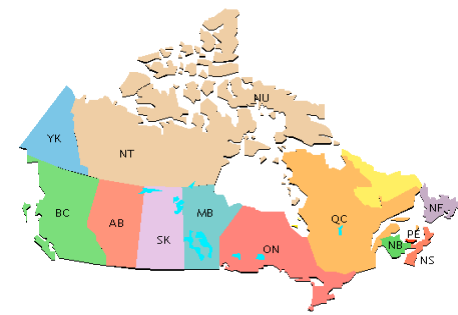


Doing Business in Canada



Workshop F – Doing Business in Canada

"Canada is a vast and diverse country with many rewarding business opportunities."

This workshop will provide a legal overview of the Canadian business environment and will look into how non-Canadians can establish business relationships and trading links in Canada and access sources of Canadian finance. It will also examine some pitfalls for British exporters."

Mark Camilleri, Partner, Fasken Martineau LLP

Nancy Apcar, Independent Adviser, Canada-UK Chamber of Commerce

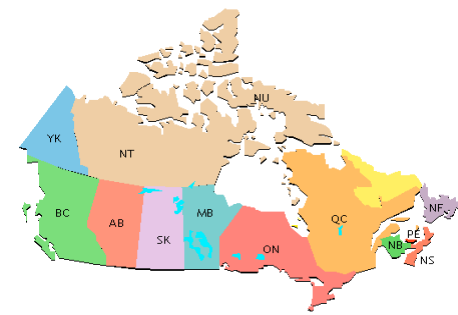


CANADA-UNITED KINGDOM
Chamber of Commerce

Est. 1921



Doing Business in Canada



www.canada-uk.org

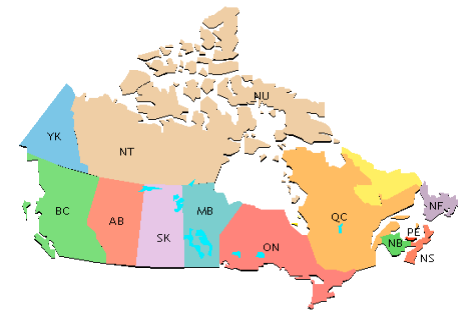
- **Key Business Basics**
- **Why Trade with Canada?**
- **Overview of the Canadian Legal System**
- **Overview of Cultural Considerations**
- **General Legal Considerations of Doing Business in Canada**
- **Creating Opportunities in Canada**
- **Securing Financial Support**
- **Successfully Exporting into Canada**
- **Successfully Investing**
- **Support in the UK**



CANADA-UNITED KINGDOM
Chamber of Commerce



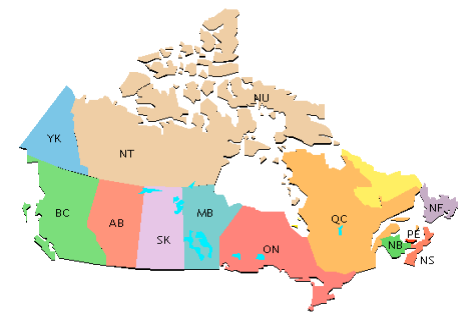
Doing Business in Canada



Key Business Basics

- *'The best place to invest and do business'* in the G7 (EIU Global Business Rankings 2008-2012)
- *'Number one for lowest business costs'* (KPMG)
- Key sectors – energy, mining and minerals, agriculture, forestry, fishing, electronics, ICT, aerospace, automotive, bio, pharmaceuticals, chemicals, construction, and manufacturing
- Six time zones – from 8 hours to 3.5 hours behind GMT
- Stable legal and political environment
- Two official languages – English and French

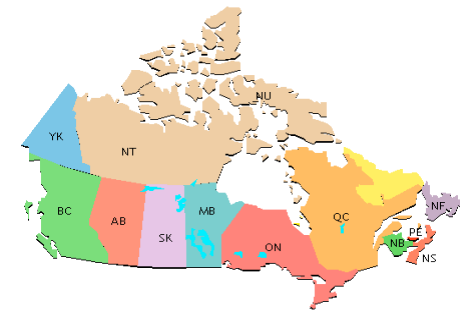
Doing Business in Canada



Why Trade with Canada?

