Starting a business in Ontario

Most Ontario businesses do not fail on their legal setup. The ones that skip it pay for the shortcut later, usually at the worst moment: a CRA audit, an injured worker, a licence inspection, a bank that will not open an account. The setup itself is a fixed sequence of steps, most of them cheap, all of them documented on government websites. Work down this list in roughly this order and tick as you go.

1 Choose your structure

The choice drives liability, tax, and almost everything else below. Make it before you spend money on anything else.

- [ ] **Decide between sole proprietorship, general partnership, and corporation.** Incorporate if the business carries real risk or earns more than you spend. Start simple if it does not, and revisit as revenue grows.
- [ ] **Settle who owns what, in writing, before anyone contributes money or work.** Ownership agreed in conversation is the most common source of a founder dispute two years later.
- [ ] **If there will be more than one owner, agree the structure before you register anything.** Changing it afterwards means new filings and, sometimes, a tax bill.

2 Search and clear the name

Registering a business name gives you almost no exclusive right to it. It is a public record, not brand protection.

- [ ] **Search the name in the Ontario Business Registry** at ontario.ca/page/ontario-business-registry.
- [ ] **Order a NUANS report** if you are incorporating under a name rather than a number. NUANS searches corporate names and trademarks across Canada, which the Ontario registry alone does not.
- [ ] **Search the Canadian trademarks database** at ised-isde.canada.ca before you pay for signage, packaging, or a domain. A name that clears the registry can still infringe someone's trademark.
- [ ] **Buy the domain and the social handles** once the name is clear, not before.

3 Register the business

- [ ] **Sole proprietorship or general partnership.** Register the business name through the Ontario Business Registry. It costs $60 online and lasts five years. Write the expiry date in your calendar now, because the five-year renewal is the step founders forget.
- [ ] **Ontario corporation.** File articles of incorporation online through the Ontario Business Registry for $300, plus the NUANS report if the corporation is named. A numbered corporation skips the name search.
- [ ] **Federal corporation.** Incorporate through Corporations Canada for $200 online. Federal incorporation protects the corporate name across Canada, but you still register extra-provincially in Ontario and in every other province where you carry on business.
- [ ] **Record the exact legal name, the incorporation date, and the corporation number** somewhere you can find them in five minutes. Every form below asks for them.

4 Business number and CRA program accounts

The business number is your single identifier with the Canada Revenue Agency. Program accounts hang off it.

- [ ] **Get the business number.** Incorporating usually generates one automatically. A sole proprietor registers when they first need a program account.
- [ ] **Open an RC program account** for corporate income tax if you incorporated.
- [ ] **Open an RT program account** for GST/HST when you register. Ontario HST is 13 percent.
- [ ] **Open an RP program account** for payroll before the first paycheque goes out.
- [ ] **Decide whether to register for HST voluntarily** before you are required to. Registration becomes mandatory once your worldwide taxable revenues pass $30,000, measured either in a single calendar quarter or over the last four consecutive calendar quarters. Once registered you charge 13 percent either way, and in exchange you recover the HST you pay on your own expenses through input tax credits.

5 Licences, permits, and zoning

There is no single business licence in Ontario. What you need depends on what you do and where you do it.

- [ ] **Run your business type and address through BizPaL** at bizpal.ca. It generates a permit list from federal, provincial, and municipal requirements together.
- [ ] **Check municipal licensing.** Municipalities license everything from restaurants to contractors to home businesses.
- [ ] **Check zoning before you sign a lease or an offer.** A commercial unit that cannot legally house your use is still a unit you owe rent on.
- [ ] **If you are working from home,** check your municipality's home occupation rules and tell your home insurer. An undisclosed business is a classic reason for a denied claim.
- [ ] **Check your provincial sector regulator** if you are in real estate, security, liquor, travel, or another licensed field.
- [ ] **Check federal requirements** if you handle food, transport goods, or import anything.

