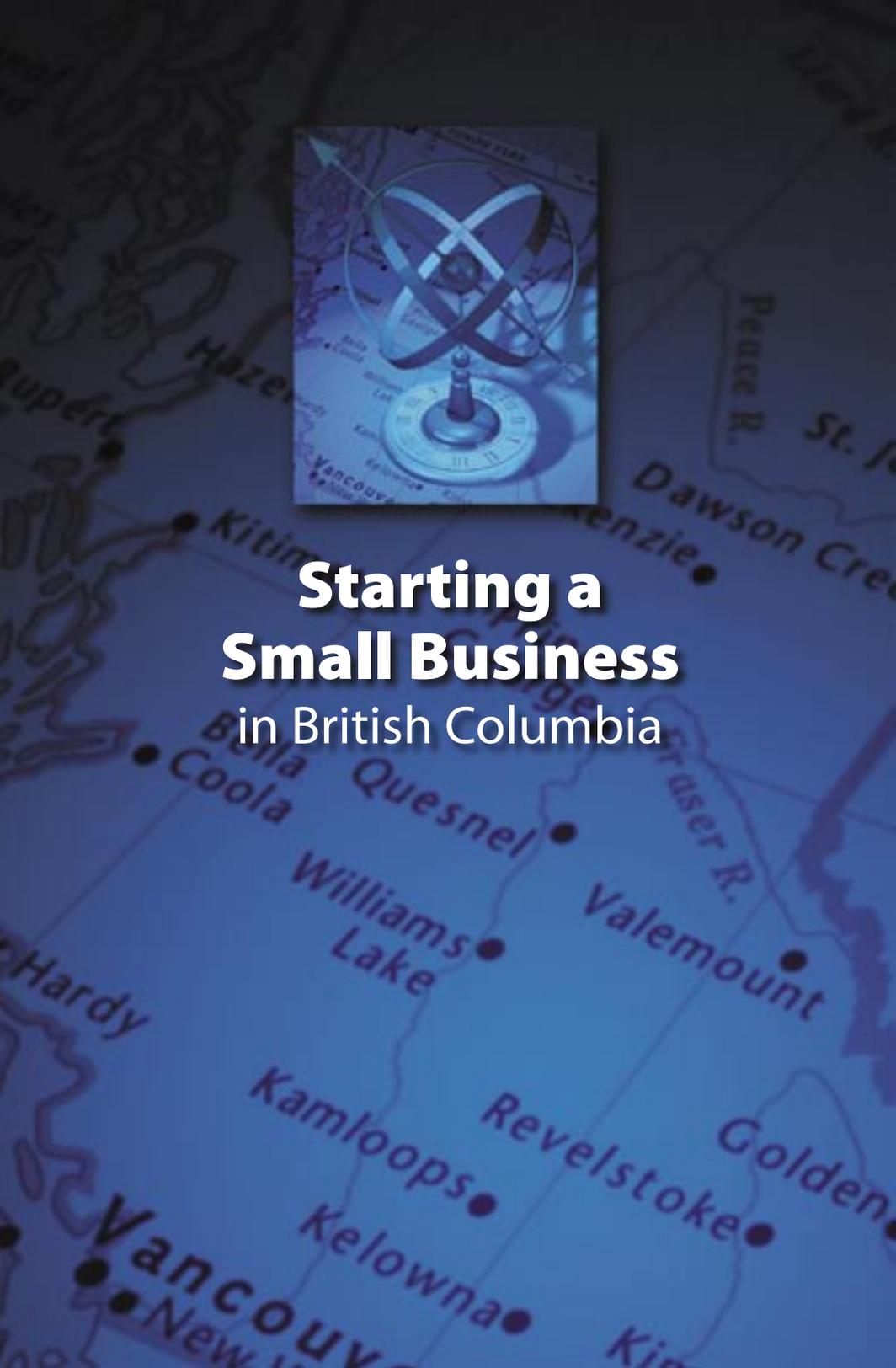




Starting a Small Business in British Columbia



Starting a Small Business in British Columbia

Table of Contents

Starting your Small Business in British Columbia	2
Is owning a small business for you?	2
How do you finance your business?	4
Next Steps	5
Deciding on a business name	5
Getting your business name approved	6
Incorporating your business	7
Preparing for business on the Internet	8
Using OneStop business registry to register your business	8
Other business registrations	9
Other business considerations you may need to think about	13
Information Resources for the Small Business Owner	16

This Info-Guide is also available at the Small Business BC and
OneStop Business Registry websites:

www.smallbusinessbc.ca/pdf/startingsmallbusinessguide.pdf
www.bcbusinessregistry.ca/introduction/StartingASmallBusinessInBC.pdf

Small business is vital to the economy of British Columbia.