- Strong historical and cultural ties with UK – natural trading partner
- Similar business, economic, and political systems
- “Soft landing” for UK companies to enter North American market
- Home to over 650 British businesses; thousands more trading
- UK investment more than double since 1990
- UK Canada’s second largest foreign investor – 40% of total FDI
- UK exports to Canada - £3.3bn (UK’s 11th largest export market)
- Member benefits – NAFTA, G8, NATO, OECD, Commonwealth, WTO, OAS and La Francophonie

Doing Business in Canada

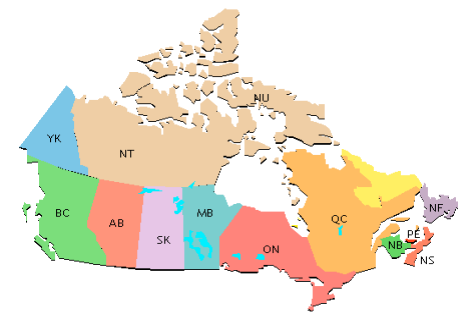


Canadian Legal System

- Parliamentary government: comprised of Crown, an elected House of Commons and an appointed Senate
- Constitution is the supreme law of the country
- Federal system: divides government responsibilities between the federal government and 10 provinces and 3 territories
- Judiciary plays an important role in interpreting laws and has the power to strike down laws that violate the Constitution
- Common law system in Canada except in Quebec, where civil law predominates



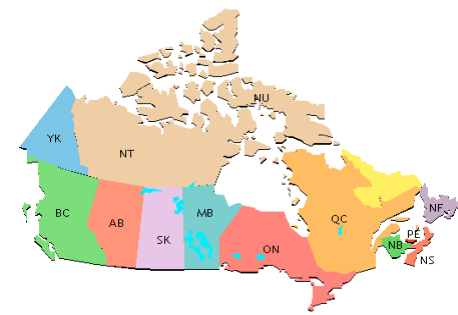
Doing Business in Canada



Cultural Considerations

- Canada is a geographically vast and ethnically diverse country
- Canadian culture has historically been influenced by British, French and Aboriginal cultures and traditions
- American influence
- Canadian culture has also been greatly influenced by immigration from all over the world - rich multicultural heritage
- Canada's two official languages are English and French
- Non-official languages are significant in Canada (particularly Chinese, Punjabi, Italian, Spanish and Arabic)
- East – West differences

Doing Business in Canada



Legal Considerations

Business Organizations

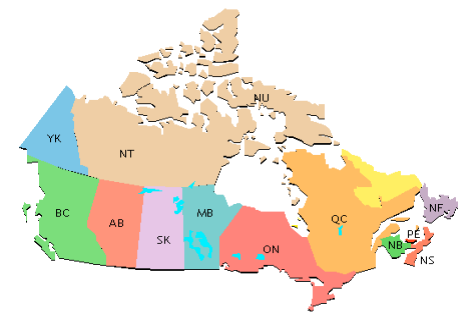
1. Corporations
2. Partnerships / Joint Venture Structuring
3. Other: Branch Office, Agents and Distributors; Licensing

Trade and Investment Regulation

1. Competition law
2. General rules on foreign investments
3. International trade agreements
4. Product standards, labelling and advertising
5. Product liability



Doing Business in Canada

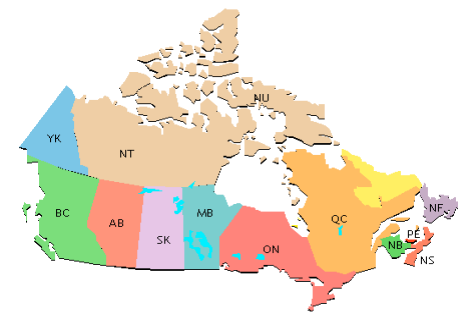


Legal Considerations (cont)

Acquiring a Canadian Business: considerations

- *Investment Canada Act*
- Public take-over considerations
- Tax issues
- Employee considerations

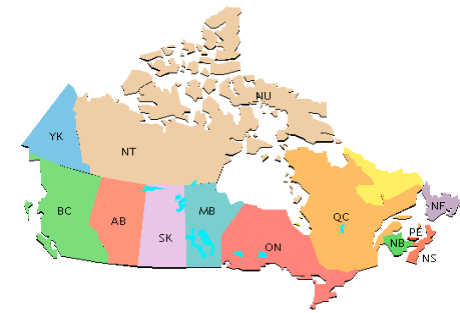
Doing Business in Canada



Creating Opportunities

- Relationships (Suppliers, Contacts, Customers, etc.)
- Culture (cannot generalise about 'Canadians')
- Determine market presence (hands on/off, permanent, local, native)
- Export or Invest
- Identify Route to Market - Sell direct/via sales agent or distributor
- Maximise Geography (population clusters)
- Strong competition – domestic Canadian, US, UK, global
- Cash Flow – strong culture for credit, payment plans, invoicing, etc.
- Currency – to be competitive, need to work in Canadian dollars
- Secure Finance
 - Several private sector Options (VCs, Angels, Loans)
 - UK Government (exporters) and Canadian Government support (investors)

