



College of Traditional Chinese Medicine
Practitioners and Acupuncturists of Ontario

Ordre des praticiens en médecine traditionnelle
chinoise et des acupuncteurs de l'Ontario

Professional Incorporation Handout

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Practitioners and Acupuncturists of Ontario

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PROFESSIONAL INCORPORATION – HANDOUT FOR PROFESSIONAL CORPORATIONS

Introduction

Under the *Regulated Health Professions Act* (the “RHPA”), College members are permitted to establish a corporation for the purpose of practising Traditional Chinese Medicine and/or acupuncture. Members intending to incorporate must do so under the Ontario *Business Corporations Act*. After incorporation, the corporation must apply to the College of Traditional Chinese Medicine Practitioners and Acupuncturists of Ontario (the “College”) for a Certificate of Authorization. Without this Certificate of Authorization, the corporation is not permitted to practise. Practising without a Certificate of Authorization or holding out as a professional corporation without a Certificate of Authorization is an offence.

Once a Certificate of Authorization has been issued by the College, professional corporations have ongoing responsibilities.

Important Information for Professional Corporations

This document is intended to provide professional corporations with information about the continuing obligations imposed after a Certificate of Authorization has been issued. A professional corporation should consult with its own legal counsel and accountant for legal and tax advice.

Annual Renewal

The Ontario *Business Corporations Act* and the Certificates of Authorization regulation under the RHPA impose certain ongoing obligations on corporations in order to maintain incorporation. A professional corporation should consult with its legal counsel or with the Ministry of Government and Consumer Services in order to ensure that any obligations imposed under that legislation are met.

Certificates of Authorization must be renewed annually.

The College will renew a Certificate of Authorization on an annual basis if the corporation applies for the renewal by giving the following information and documents to the Registrar:

- (a) A completed application for renewal in a form approved by the College.
- (b) The annual renewal fee required by the by-laws of the College.
- (c) A corporation profile report issued by the Ministry of Government and Consumer Services by a service provider which is under contract with the Ministry of Government and Consumer Services not more than 30 days before the day it is submitted to the Registrar, which indicates that the corporation is active.
- (d) A copy of every certificate of the corporation that has been endorsed under the *Business Corporations Act* since the corporation’s most recent application for a Certificate of Authorization or for renewal of its Certificate of Authorization.

(e) The declaration of a director of the corporation, executed not more than 15 days before the application for renewal is submitted to the Registrar, stating:

(i) that the corporation is in compliance with section 3.2(2) of the *Business Corporations Act* (conditions for professional corporations) as of the date the statutory declaration is executed;

(ii) that the corporation does not carry on, and does not plan to carry on, any business that is not the practice of the profession governed by the College or activities related to or ancillary to the practice of that profession;

(iii) that there has been no change in the status of the corporation since the date of the corporation profile report; and

(iv) that the information contained in the application for renewal is complete and accurate as of the date the declaration is signed.

(f) The name of each person who is a shareholder of the corporation as of the day the application for renewal is submitted and his or her business address, business telephone number and registration number with the College as of that day.

(g) The names of the directors and the officers of the corporation as of the day the application for renewal is submitted.

(h) The address of the premises at which the corporation carries on activities as of the day the application for renewal is submitted.

Information to be kept in the Register

The *Regulated Health Professions Act* requires the College to maintain certain information about professional corporations on the College's public Register.

This information includes:

- The name of every health profession corporation of which the member is a shareholder.
- The name, business address and business telephone number of every health profession corporation.
- The names of the shareholders of each health profession corporation who are members of the College.
- A notation of every revocation or suspension of a Certificate of Authorization.

The College By-laws require that the following additional information with respect to professional corporations be maintained in the College's public Register:

- business e-mail address, if there is one; and
- any operating names of the professional corporation.

Other Information to be Provided

In addition to the information that will appear on the College's public register, professional corporations are required by the by-laws to provide the following information to the Registrar:

- any business names used by the professional corporation;
- the registration number of each shareholder of the professional corporation;
- the name, as set out in the register, of each officer and director of the professional corporation, and the title or office held by each officer and director;
- the principal practice address, telephone number, facsimile number and e-mail address of the professional corporation; the address and telephone number of all other locations, other than residences of clients, at which the professional services offered by the professional corporation are provided; and
- a brief description of the professional and ancillary activities carried out by the professional corporation.

Changes to the Corporation

Members are required, for every professional corporation of which he or she is a shareholder, to notify the College within 30 days of any changes to:

- directors, shareholders or officers of the professional corporation;
- the corporation's name; or
- its articles of incorporation,

Further, the professional corporation must give the College a copy of a certificate of the corporation that has been endorsed under the *Business Corporations Act* indicating any change to the corporation's name or articles of incorporation.

Professional Conduct and Liability

Incorporation cannot be used to limit professional liability. Shareholders of a professional corporation are personally liable for the practice-related acts of the corporation.

Additionally, a term, condition or limitation imposed on the certificate of registration of a member practising Traditional Chinese Medicine and/or acupuncture through a health profession corporation applies to the Certificate of Authorization of the corporation in relation to the practice of the health profession through the member.

In the course of practising a health profession, a health profession corporation shall not do, or fail to do, something that would constitute professional misconduct if a member of the health profession did, or failed to do, it.

Carrying on Business

In order to have been issued a Certificate of Authorization, the articles of incorporation of the professional corporation must have provided that the corporation may not carry on a business other than the practice of Traditional Chinese Medicine and/or acupuncture other than activities related to or ancillary to the practice of the profession (such as the investment of surplus funds earned by the corporation). This restriction must be met in order to maintain a Certificate of Authorization.

Revocation of a Certificate of Authorization

The following are the grounds upon which a corporation's Certificate of Authorization may be revoked:

1. The corporation ceases to be eligible to hold a Certificate of Authorization.

2. The corporation ceases to practise the profession in respect of which the Certificate of Authorization was issued.
3. The corporation fails to comply with one or more of the requirements for a renewal of the Certificate of Authorization.
4. The corporation carries on any business that is not the practice of the profession governed by the College or activities related to or ancillary to the practice of that profession.
5. The corporation fails to notify the Registrar of a change in shareholders in accordance with section 85.9 of the *Health Professions Procedural Code* (Schedule 2 to the *Regulated Health Professions Act*).

If the College proposes to revoke a corporation's Certificate of Authorization, the College shall give notice of the proposed revocation, setting out the date the revocation will take effect and the grounds for the proposed revocation. The College shall revoke the corporation's Certificate of Authorization 60 days after the date on which the notice is given if any of the grounds for revocation exist on the revocation date specified in the notice.

If a corporation's Certificate of Authorization is revoked, a new Certificate of Authorization may be issued to the corporation only if the corporation is eligible to hold one and applies for a new Certificate of Authorization.

Additional Obligations

Corporations are required to file corporate tax returns and maintain accurate corporate records. Members should consult with the appropriate advisors (e.g. accounts, lawyers) to ensure the corporation meets these obligations. The College cannot provide advice to members with respect to these corporate obligations.

Resources

For more information on professional corporations you can contact the College at by phone at 416-238-7359 or by e-mail at: registration@ctcmpao.on.ca or visit our website at: <http://www.ctcmpao.on.ca/index.html>

For forms and instructions on how to incorporate, contact the of the Ministry of Government and Consumer Services or 416-314-8880 or visit their website at <https://www.ontario.ca/ministry-government-services> .