Did you know?

- › There are over 355,000 small businesses in British Columbia
- › 98 per cent of all businesses in the province are small businesses
- › Nearly one million British Columbians work in small business
- › 35 per cent of small businesses are owned and operated by women.

British Columbia's small businesses are remarkably diverse, ranging from the family corner store to the self-employed computer programmer to the small lumber milling operation. Small businesses are a vital source of innovation: close to 95 per cent of high technology businesses in British Columbia are small businesses with fewer than 50 employees.

The Government of British Columbia is committed to ensuring the province offers a highly competitive business climate that allows small businesses, investors, entrepreneurs and job creators to succeed and prosper.

If you are interested in starting your own business, there are many things you will need to think about – we want to help you through this process.

This guide will introduce you to some of the things you need to know and do and tell you where you can get more information.

IMPORTANT INFO: *This guide will refer you to a number of websites that might be of help in starting your business. If you do not have your own Internet access, you can go to your local library, Community Futures' office, or visit an Internet café for access.*

Starting Your Small Business in British Columbia

Is owning a small business for you?

It takes time, commitment and basic business skills to run a small business.

You can assess your skills as an entrepreneur and work through some business basics including marketing, financing and planning, by visiting Small Business BC at www.smallbusinessbc.ca. For information guides to assist you, go to “Guides & Web Sites” and click on “Starting a Business Info Guides” in the “Choose a Guide Category” drop down box.

Small Business BC

In partnership with Western Economic Diversification Canada, the Province of British Columbia supports Small Business BC, the business information centre for entrepreneurs throughout the province.



Small Business BC is a non-profit business resource centre that provides information and tools such as:

- › Business start up and expansion information
- › Online business planning tools and information guides
- › Business planning advisory services
- › Government acts and regulations
- › Exporting and importing resources
- › Information about sources of financing
- › Business research library
- › Market research consultation
- › Business seminars and workshops

- › E-business solutions at *eBusiness Connection* – www.e-bc.ca
- › Regional web and telephone access to business information resources

Visit Small Business BC

- › On-line at www.smallbusinessbc.ca
- › By phone or fax
Phone: 1 800 667-2272
or, 604 775-5525 in Vancouver
Fax: 604 775-5520
TTY: Teletypewriter 711
- › Email: askus@smallbusinessbc.ca
- › In person:
Suite 82, 601 West Cordova Street
Vancouver, British Columbia
V6B 1G1

Do you need a business plan?

A business plan is essential to making informed business decisions. Most lenders and investors will want to assess your business plan before deciding whether to fund your business.

Sample business plans are available at www.smallbusinessbc.ca/ibp (click on the “Sample Plans/Guides” link on the left of the page). On the same web page, you can access the “Interactive Business Planner”, an online tool that walks you through the creation of a three-year business plan.

Another useful tool for creating a business plan is the guidebook “Business Planning and Financial Forecasting”. You can find it at www.smallbusinessbc.ca/pdf/businessplanning.pdf

You can get your business plan reviewed through Small Business BC’s Business Plan Advisory Services. Go to www.smallbusinessbc.ca/bizResources-planReview.php for more information.

What is the best business structure for you?

