



STEPS TO STARTING A BUSINESS

~A Guide to Business Regulations and Licenses~

1. VISIT THE SMALL BUSINESS ENTERPRISE CENTRE

(All services are free and confidential with the exception of some business seminars & events)

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| Resources Available: | Business Consultations (by appointment only) Business Name Search & Registration Station Market Research Assistance Business Plan Review Reference Library & Databases Business Seminars & Events Public Access Computer Workstation (by appointment only) |
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2. PREPARE THE BUSINESS PLAN

This plan is especially required when applying to any financial institution for assistance. Prepare your business plan in the start-up stage of your small business, then consult and revise it on an ongoing basis.

Why write a Business Plan?

- To precisely define your business and give you a better understanding of the industry
- To show potential strengths, weaknesses and opportunities of your business
- To identify your goals and give you focus
- To allow you to measure your success
- To serve as your company's resume
- To help obtain financing or attract investors

The bottom line - the purpose of a business plan is to improve the success rate of any venture.

3. ATTEND OUR BUSINESS ASSISTANCE SEMINARS AND EVENTS

Check out our current seminar schedule for more details and register on-line at:

<http://www.niagarafalls.ca/businessevents>

REGISTRATION IS A MUST:

- Space is limited and dates are subject to change
- Registration can be done in person by cash or over the phone with credit card by contacting the Centre directly at: 905-356-7521 Ext. 5004

4. CHECK MUNICIPAL REGULATIONS

Municipalities across the Niagara Region will have specific regulations regarding business operation within their municipality. Ensure that you check with the various departments listed below for any regulations affecting your business.

A LISTING OF MUNICIPAL OFFICES WITHIN THE NIAGARA REGION IS PROVIDED ON THE BACK OF THIS GUIDE.

a) LICENSING

Municipalities across the Niagara Region will license certain types of businesses. Check with the local City Hall to determine if Municipal Licensing is required. In Niagara Falls, you can contact Lydia Picca in the Clerk's Department at (905) 356-7521, ext. 4283.

A complete listing of Municipal Licenses in Niagara Falls and costs can be found at:

http://www.niagarafalls.ca/city_hall/departments/clerks/licence_fee_schedule.asp

NOTE: If required, the licensing officer will circulate your application to the necessary departments on your behalf, including the Building, Fire, Police and Public Health departments.

b) ZONING

To ensure that the building, land or establishment where you will be operating your business is appropriately zoned, contact your municipality's Zoning Administrator. If you run a home-based business, there is likely a Home Occupation By-Law which you must adhere to. Nick DeBenedetti is the Zoning Administrator in the Planning Department in Niagara Falls City Hall and can be contacted at (905) 356-7521, ext. 4233.

You will also want to have your lawyer and accountant evaluate any leases or purchase and sale agreements you are contemplating to ensure you are aware of all the legal and financial implications associated with your decision.

c) BUILDING DEPARTMENT

Check with your City Hall's building department for any required building permits including but not limited to:

- Installing or Erecting a Business Sign
- Renovations/New Additions
- Home Occupation
- Decks

If you are in a dwelling unit that contains a subsidiary business and personal services occupancy or a subsidiary low hazard industrial occupancy, has an area not more than 150m², and is used and operated by one or more persons of a single household, you will need to contact the Building Department and inquire about obtaining a permit.

In Niagara Falls, the City's Building Department can be reached by telephone at (905) 356-7521, ext. 4250.

d) FIRE DEPARTMENT

As part of the building, zoning and licensing requirements, you may require inspection from the Fire Department. For further information, contact your local Fire Inspection Department. To contact the Niagara Falls Fire Inspection Department call them at (905) 356-1321.

5. CHECK REGIONAL and PROVINCIAL REGULATIONS

a) NIAGARA REGIONAL POLICE SERVICE

Certain types of businesses must register with the Niagara Regional Police Service. A partial listing is provided below. For a complete list, contact the NRP Licensing Dept. at (905) 688-4111 ext. 5070 or visit: <http://www.nrps.com/licencing/default.asp>

- Adult Entertainment
- Salvage Yards
- Scrap Metal Dealers
- Auto Wrecking Yards
- Second Hand Stores
- Second Hand Goods Dealers
- Vehicles for Hire (eg: Taxicabs, Tow Trucks, Limousines, Sightseeing Shuttles, Bike Rentals)

b) PUBLIC HEALTH DEPARTMENT

The Niagara Regional Public Health Department will want to inspect equipment and premises of certain businesses (partial listing below). For more information contact 905-356-1538.

- Food Service (ie: restaurants, french fry trucks, etc.)
- Hairdressing Salons
- Tanning Salons
- Tattoo/Body Piercing
- Convenience Stores

c) PROVINCIAL LICENCES

Certain Businesses may require special Provincial Licenses. A partial listing is provided below.