Getting Started in Canada



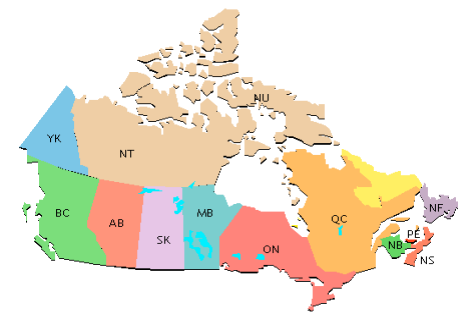
www.canada-uk.org

Successfully Exporting (from UK)

- 5% Goods and Services Tax (GST)
- Duty payable (many goods 'zero rated')
- Customs clearance papers required
- Import Licenses not generally required
- No legal constraints on profit transfer, royalties or fees out of Canada or repatriation of investment capital
- More bureaucracy, cost, time and risk efficient for UK companies than investing?

World Bank, 2008	Canada	UK
Export Papers (number)	3	4
Days for Export	7	13
Cost to Export (per container)	C\$1,941	C\$1,204
	£979	£607
Import Papers (number)	4	4
Days for Import	11	13
Cost to import (per container)	C\$2,087	C\$1,578
	£1,052	£796

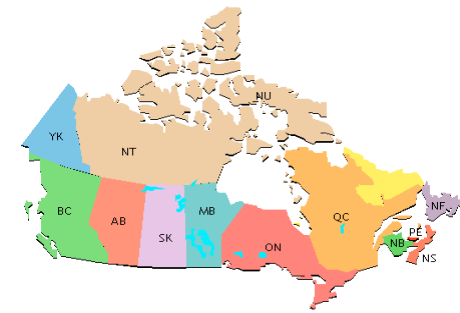
Doing Business in Canada



Successfully Investing *(trading in Canada)*

- Incorporating a company – federal/provincial level (not exporters)
- Accounting (Corporations Canada (Companies House)/Registrar)
- Taxes – GST (HST), PST, Income Tax, Capital Tax
- Employ legally – Work permits, regulations, EIP/CPP contributions
- Banking – top five are Chamber members
- Insurance (liability, professional, indemnity, specific)
- Federal/provincial regulations (based on UK/US laws)
- Property (IP, Sale of Goods Act, building regulations, planning)
- Personal Information Protection and Electronic Documents Act
- Environmental – Air, Water, Land (Environment Canada)
- Sector specific (legal, financial, food and drink, etc.)

Getting Started in Canada



Invaluable Support

The Canada-UK Chamber of Commerce has:

- Over 250 member companies and over 1000 contacts
- Extensive experience helping businesses trade/invest in Canada
- Invaluable contacts – private and public sector – in Canada and the UK - in all sectors, activities, and locations
- Comprehensive information (FAQ Sheets, Company Directories, eBulletin, Newsletter, etc.)
- 31 events last year (Blair, Clinton, Harper, Hanrahan, Mandelson)

Canada-UK Chamber of Commerce

Phone: +44 (0) 20 7258 6578

Email: info@canada-uk.org

Website: www.canada-uk.org

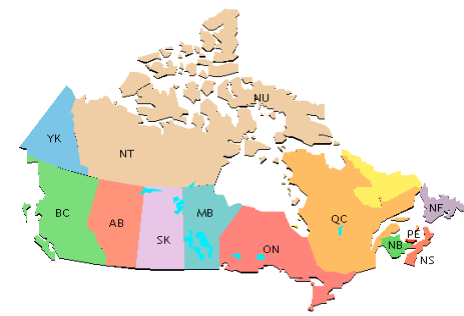


CANADA-UNITED KINGDOM
Chamber of Commerce

Est. 1921



Getting Started in Canada



Questions

www.canada-uk.org



CANADA-UNITED KINGDOM
Chamber of Commerce