Selecting the right business structure – a sole proprietorship, a general partnership, a corporation (also known as a limited company) - will depend on things like tax considerations and personal liability for debts and obligations related to the business. General information on these business structures can be found on the Small Business BC website at www.smallbusinessbc.ca/bizstart-prop.php

For information on the differences between a sole proprietorship and general partnership, go to the Corporate Registry website at www.fin.gov.bc.ca/registries/corppg/crpartnership.htm

Information on becoming a corporation can be found at www.fin.gov.bc.ca/registries/corppg/crcompanies.htm

For more information on other business structures such as a society, cooperative association, limited partnership, visit the Corporate Registry website at www.fin.gov.bc.ca/registries/corppg/default.htm

IMPORTANT INFO: If you are unsure of the right business structure for your company, consult a lawyer about the legal aspects of your business concept, and an accountant about the financial implications of the business structure.

How do you finance your business?

You need to have enough money to cover business start up costs and daily operating expenses - this is critical to the success of your business. If you don't have enough money for start up through family, friends, personal or equity loans and lines of credit, you may need to consider outside sources of financing.

For a comprehensive listing of government, private and venture capital sources of financing, go to www.smallbusinessbc.ca/financing

Industry Canada's *Strategis* site, www.strategis.gc.ca is another resource for financing information. Click on "Business Support, Financing" located on the left column menu.

In rural British Columbia the local Community Futures Development Corporation (CFDC) is a good source of information about financing. Find your nearest CFDC at www.communityfutures.ca/provincial/bc

Banks and Credit Unions

Financial institutions are another excellent source of information about financing your business. In addition to credit alternatives, they can provide you with information on products and services designed to help your business operate effectively.

Investment Capital Programs

The Ministry of Economic Development offers programs to help small businesses gain access to investment capital, whether a business is just starting out or seeking expansion capital to compete in global markets. These programs offer investors, including employee investors, and tax credits for making equity capital investments in qualifying small businesses. Visit www.equitycapital.gov.bc.ca or call 1 800 665-6597 for more information.

Next Steps

You have done your research, you have a business plan, you have decided what type of business structure you want for your business, (e.g. sole proprietorship, partnership, corporation, etc.) and your financing is in place— what’s next?

You need a business name. Once you have decided on a business name, you need to get your business name approved and your business registered.

Deciding on a business name

If you want to use a business name that is anything other than your personal name, you will need to have your business name approved and then register your business with the Corporate Registry.

Business names must have both a descriptive and distinctive element, like “ABC” (distinctive element) “Manufacturing” (descriptive element). You must add a corporate designation, such as “Ltd.” if you are incorporating.

When choosing your business name, it is wise to have a first, second and third choice, just in case the name you want is not available. You can do some preliminary research for potential conflicts by looking through telephone listings, business directories, or similar publications.

If you decide to use your personal name as your business name without the addition of any other words, such as “and associates”, or “and company” etc., you do not need to have your personal name approved, and you cannot register your business with the Corporate Registry.

To help you decide on a business name, complete business name guidelines can be found at www.fin.gov.bc.ca/registries/corppg/forms/0708BFILL.pdf

IMPORTANT INFO: *Whether or not you need to get your name approved and business registered with the Corporate Registry, you may need to register or complete applications with other agencies such as WorkSafe BC, Canada Revenue Agency, and the Ministry of Small Business and Revenue. For assistance, call the OneStop Help Desk at 1 877 822-6727 or go to www.smallbusinessbc.ca/bizstart-checklist.php and review the checklist.*

Getting your business name approved

To get your business name approved, you must complete a Name Approval Request form. The business name approval process cannot be completed online; however the form is available on the Ministry of Finance website at www.fin.gov.bc.ca/registries/corppg/forms/0708BFILL.pdf

Forms are also available and can be processed at all OneStop locations. To find the OneStop location nearest you, go to the OneStop website at www.bcbusinessregistry.ca/introduction/sites.htm, or call 1 877 822-6727.

Once your business name is approved, it is reserved for 56 calendar days. Within these 56 days, you must register your business with the Corporate Registry. This is easy to do using the OneStop Business Registry.

IMPORTANT INFO: *Sole proprietorship and partnership business names do not have any statutory name protection. If business name protection is important to you, you may wish to incorporate your business.*

Incorporating your business

If you decide you want to incorporate, you will have to do this before completing any other registrations using OneStop. First you must get your name approved, using the process described in “Getting Your Business Name Approved”.