- Day Care Services – Ministry of Children and Youth Services - Hamilton Niagara Region
1-800-561-0568, www.children.gov.on.ca
- Liquor Licences – Alcohol and Gaming Commission of Ontario
1-800-522-2876, www.agco.on.ca
- Custom's Brokers – Canada Border Services Agency
1-800-461-9999, www.cbsa-asfc.gc.ca
- Travel Agents – Travel Industry Council of Ontario (TICO)
1-888-451-8426, www.tico.on.ca
- Video/DVD Rental – Ministry of Government Services (MGS), Theatres Branch
1-800-268-6024,
http://www.ontario.ca/en/information_bundle/workplace/stel02_038058
- Music License – Performances of music in public require a licence from SOCAN
1-866-307-6226, <http://www.socan.ca/jsp/en/index.jsp>
- Motor Vehicle Dealers – Ontario Motor Vehicle Industry Council
1-800-943-6002, http://www.omvic.on.ca/services/dealers/become_dealer.htm

6. DECIDE ON THE FORM OF BUSINESS

There are 3 main forms of Business Organization including:

SOLE PROPRIETORSHIP - refers to an unincorporated business with one (sole) owner.

- The owner must be an individual. It is not a corporation.
- This is the easiest form of business to set up.

GENERAL PARTNERSHIP - refers to an unincorporated business with 2 or more owners.

- The general partnership may consist of individuals, corporations, or other unincorporated businesses. This is not the same as a limited partnership.

CORPORATION - an entity with rights and responsibilities as a *distinct person* under the law.

- A corporation is owned by the shareholders and managed by directors chosen by the shareholders.
- The owners of a corporation are not personally responsible for the debts of the corporation.
- The corporation is responsible for its debts.
- The purpose of a business corporation is to make a profit for its owners.
- A business corporation is distinguished by the use of the following legal elements within the corporate name: "Limited", "Incorporated" or "Corporation" or the corresponding abbreviations "Ltd.", "Inc." or "Corp."
- A corporation may operate under a name other than its legal corporate name by filing a Registration Form 2 under the Business Names Act. The operating name can not have the legal elements of "Limited", "Incorporated", "Corporation", "Ltd.", "Inc." or "Corp." within the name.

7. REGISTER YOUR BUSINESS NAME

Refer to handout: *Registering Your Business Name: What to Know Before Registering*

- Registration of your business name (Master Business Licence) is mandatory under the Business Names Act if you operate a business under a name other than your own.*
- This registration is also required to open a business bank account.
- Registration costs \$60.00 and is valid for 5 years.
- Name Search is optional and costs \$8.00 per name searched.
- Registering your business name does NOT give you exclusive use of the name.

Online: http://www.ontario.ca/en/services_for_business/index.htm

(Fees must be paid by credit card)

In Person: Niagara Fall Small Business Enterprise Centre
City Hall, 4310 Queen Street, 2nd Floor
905-356-7521 x 5004

Note: An appointment is not required, but is highly recommended.
Fees payable by cash or credit card only – NO CHEQUES or DEBIT (Interac)

*If you choose to use your legal name (for example: John Smith) with no additional words as your business name, a business name registration is not required.

8. FEDERAL AND PROVINCIAL TAXES

a) HARMONIZED SALES TAX (HST)

As of July 1, 2010, the HST has replaced Ontario's provincial tax and combined it with the GST. The HST tax rate of 13% is comprised of Ontario's 8% portion, and a 5% federal portion.

You must register for HST if your gross annual sales are more than \$30,000.

You can register voluntarily if your taxable sales are less than \$30,000, but once registered you must begin collecting and remitting the HST. There is **no charge** for this Business Number (BN).

Contact the Canada Revenue Agency for more information about claiming your input tax credits.

Canada Revenue Agency
32 Church Street, St Catharines
1-800-959-5525, www.cra.gc.ca or www.businessregistration.gc.ca

b) EMPLOYER HEALTH TAX (EHT)

If your business has a cumulative annual payroll in excess of \$400,000 or are considered an associated employer, you are required to register and remit Employer Health Tax. Contact the Ministry of Finance for more information.

Ministry of Finance – Tax Revenue Division
1-866-668-8297, <http://www.rev.gov.on.ca/english/taxes/eht/index.html>

c) CORPORATE INCOME TAX

If you have incorporated your business you will have to remit income tax to the federal government. In most cases, new corporations will receive a Business Number from Revenue Canada within 45 days of incorporating. For more information contact:

Canada Revenue Agency
32 Church Street, St Catharines
1-800-959-5525, www.cra.gc.ca or www.businessregistration.gc.ca

9. INSURANCE

Insurance needs for businesses vary greatly. It is best to choose an insurance agent or broker familiar with your size of business and, in particular, an agent familiar with your type of operation. If you don't have an insurance agent, you may wish to ask other business owners in your area to recommend one.

The following list is included to remind you not to overlook the complex areas of business insurance. It is best, however, to discuss your specific requirements with your insurance agent.

Basic insurance:

- fire insurance (extended coverage on buildings and contents);
- liability insurance (depending on the type of business);
- burglary protection (theft coverage); and
- dishonesty insurance (covers thefts by employees).

