing to the business required to be transacted at the meeting. Unless you instruct us otherwise, each year we will prepare the routine resolutions in lieu of an annual meeting and forward them to you. ①In order that we may diarize the due date, please advise us of the financial year end of the Company as soon as possible.

General Matters

②We enclose for your attention correspondence received by us addressed to the Company from Canada Revenue Agency together with the Cover Sheet received from the Registrar of Companies setting out the federal business number assigned to the Company. Please make note of this number in your records and advise your accountants.

We also enclose a memo providing you with instructions to assist you in obtaining registration for Goods and Services Tax and Provincial Sales Tax.

We trust this general information will be of assistance to you in the conduct of your business. If you require legal advice regarding these matters, please contact us.

③Finally, we enclose our account for services rendered with respect to the incorporation and organization of the Company. As you may be aware, incorporation expenses are not deductible for income tax purposes, whereas expenses incurred in organizing a company are generally deductible. We have, therefore, split the fee portion of the account into two sections.

Please contact us if you require anything further at this time.

Yours truly,

{NAME OF LAW FIRM}

MEMO TO CLIENT ABOUT TAX REGISTRATION

General Notes

When the company is incorporated, BC Registry Services has partnered with Canada Revenue Agency and the new company is automatically given a CRA Business Number. This number can be found on the first page of the Incorporation documents, or by searching the new company online. Clients often ask the law firm to register the new company for G.S.T. and/or P.S.T. This memo will provide the client with instructions to assist them with these registrations. Most law firms do not make the applications on their clients' behalf.

Preparation

- ① Insert the name of the contact person for the Company.
- ② Insert the name of your law firm.
- ③ Insert the name of the Company.
- ④ Insert the business number from the first page of the incorporation documents.

Insert the amount, if known, or leave a blank for the client to complete. The minimum amount is \$30,000.00 per year.
- ⑥ Insert the effective date, which is usually the date of application.
- ⑦ Insert the names of the officers and the offices held. If no officers are appointed, delete this paragraph (including the heading).

MEMORANDUM – TAX REGISTRATION

To: ①
From: ②
Company: ③
Business Number: ④

REGISTRATION FOR GOODS AND SERVICES TAX (“GST”)

Any person can contact Canada Revenue Agency (“CRA”) at 1-800-959-5525 and obtain a GST number. CRA is linked to Corporate Online and can access the information as efiled with Registrar of Companies once you provide CRA with the company’ name and business number and confirm the name of the Company.

You can then provide the following information to the officer on the phone:

1. Social Insurance Number(s) of all director(s);
2. phone number(s) of at least one director(s) (work phone/fax and/or home phone/fax);
3. a short description of the Company's major business activity: such as “retail outlet – children's clothing”;
4. a short description of the type of services and/or products provided by company –such as “retail children's clothing”. Also provide a percentage (i.e, 100%) or if other services and products are also provided then the appropriate percentage with description of both;
5. Reporting of GST:
 - (a) the amount of estimated revenue: \$⑤; and
 - (b) reporting period (whether annual, quarterly, or semi-annually);
6. Effective date: ⑥;
7. Financial year end: ⑦.

CRA will provide the GST number over the phone (which is the business number with “**RT0001**” at the end) and will mail confirmation of the issuance of the GST number to the registered office unless CRA has been provided with a change of address.

We suggest that you provide CRA with the Company’s contact address as otherwise, all communications from CRA will be addressed to us as the registered office for the Company. If a change to the contact person needs to be made, generally, a director should make the change directly with CRA. We cannot make that change on behalf of the Company without receiving a signed authorization form.

REGISTRATION FOR PROVINCIAL SALES TAX (“PST”)

Registration for PST. can be obtained at a Service B.C. Centre, for the location of Service B.C. Centers see:

<http://www.servicebc.gov.bc.ca/locations/>

or by downloading Fin 418 Application for Registration for Provincial Sales Tax at:

<http://www2.gov.bc.ca/gov/content/taxes/sales-taxes/pst/forms>

Once the form has been completed, you may file it online by logging in at:

<https://www.etax.gov.bc.ca/btp/eservices/>