Once your business name is approved, you have to file an Incorporation Application with the Corporate Registry. The application must be submitted electronically using Corporate Online at www.corporateonline.gov.bc.ca

If you do not want to file electronically yourself, you can complete and sign a paper copy of the application form and engage the services of Dye & Durham to complete the electronic filing process for you.

IMPORTANT INFO: *Whether you decide to file for incorporation yourself, or pay a service provider to do it for you, filing to incorporate a company in British Columbia must be completed electronically. For more information on this process, including contact information for Dye & Durham, go to www.fin.gov.bc.ca/registries/corppg/crcompanies.htm*

Preparing for business on the Internet

You may want to use the Internet to sell or market your goods or services. If you do, you need a domain name (a name that will identify your Internet website). You can research the availability of potential domain names and purchase them for \$19.50 CAD per year, through the OneStop Business Registry in partnership with DomainPeople.

It is an easy process to see if the domain name you want to use is available. If the name is available, and you want to purchase it, you need a Visa or MasterCard number to proceed.

To research or purchase a domain name, go to the OneStop Business Registry website www.bcbusinessregistry.ca and click on Step 3 Choose a Domain Name.

Using OneStop business registry to register your business



Once your business name is approved, the OneStop Business Registry has an easy to use on-line business registration service where you can quickly register your sole proprietorship or general partnership with the Corporate Registry.

You can also use OneStop to complete other registrations or applications, such as registering for GST and PST. You can also use the online business address change service to notify participating federal, provincial and municipal agencies of a business address change (see “Information resources for the Small Business Owner” at the end of this guide for details on the address change service).

To register your business using the OneStop Business Registry services, visit www.bcbusinessregistry.ca/introduction/registrations.htm

If you do not have a home or office computer, visit a OneStop location to complete your business registration. To find the nearest location, contact the OneStop Help Desk at 1 877 822-6727.

IMPORTANT INFO: *If you need help or more information on which agencies you need to register with, or on how to register, contact the OneStop Business Registry Help Desk at 1 877 822-6727 or Small Business BC at 1 800 667-2272.*

OneStop business registry hours of service

You can do your business registrations using OneStop on the Internet or in person at a OneStop location during the following hours.

- › **Internet:** 24 hours a day, 7 days a week, 365 days a year
- › **In person at OneStop Locations :** If you need help, staff are available to assist you Monday to Friday.

Check www.bcbusinessregistry.ca/introduction/sites.htm for the location nearest you. Contact individual locations for hours of operation.

You can also contact the OneStop Help Desk for assistance at 1 877 822-6727; or within the Greater Victoria area or outside British Columbia call 250 370-0332, Monday to Friday from 7:00 AM to 7:00 PM Pacific time (excluding statutory holidays).

Other Business Registrations

You may also need to complete other provincial, federal or municipal registrations. Registrations that can be submitted using the OneStop business registration service include the following.

Provincial Sales Tax (PST) and Hotel Room Tax (HRT)

You may be required to register to collect and remit provincial sales tax (PST) or hotel room tax (HRT). The requirement to register is based on the type of business activities you are engaged in. With the GST (the federal goods and service tax), you do not have to register if you are not

making a certain amount of sales. The rules around the PST and HRT are different, so you will need to be familiar with them.

You can access the information you need through the One Stop Business Registry website at www.bcbusinessregistry.ca/introduction/availableregistrations.htm or directly through the Ministry of Small Business and Revenue, Consumer Taxation Branch website at www.sbr.gov.bc.ca/ctb *Bulletin SST 044* provides detailed information on the types of businesses that are required to register and collect PST. For information on registering and collecting HRT, refer to *Bulletin HRT 005*.

For more information, call the Customer Service and Information Branch at 604 660-4524 in the Vancouver area or 1 877 388-4440 from other parts of the province.

