

# Extra-Provincial Registration in Quebec

## Who Must Register as an Extra-Provincial Company

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The general requirements applying to the registration of a legal person who carries on an activity within the Province of Quebec are contained in the *Act respecting the legal publicity of sole proprietorships, partnerships and legal persons* (R.S.Q., c. P-45) (the “**Legal Publicity Act**”).

Pursuant to section 2, paragraph 5 of the Legal Publicity Act, every legal person established for a private interest not constituted in Quebec is subject to the requirement of registration if:

- it carries on **an activity in Quebec**, including the operation of an enterprise; or
- **it possesses an immovable real right in Quebec**, other than a prior claim or hypothec.

Pursuant to section 6 of the Legal Publicity Act, every person **is deemed to be carrying on an activity or operating an enterprise** in Quebec if the person:

- has an address in Quebec;
- has in Quebec, either directly or through the agency of the representative acting under a general mandate, an establishment or a post office box;
- has a telephone number in Quebec; or
- engages in a profit-making activity in Quebec or is carrying out in Quebec **any act for the purpose of profit**.

The interpretation given to the expression “any act for the purpose of profit” since the Legal Publicity Act has been enacted has not been to require the registration of foreign corporations merely because they:

- acquire shares of a Quebec corporation;
- licence a trademark to be used by a third party in Quebec; or
- grant a distribution agreement to a Quebec corporation.

By extension, the fact that a foreign corporation acquires shares of a Quebec corporation which possesses an immovable real right in Quebec shall not in our view require the registration of the foreign corporation in Quebec.

## Voluntary Registration

An enterprise may voluntarily register as an extra-provincial company in Quebec to publicize its existence. In this case, the enterprise has the same rights and obligations of an enterprise required to register.

## Language Requirements

The names declared by the foreign corporation on its registration form and used in Quebec must be in French or accompanied by a French version, except if such name is a trademark registered in English only.

## Obligations Following Registration

Extra-provincial companies registered in Quebec must:

- update their registration information every year by producing an Annual Declaration; and
- within 15 days following a change to the information on file (e.g. directors, officers, addresses, etc.), produce an Amending Declaration.

## Sanctions and Penalties

A foreign corporation required to register as an extra-provincial company which fails to register is liable to a fine ranging from \$200 to \$2,000.

## Quebec Tax Issues

Following registration as an extra-provincial company in Quebec, foreign corporations may have to comply with provincial income and sale taxes requirements.

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