10. IMPORTING/EXPORTING

- If you import goods into Canada or export goods to other countries, you should register.
- Your import/export account number is used to process customs documents.
- To avoid delays in releasing your goods at the border, open your account before you import or export goods.

Canada Revenue Agency
32 Church Street, St Catharines
1-800-959-5525, www.cra.gc.ca or www.businessregistration.gc.ca

Canada Border Services Agency
1-800-461-9999, www.cbsa-asfc.gc.ca

11. INTELLECTUAL PROPERTY

There are 5 types of intellectual property including:

- **Trade-marks** are used to distinguish the goods or services of one person or company from those of another. Slogans, names of products, distinctive packages or unique product shapes are all examples of features that are eligible for registration as trade-marks.
- **Patents** cover new inventions (process, machine, manufacture, composition of matter), or any new and useful improvement of an existing invention;
- **Copyrights** provide protection for literary, artistic, dramatic or musical works (including computer programs), and three other subject-matter known as: performance, sound recording and communication signal;
- **Industrial designs** are the visual features of shape, configuration, pattern or ornament (or any combination of these features), applied to a finished article of manufacture;
- **Integrated circuit topographies** refer to the three-dimensional configuration of the electronic circuits embodied in integrated circuit products or layout designs.

Canadian Intellectual Property Office (CIPO)
General inquiries: 1-866-997-1936
www.cipo.gc.ca

12. EMPLOYEE REGULATIONS

a) EMPLOYER NUMBER

You will need a federal Employer Number if hiring employees. All businesses are required to make payroll deductions from their employees for: Canada Pension Plan (CPP), Employment Insurance (EI) and Income Tax. For more information contact:

Canada Revenue Agency
32 Church Street, St Catharines
1-800-959-5525, www.cra.gc.ca or www.businessregistration.gc.ca

b) WORKPLACE SAFETY AND INSURANCE BOARD

- Most businesses in Ontario that employ workers (including family and sub-contractors) must register and make remittance to the Workplace Safety and Insurance Board (WSIB). It's the law.
- You will need to contact WSIB within 10 days of hiring your first full or part-time worker.
- Employers who do not register are subject to prosecution and penalties.
- Owners, partners and executive officers are not automatically covered under the WSIB insurance plan, but you can apply for optional insurance.
- The 2008 average premium rate for most employers is \$2.26 for every \$100 of insurable earnings.

Workplace Safety and Insurance Board
905-687-8622 or 1-800-263-2484
www.wsib.on.ca

c) EMPLOYMENT STANDARDS

- The Employment Standards Act (ESA) provides for minimum terms and conditions of employment in most industries.
- The poster (now available in 20 languages), "What You Should Know About the Ontario Employment Standards Act", outlines employees' rights and employers' responsibilities at work and must be posted in most workplaces.

Ministry of Labour
1-800-809-4731, <http://www.labour.gov.on.ca/english/es/index.html>



MUNICIPALITY LISTING

| Place | Address | Phone Number | Website |
|---------------------|---|--------------|--|
| Fort Erie | Town of Fort Erie 1 Municipal Centre Drive Fort Erie, ON L2A 2S6 | 905-871-1600 | www.forterie.on.ca |
| Grimsby | Town of Grimsby 160 Livingston Avenue P.O. Box 159 Grimsby, ON L3M 4G3 | 905-945-9634 | www.town.grimsby.on.ca/ |
| Lincoln | Town of Lincoln 4800 South Service Road Beamsville, ON L0R 1B1 | 905-563-8205 | www.lincoln.ca |
| Niagara Falls | City of Niagara Falls P.O. Box 1023 4310 Queen Street Niagara Falls, ON L2E 6X5 | 905-356-7521 | www.niagarafalls.ca |
| Niagara-On-The-Lake | Town of Niagara-on-the-Lake 1593 Creek Road P.O. Box 100 Fonthill, ON L0S 1T0 | 905-468-3266 | www.notl.org |
| Pelham | Town of Pelham 20 Pelham Town Square P.O. Box 400 Fonthill, ON L0S 1E0 | 905-892-2607 | www.pelham.ca |
| Port Colborne | City of Port Colborne 66 Charlotte Street Port Colborne, ON L3K 3C8 | 905-835-2901 | www.portcolborne.ca |
| St. Catharines | City of St. Catharines 50 Church Street P.O. Box 3012 St. Catharines, On L2R 7C2 | 905-688-5601 | www.stcatharines.ca |
| Thorold | City of Thorold 3540 Schmon Parkway P.O. Box 1044 Thorold, ON L2V 4A7 | 905-227-6613 | www.thorold.com |
| Wainfleet | Township of Wainfleet P.O. Box 40 Wainfleet, ON L0S 1V0 | 905-899-3463 | www.township.wainfleet.on.ca |
| Welland | City of Welland 411 East Main Street Welland, ON L3B 3X4 | 905-735-1700 | www.city.welland.on.ca |
| West Lincoln | Township of West Lincoln 318 Canborough Street P.O. Box 400 Smithville, ON L0R 2A0 | 905-957-3346 | www.westlincoln.com |