IMPORTANT INFO: *Even if you are not required to register, you will still need to know how sales tax applies to you and your business activities in order to meet your tax obligations and to understand how exemptions from tax may apply to your business.*

WorkSafe BC *(also known as Workers' Compensation Board of British Columbia)*

If you are hiring employees, or are incorporated, you will need to register with WorkSafe BC. You need to know your roles and responsibilities and be familiar with WCB regulations. Even if you are not employing other people, you may want to apply for Personal Optional Protection. Find out about how WCB regulations apply to your business at WorkSafe BC's website at www.worksafebc.com

WorkSafe BC also has a general information guide to assist you entitled "Small Business Primer: A Guide to the WCB". You can access this guide at www.healthandsafetycentre.org/PDFs/Small%20Business/primer.pdf

Goods and Services Tax / Harmonized Sales Tax (GST / HST) Account

Until you reach \$30,000 in revenue in any four quarter period, it is optional to register for GST/HST. This means that until your business has sales of \$30,000 in any one-year period, you are not required to register for GST/HST.

Without a GST/HST number, you are not able to charge GST/HST nor are you able to receive an input tax credit for your GST/HST expenses.

For further information contact the Canada Revenue Agency by dialing 1 800 959-5525 (English), 1 800 959-7775 (French) or go to www.cra-arc.gc.ca

Payroll Deductions Account

If you are hiring employees and pay salary, wages, bonuses, vacation pay or tips to your employees, or you provide a benefit to employees such as board and lodging, you need to register for a payroll deductions account in order to remit Income Tax, Canada Pension Plan (CPP) and Employment Insurance (EI) payments.

Import/Export Account

If you are going to import or export commercially, you need to register with the Canada Border Services Agency.

If you are thinking of exporting and don't know where to start, visit www.exportsource.ca, Team Canada Inc's on-line resource for export information or check out the *Interactive Export Planner* at www.smallbusinessbc.ca/iep

If you are considering importing, visit www.importsource.ca, a gateway to a comprehensive range of resources designed to help new and experienced importers with every stage of the import process.

For more export and import information, visit www.cbsa-asfc.gc.ca/menu-e.html and select either Importers or Exporters from the left side navigation bar or visit Small Business BC at www.smallbusinessbc.ca/bizEstablished-exportPlan.php

Corporate Income Tax Account

If your business is federally or provincially incorporated, or you are a non-resident corporation operating in Canada, you need to register for Corporate Income Tax with the Canada Revenue Agency.

In British Columbia, you will receive a Business Number immediately upon incorporation and are automatically registered for a Corporate Income Tax Account.

IMPORTANT INFO: *The Canada Revenue Agency (CRA) has a guide to assist you. For more information on the four accounts introduced here (the GST/HST, payroll deductions, import/export and corporate income tax), and other CRA programs you need to know about, you can access the “Guide for Canadian Small Businesses” at www.cra-arc.gc.ca/E/pub/tg/rc4070/rc4070-e.pdf*

Business Number Accounts

A Business Number (BN) is a number that identifies your business and makes it easier for you to conduct your business affairs with participating government agencies.

Your BN is made up of a nine digit “root” number that always stays the same, two letters that identify the type of account (like PT for provincial tax), and four numbers that identify your account number. Only the letters and the last four numbers change for each agency.

A BN is assigned to you when you register for the first time with any of the participating partner agencies. Participating agencies and programs include:

- › **Ministry of Small Business and Revenue** – if you register for a Social Service Tax (PST) or Hotel Room Tax (HRT) account
- › **WorkSafe BC** – if you register for WCB coverage
- › **Canada Revenue Agency** – if you register for any one of the following four accounts – GST/HST, payroll deductions, import/export or corporate income tax

- › **Corporate Registry** - if you incorporate your business

For general information on the BN and examples of how it works, go to www.cra-arc.gc.ca/E/pub/tg/rc2/rc2-e.pdf

Municipal Business Licences

You must check with the municipality/municipalities where your business operates to find out about obtaining a municipal business licence.

For a listing of the municipalities you can register with using the OneStop Business Registry services, visit www.bcbusinessregistry.ca/introduction/localgovernment.htm

For municipalities not available through the OneStop Business Registry:

- › If your business is located in an incorporated municipality, contact the municipal business licence office to obtain a business licence and ensure you conform to land use and/or zoning bylaws.
- › If your business is located in an unincorporated area of the province, check with your nearest Regional District.

