

business in Manitoba. Secondly, another business registering after will not be granted a name identical or similar to those already on file. In some cases a business name must be registered to carry on business in Manitoba and in some cases it is not a requirement.

Registering a business name is not incorporating. The name is simply the name that the business utilizes to carry on its business. You will need to have your business name in place before applying for a Retail Sales Tax number and GST number.

JOINT VENTURES

A joint venture is an undertaking entered into by two or more parties in which the parties agree to use their combined resources to mutually perform a specified project. While a joint venture is similar in some aspects to a partnership, a joint venture is intended to be terminated upon the completion of the specified project, unlike a partnership which is created to conduct business with another party or parties on an ongoing basis. A joint venture is not a separate legal entity. A joint venture requires a contract to be made which sets out the specific intent of the parties, the rights and limitations, and duties.

NON-PROFIT ORGANIZATIONS

Starting a non-profit organization in Manitoba is similar to starting a business. A non-profit corporation must be registered at the Companies Office before your organization can register as a charity with the Canadian Charities Directorate. As with any other business, consideration must be given to registering for GST and the Manitoba Retail Sales Tax Exemption. Your non-profit organization will benefit from legal and accounting advice to ensure the organization is set up to provide maximum advantage to the cause it will serve.

There are many reasons to incorporate a business. The most important in many cases is to limit the liability of the owners of the business if there is a substantial risk of loss which cannot be insured.

Starting and running a business can be exciting and intimidating. Be sure to start off by assembling a team of advisors to improve the success of your endeavors. Our lawyers can help.



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BUSINESS STRUCTURES

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Anyone in business must decide what form of business organization is appropriate for them. Sometimes this is one of the most important business decisions to be made. The consequences of a wrong decision can be catastrophic. Great care ought to be taken and the best available advice should be sought. There are many forms in which a business may be carried on.

SOLE PROPRIETORSHIP

The sole proprietorship is the simplest form of business organization. In this case the individual carries on the business directly on his or her own account. The business person is then personally liable for all debts and liabilities of the business. This is its major disadvantage.

PARTNERSHIP

A partnership exists when two or more individuals carry on business in common with a view to profit. Here each partner is jointly and severally liable for all debts and liabilities of the partnership. Each partner is ordinarily



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considered an agent of the business so that the actions of one partner may make all partners personally liable. This is of course a significant disadvantage of partnerships.

A lawyer can help you prepare a written Partnership Agreement setting out the rights and duties of each partner including such things as:

- Division of responsibilities;
- Division of profits and losses between partners;
- Financial contributions by partners;
- Lending policies;
- Transfer of partnership interest during lifetime or after death;
- Termination options.

CORPORATION

The business organization of choice in many circumstances is the CORPORATION or company. In law a corporation is the business vehicle whereby the business persons are considered separate and apart from the corporation. The corporation is considered a separate legal entity from its owners. The owners are called



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shareholders. Its managers are called the directors. With some significant exceptions, the shareholders or directors are not ordinarily liable for the debts or other obligations of the corporation.

There are many reasons to incorporate a business. The most important in many cases is to limit the liability of the owners of the business if there is a substantial risk of loss which cannot be insured. However, where financing is required from a lending institution the lender will often insist on a personal guarantee from the owners. If this is the case, the owners are to that extent, personally liable but at least the owners will not be personally liable for other debts of the corporation.

Directors of corporations also have a growing number of liabilities prescribed by law. For example, they are personally liable for failure to remit income tax returns, or failure to remit employee deductions to the government, and certain conflicts of interest and breaches of trust. Corporations are also valuable estate planning tools. For example, they can be used by a business person to maintain control of a business while funnelling growth or profits to the next generation, in a tax effective manner.

The reality is that there is no hard and fast rule as to the appropriate business vehicle to use in every case. Business, like life, is more complicated than that. Each individual case must be decided on its own merits. In certain cases there are also important tax savings available through the use of a corporation. The costs and benefits should be carefully weighed together with your legal and tax advisors.

BUSINESS NAMES

A business name registration is designed to accomplish two matters. First, the registrant is permitted to conduct