6 Hiring your first worker

- [ ] **Register with the Workplace Safety and Insurance Board within ten calendar days of hiring your first worker.** Some sectors are exempt, but the exemptions are narrower than owners assume. Registering late means retroactive premiums plus penalties, and an unregistered worker who gets injured is far worse.
- [ ] **Withhold income tax, CPP, and EI from the first paycheque** and remit through your payroll account. A regular remitter's payment is due by the 15th of the month after the month the pay was made.
- [ ] **Confirm whether the person is an employee or an independent contractor.** Calling someone a contractor does not make them one, and the CRA and the Ministry of Labour both apply their own tests.
- [ ] **Put the terms in a written offer letter or employment agreement** that meets the Employment Standards Act, 2000. A termination clause that falls below the Act is unenforceable, and the fallback is common law notice, which is far more expensive.
- [ ] **Watch the Ontario Employer Health Tax.** Eligible private-sector employers get an exemption on the first $1,000,000 of Ontario payroll. The annual return is due March 15 for the previous year, and monthly instalments start once Ontario payroll passes $1,200,000.

> Two lines on this list run on their own clock. GST/HST registration becomes mandatory once your worldwide taxable revenues pass $30,000, measured either in one calendar quarter or across the last four consecutive quarters. Cross that line inside a single quarter and you charge HST on the sale that took you over it and register within 29 days, whether or not you have a number yet. WSIB registration is due within ten calendar days of hiring your first worker. Missing either is cheap to fix in the first month and expensive to fix in the third year.

7 Money, insurance, and paper

- [ ] **Open a separate business bank account on day one.** For a corporation this is not optional. Mixing corporate and personal funds hands the CRA an audit trail and hands creditors an argument that the corporation is a sham.
- [ ] **Set up bookkeeping from the first transaction,** not in the spring.
- [ ] **Buy insurance matched to the business.** Commercial general liability at a minimum, professional liability if you advise, and coverage for premises and stock if you have them.
- [ ] **Paper what the business actually does.** Client terms, supplier agreements, and, if there is more than one owner, a shareholders' or partnership agreement. That agreement is the single most skipped document on this list and the most expensive one to be without.
- [ ] **Keep your business records for six years** from the end of the last tax year they relate to. The CRA sets that period, and it applies whether or not you are audited.
- [ ] **Build the minute book if you incorporated.** Articles, by-laws, registers of directors, officers and shareholders, share certificates, and the resolutions that appoint people and approve the financial statements.
- [ ] **Start the register of individuals with significant control.** Every private Ontario corporation has had to keep one since January 1, 2023, update it within 15 days of learning of a change, and review it at least once each financial year.

Telesh Law Firm Professional Corporation
Scarborough: 1585 Markham Road, Scarborough, ON M1B 2W1
Mississauga: 2960 Drew Road, Unit 139, Mississauga, ON L4T 0A5
416-639-0887 · tlf@teleshlawfirm.ca · teleshlawfirm.ca

8 Put these dates in your calendar before you close this page

- [ ] **Business name expiry,** five years from registration, if you registered a name rather than incorporating.
- [ ] **Your fiscal year end.** Almost every deadline below counts from it.
- [ ] **Ontario annual return,** within six months of fiscal year end, filed through the Ontario Business Registry.
- [ ] **Federal annual return,** within 60 days of the anniversary of incorporation, $12 online, if you incorporated federally.
- [ ] **T2 corporate income tax return,** within six months of fiscal year end.
- [ ] **Corporate tax balance,** within two months of fiscal year end, or three months for an eligible Canadian-controlled private corporation that claimed the small business deduction.
- [ ] **Your assigned HST filing dates.** Monthly and quarterly filers file and pay one month after the period ends. Annual filers file and pay three months after fiscal year end.
- [ ] **Notice of change,** within 15 days of any change to the registered office address, the directors, or the five most senior officers of an Ontario corporation.

Founders rarely do these steps in a tidy sequence, and mostly that is fine. What is not fine is the permanent gap: the business that crossed $30,000 two years ago and never registered for HST, the employee hired in March with no WSIB registration in December, the corporation whose only bank account is the owner's personal chequing. Each one is cheap to fix early. If you are about to sign a lease, take investment, or hire, get the setup reviewed first. Retrofitting a business's legal foundation costs multiples of building it right, and that is the point where Telesh Law Firm Professional Corporation is worth a call.

CURRENT AS AT AUGUST 2026

> This checklist is general information, not legal advice, and does not create a solicitor-client relationship. It is current as at its publication date and is not revised as the law changes. For advice on your specific situation, book a consultation at teleshlawfirm.ca or call 416-639-0887.

Telesh Law Firm Professional Corporation
Scarborough: 1585 Markham Road, Scarborough, ON M1B 2W1
Mississauga: 2960 Drew Road, Unit 139, Mississauga, ON L4T 0A5
416-639-0887 · tlf@teleshlawfirm.ca · teleshlawfirm.ca