Other Business Considerations You May Need to Think About

Income Tax

If you conduct business as a proprietorship or partnership, you need to report your share of gross and net profits (or losses) on your individual tax return (T1).

For an incorporated company, file a corporation tax return (T2) within six months of the end of the corporation's fiscal period.

For further information contact the Canada Revenue Agency at 1 800 959-5525 (English), 1 800 959-7775 (French) or visit their website at www.cra-arc.gc.ca

Labour Requirements

If you are hiring employees, you should be aware of the current *Employment Standards Act* for British Columbia. Contact the Employment Standards Branch at 1 800 663-3316 or visit their website www.labour.gov.bc.ca/esb.

Questions regarding apprenticeship requirements for certain industries can be directed to the Industry Training Branch at 1 866 660-6011 or visit www.aved.gov.bc.ca/industrytraining.

Business Records

If you are operating a business or have self-employment income, you need to set up an orderly record and accounting system as required under various acts.

It is recommended you contact a qualified accountant to assist you with your business records and accounting system. You can find details and requirements for records retention at www.cra-arc.gc.ca by entering “records retention” in the search box.

British Columbia Statutes and Associated Regulations

There may be additional regulations from the provincial and/or federal government that apply to your particular business. To check on this, call Small Business BC or visit their website at www.smallbusinessbc.ca/. Enter the type of business you are intending to operate to find out what regulations may be relevant.

British Columbia Statutes and associated regulations are located at www.qp.gov.bc.ca/statreg or purchased through Crown Publications at 250 386-4636. You can also access a daily updated web based subscription service to the statutes and regulations at www.qplegaleze.ca/. There is a fee for this service.

Patents, Trademarks and Copyrights

The Canadian Intellectual Property Office within the federal government has a series of guides containing information about patents, copyrights and trademarks. Go to www.strategis.ic.gc.ca and click on the 'Patents', 'Trademarks', or 'Copyrights' link on the right-hand side of the page to access the information guides on each topic.

IMPORTANT INFO: *It is wise to speak with a lawyer and accountant about legal and financial implications.*

Information Resources for the Small Business Owner

2010 COMMERCE CENTRE

BC Olympic & Paralympic Winter Games Secretariat

www.2010commercecentre.gov.bc.ca

Connecting B.C. businesses to Olympic Opportunities - The 2010 Commerce Centre website is your source of business and procurement opportunities related to the 2010 Olympic and Paralympic Winter Games. Businesses large and small from around British Columbia can benefit from the 2010 Winter Games – some directly and many more indirectly as suppliers and sub-contractors in almost every sector.

This website enables companies to access timely, user-friendly resources including the latest Olympic business news, success stories and best practices from previous Games, extensive tools and resources, logo use guidelines and business planning information, workshops, a calendar of events, as well as regular newsletters and email notification of procurement opportunities. Visit the site, bookmark it and sign up to receive the 2010 Commerce Centre newsletter.

Aboriginal Entrepreneurs

Aboriginal Business Service Network

www.cbbsc.org/english/absn

or phone 604 685-2330 for a network of information and services for aboriginal business.

www.firstbusiness.ca

A website meeting place for B.C.'s aboriginal entrepreneurs to assist in improving access to business information and services. You can also phone 604 775-6299 or 1 800 551-2276.

First Citizens Fund

Dedicated to enhancing cultural, educational and economic development opportunities for aboriginal people in B.C. For information and local contact information about Business Programs and Services go to www.gov.bc.ca/arr/prgs/fcfund/fcfund.htm.

Aboriginal Business Entrepreneurship and Skills Training (BEST) Program

A training series for young adults under the age of 36, which focuses on assisting participants in identifying viable business ideas and determining feasibility. Participants conduct market research, write business plans, and explore financing options. Go to www.gov.bc.ca/arr/prgs/aboriginal_dir/aboriginal_BEST.htm for more information.

Community Futures Development Corporations (CFDCs)

www.communityfutures.ca/provincial/bc

Call 604 685-2332 or visit our website to find the CFDC nearest you. There are 34 individual CFDCs located throughout rural British Columbia and many are OneStop locations. In partnership with Western Economic Diversification Canada, CFDCs foster local entrepreneurship, and promote, coordinate and implement a variety of community economic development activities.

