

1205 CONSULTING INC.

Beyond Advisory. Into Action.

Canadian Market Entry Checklist

35+ Actionable Items for International Companies Entering Canada

WHAT'S INSIDE

- 1. Legal Entity Setup**
Incorporation, governance, resident directors
- 2. Tax Registration & Compliance**
CRA accounts, provincial tax, transfer pricing
- 3. Banking & Financial Infrastructure**
Business banking, FX, accounting setup
- 4. Employment & HR Compliance**
ESA, statutory benefits, workplace policies
- 5. Regulatory & Sector-Specific**
PIPEDA, CASL, professional licensing
- 6. Go-to-Market Strategy**
Pricing, partnerships, launch execution

35+

Compliance Items

6

Critical Categories

4-8 mo

Typical Timeline

SECTION 1: LEGAL ENTITY SETUP

Choose Incorporation Type

- Federal incorporation (Canada Business Corporations Act) vs. provincial
- Extra-provincial registration in each operating province
- Articles of incorporation drafted and filed
- Corporate bylaws adopted and signed
- Resident Canadian director requirement met (25% federal; varies by province)
- Registered office address established in Canada

Corporate Governance

- Board of directors appointed with required Canadian residency
- Officers appointed (President, Secretary, Treasurer minimum)
- Organizational resolutions passed (banking, signing authority)
- Minute book established and maintained
- Annual filing obligations calendared (federal & provincial)

SECTION 2: TAX REGISTRATION & COMPLIANCE

CRA Business Number & Accounts

- Business Number (BN) obtained from Canada Revenue Agency
- GST/HST registration (mandatory if revenue exceeds \$30K/year)
- Payroll account opened (before first employee payment)
- Corporate income tax account activated
- Import/export account (if applicable)

Provincial Tax Obligations

- Provincial Sales Tax (PST) registration (BC, SK, MB)
- Quebec Sales Tax (QST) registration (if operating in QC)
- Provincial corporate tax registration (QC & AB have separate regimes)
- Employer Health Tax registration (Ontario: payroll > \$1M)
- WSIB / workers' compensation registration in operating provinces

Transfer Pricing & Cross-Border

- Transfer pricing documentation prepared (contemporaneous)
- Intercompany agreements executed (services, IP, cost-sharing)
- Thin capitalization rules reviewed (debt-to-equity 1.5:1 limit)
- Withholding tax obligations identified (dividends, royalties, management fees)
- Treaty benefits assessed (Canada-US, Canada-UK, etc.)

SECTION 3: BANKING & FINANCIAL INFRASTRUCTURE

Canadian Business Banking

- Canadian business bank account opened (Schedule I bank recommended)
- Signing authority resolution provided to bank
- Online banking and wire transfer capabilities activated
- Credit facilities assessed (operating line, credit cards)
- FX management strategy established (hedging, multi-currency accounts)

Financial Operations

- Canadian accounting software configured (QBO, Xero, Sage)
- Chart of accounts aligned with Canadian GAAP / IFRS requirements
- Canadian fiscal year-end selected and registered with CRA
- Monthly close process established with parent company
- Audit requirements assessed (size thresholds vary by province)

SECTION 4: EMPLOYMENT & HR COMPLIANCE

Employment Standards (ESA / Provincial)

- Minimum employment standards reviewed (ESA in Ontario, or applicable provincial act)
- Employment agreement templates drafted (ESA-compliant termination clauses)
- Statutory holidays and vacation entitlements configured in payroll
- Overtime rules understood (44 hrs/week in Ontario; varies by province)
- Record-keeping obligations met (pay stubs, hours, vacation tracking)

Statutory Benefits & Deductions

- CPP (Canada Pension Plan) employer contributions configured
- EI (Employment Insurance) premiums configured
- Provincial health tax remittances set up (Ontario EHT, QC QHSF)
- Group benefits plan established (extended health, dental — market expectation)
- RRSP / DPSP employer match program evaluated

Workplace Policies & Compliance

- Workplace harassment & violence policy (OHSA s.32.0.1 in Ontario)
- AODA (Accessibility for Ontarians with Disabilities Act) compliance plan
- PIPEDA / provincial privacy compliance for employee data
- Health and safety policy and JHSC established (20+ employees)
- Pay equity compliance plan (Ontario Pay Equity Act)

SECTION 5: REGULATORY & SECTOR-SPECIFIC

Federal Regulatory Requirements

- PIPEDA compliance framework for customer data
- CASL (Canada's Anti-Spam Legislation) compliance for marketing
- ISED Canada registration (if importing electronic equipment)
- Competition Act compliance review (pricing, advertising claims)
- Investment Canada Act notification (if acquisition > threshold)

Sector-Specific Licensing

- Professional licensing requirements assessed (engineering, accounting, legal, health)
- Provincial business licenses obtained (municipal level varies)
- Industry-specific permits (food, cannabis, financial services, telecom)
- Environmental compliance requirements reviewed
- Bilingual labeling / packaging requirements (Consumer Packaging & Labelling Act)

SECTION 6: GO-TO-MARKET STRATEGY

Market Positioning & Pricing

- Canadian pricing strategy developed (CAD, competitive benchmarking)
- Bilingual marketing requirements assessed (federal / Quebec)
- Canadian-specific value proposition articulated
- Competitive landscape mapped (Canadian incumbents + other entrants)
- Channel strategy defined (direct, partner, distributor)

Local Partnerships & Presence

- Local partner / distributor pipeline developed
- Canadian advisory board or local champion identified
- Physical presence strategy (office, co-working, virtual office)
- Industry association memberships (sector-specific, chamber of commerce)
- Government incentive programs assessed (IRAP, SR&ED, provincial grants)

Launch Execution

- Canadian domain and digital presence established (.ca, local SEO)
- Canadian payment processing configured (Stripe CA, Moneris, etc.)
- Customer support hours aligned with Canadian time zones
- Launch timeline and milestones documented (target: 4-8 months)
- Post-launch metrics and review cadence established

Need Hands-On Help?

This checklist tells you what to do.
1205 Consulting helps you execute it — entity setup, compliance,
team building, and go-to-market in 4-8 months.

Book a Market Entry Consultation

www.1205consulting.com/contact

Sources: Canada Business Corporations Act, CRA, Ontario ESA, OHSA, PIPEDA, CASL, Investment Canada Act
Based on 50+ Canadian market entry engagements by 1205 Consulting Inc.