The CFDCs offer a variety of entrepreneurial programs, business counseling, loan programs and business information to community members interested in starting or expanding their own businesses.

Ministry of Small Business and Revenue

www.gov.bc.ca/sbr

The Ministry of Small Business and Revenue is working in partnership with the small business sector to ensure British Columbia is the most business-friendly jurisdiction in Canada.

We are the primary provincial agency responsible for the programs and services that relate to small business such as regulatory reform, the Taxpayer Fairness and Service Code, the launch of a comprehensive review of British Columbia tax policy and the creation of a permanent small business roundtable. There is also information on PST tax seminars and tax requirements.

The Ministry is committed to simplifying and streamlining government customer service processes and cutting red tape by constantly improving and expanding the programs and services it provides to small business.

OneStop Business Registry

www.bcbusinessregistry.ca

An innovative partnership with all levels of government, offering entrepreneurs many business registrations (i.e. GST, PST, sole proprietorships, general partnerships, WCB Employers' Registration) and a business address change service (all based on the Business Number) through a single website open 24 hours a day, seven days a week, 365 days a year.

OneStop Business Address Change Service

www.bcbusinessregistry.ca/introduction/BACservice.htm

You can change the mailing and/or physical addresses of your business and notify several federal, provincial and municipal agencies in a single step.

You must have a BCeID to use the online business address change service. A BCeID provides you with a single ID and password for accessing participating government services. To obtain a BCeID, visit www.bceid.ca/biehome.htm

To access the online business address change service, visit www.bcbusinessregistry.ca/introduction/BACservice.htm

Service BC - Government Agents

www.governmentagents.gov.bc.ca

Call Enquiry BC 1 800 663-7867 to find your nearest location.

Service BC

Government Agents, located in 59 communities throughout the province, provide a single window to government information, services and applications. Providing efficient, integrated and personalized service, knowledgeable staff can answer your questions, assist with small business information/registration, process payments and help you to use Community Access Terminals (CATS). These terminals are located in each office and allow you to access government information and file applications over the Internet. Service BC - Government Agent offices are also OneStop service delivery locations.

Small Business BC

www.smallbusinessbc.ca

Details about Small Business BC, British Columbia's leading source of business information and business tools for entrepreneurs throughout the province, are located on page 2 of this guide.

Western Economic Diversification Canada (WD)

www.wd.gc.ca

1 888 338-WEST (9378)

In Vancouver: 604 666-6256.

WD promotes the development and diversification of the economy in Western Canada and advances the interests of the West in national economic policy. WD's programs and services support three strategic directions: Innovation, Entrepreneurship and Sustainable Communities.

WD supports the Western Canada Business Service Network which includes the Community Futures Development Corporations, the Women's Enterprise Society of B.C., the Francophone Economic Development Organization and Small Business BC.

Women's Enterprise Society of British Columbia (WESBC)

www.wes.bc.ca

Tel: 1 800 643-7014

WESBC is committed to establishing and growing women-owned and controlled businesses in B.C. The organization provides business loans, business counseling, and resources to women entrepreneurs. It offers skills training (at www.bbtb.ca) in a variety of formats on a number of business issues to assist women entrepreneurs to grow and succeed.

Young Entrepreneurs Association (YEA)

www.yea.ca

info@yea.ca

Tel: 1 888 639-3222

Fax: 1 888 639-7969

YEA Canada is a national non-profit organization whose mission is to deliver dynamic, high value event-driven programming that communicates the fundamental skills of business management to existing and aspiring entrepreneurs, age 35 and under. YEA is working to create a national community of young entrepreneurs to mentor each other in business, and in life.

In order to increase the survival and success rate of youth-owned businesses in Canada, YEA creates an environment where young entrepreneurs can support and inspire one another in growth, balance and success. YEA's core programs include mentorship programs, speaker events, workshops & seminars and networking events held in Chapters across Canada including Victoria and Vancouver.

For more information, please visit www.yea.ca



bc.businessregistry.ca

2010 COMMERCE CENTRE



BRITISH
COLUMBIA

Ministry of Small Business
and Revenue