



Statistics Canada
Statistique Canada



Reporting Guide for Schedule II Ownership Form

**CRA Section
Industrial Organization and Finance Division**

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Introduction

The Corporations Returns Act

The Corporations Returns Act (CRA) is administered by the Chief Statistician of Canada under the authority of the Minister of Industry. The purpose of the Act is to collect ownership information on corporations conducting business in Canada and to use this information to evaluate the extent and effect of foreign ownership and control of the Canadian economy. The Corporations Returns Act requires that an annual report be submitted to Parliament.

The Corporations Returns Act (CRA) - formerly known as the Corporations and Labour Unions Returns Act (CALURA) - was first introduced in 1962 in response to widespread concern about foreign ownership and control of Canadian corporations and about the activities of labour unions with head offices outside Canada. Since that time, Statistics Canada has prepared annual reports to Parliament monitoring the state of foreign ownership and control in the Canadian economy. Parliament officially amended the Act, deleting the requirement of labour unions to report under the Act. This amendment took effect in January 1999.

Who is required to file a return?

According to the Act, every individual corporation that is part of a group of commonly controlled corporations with combined assets exceeding 10 million dollars or revenue exceeding 15 million dollars is liable to file. In addition, individual corporations with debt obligations or equity owed to non-residents exceeding a net book value of \$200,000 are liable to file. The Schedule II - Ownership return must be filed to Statistics Canada on an annual basis. The Act stipulates that anyone who fails to complete and file a return is guilty of an offence and may be subject to legal proceedings. Also note that **inactive** corporations have to file a return if they meet the threshold by being part of a group of commonly controlled corporations.

Statistics Canada is currently in the process of proposing updates to these thresholds to limit filing requirements only to corporations or groups of commonly controlled corporations with combined assets exceeding 200 million dollars or revenue exceeding 80 million dollars. Proposals to raise minimum foreign debt or equity requirement to 1 million dollars will also be included. Respondents will be notified when these changes become effective.

For any questions regarding your corporation's obligation under this Act, please refer to the contact information at the end of this guide.

Schedule II Ownership Survey

Schedule II Ownership survey questionnaire is the form that is required to be filed under the Corporations Returns Act. The Schedule II is divided into 10 sections, each pertaining to a different aspect of the reporting corporation. Throughout this guide any reference to **the Act** refers to the Corporations Returns Act. A distinction will also be made between the green hard-copy of the Schedule II to be completed by hand by the respondent and the electronic version. Sections of the electronic version (also applicable to the hard copy) will be illustrated throughout the text. Any instructions given herein apply to both versions of the Schedule II, unless specified otherwise.

The top of the first page of the electronic version of Schedule II is shown below:

The screenshot shows the top portion of the 'Schedule II Ownership' form. The title 'Ownership' is prominently displayed, with the subtitle 'Requirement in law: Corporations Returns Act' below it. A note in French indicates that a French version of the questionnaire is available. A box specifies the principal purpose of the data collection. The form includes a field for the CCID (Corporate Identifier) and a series of input fields for the corporation's name, street address, city, province/state, and country. A separate section for 'Corporation year end' contains three boxes for Year, Month, and Day. The 'Code Postal/Zip code' field is highlighted in green.

Schedule II
Ownership
Requirement in law: Corporations Returns Act

Si vous préférez ce questionnaire en français, veuillez ouvrir la feuille de travail 121 Français.

Principal purpose: Data are required to prepare and report to parliament on foreign ownership and control of the Canadian Economy.

CCID: _____

Name _____
Street and # _____
City _____
Prov./State _____
Country _____ Code Postal/Zip code _____

Corporation year end

Year Month Day

If you are completing the hardcopy of the Schedule II, the legal name and address will be pre-printed on a label at the top of the form. The Corporation year end has to be completed. If you are using the electronic version, you must complete the information yourself. You must include the exact legal name of the reporting corporation as well as its corporation address and the corresponding fiscal year end.

The **CCID** is the CRA Corporate Identifier. It is a unique eight digit identifier allocated by our system to each corporation on our database.

All respondents must indicate in this part of the form any changes to the reporting corporation's address or legal name incurred since your last filing. To report any changes to the legal name, corporation address and/or mailing address, please use the appropriate fields in Section 1 of the form.

Part 1: Changes to Corporate Name/Address

Has the corporate Name/Address changed since last questionnaire was filed?		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>				
1. Changes to Corporate Name/Address		Changes to Mailing Address					
Name							
Street and #	111, 5th Avenue	Street and #					
City	Ottawa Prov/State Ontario	City	Prov/State				
Country	Canada	Country					
Postal/Zip code	K1A 0T7	Postal/Zip code					
<p>Every Individual corporation that is part of a group of commonly controlled corporations with combined assets exceeding 10 million dollars or revenue exceeding 15 million dollars is liable to file under the Act. In addition, individual corporations with debt obligations or equity owed to non-residents exceeding a net book value of \$200,000 are liable to file.</p> <p>For items 5, 6 and 7, owners must be reported in the case of corporations having 50 shareholders or less. In the case of corporations having more than 50 shareholders, holders may be reported instead of owners for these items.</p> <p>Information reported on this return will be used to partially meet the data requirements of the Corporations Returns Act administration and of the Balance of Payments Division of Statistic Canada.</p>							
Nature of Business:	Holding company						
Please do not fill shaded boxes.		<table border="1"> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </table>					

The reporting corporation must document any changes to their legal name, corporate address and/or mailing address in this section. The respondent must note the new legal name. Although not required under the Act, it would be appreciated if a copy of the **certificate** of a name change or amalgamation for the appropriate jurisdiction was included with the return. However, if the corporation dissolved before its year end, in lieu of completing the questionnaire, please advise us in writing and supply a copy of the certificate of dissolution.

Another important part is the **Nature of Business** of the reporting corporation. The respondent must indicate the **primary** business activity undertaken by the reporting corporation. If the corporation is not in operation on the fiscal year end day, the Nature of Business should be reported as **Inactive**.

Part 2: Corporation

2. Corporation:

a) Date of Incorporation

2001	1	1
------	---	---

Year Month Day

b) Act of Incorporation (check \surd)

Federal.....

Provincial (Please specify)

Ontario

Outside Canada (Please specify)

c) Manner of Incorporation (check \surd)

Articles of incorporation.....

Letters patent.....

Memorandum of association.....

Special act.....

d) Corporation is (check \surd)

Public.....

Private.....

Other (Please specify)

Please indicate the (a) **Date of incorporation**, (b) **Act of incorporation** and (c) **Manner of incorporation** of the reporting corporation. The respondent must also indicate whether the reporting corporation is (d) **Public** (publicly traded company) or **Private** (privately held company). The option **Other** is also available. If **Other** is chosen, please specify.

Definition: A public corporation is one which has issued shares through an offering, and which is traded on the open market. A private corporation is one whose shares are not listed on a stock exchange or otherwise available to the public.

If you are reporting an **Amalgamation**, the effective date of the amalgamation becomes the actual date of incorporation.

Part 4: Share Capital of Reporting Corporation

4. Share Capital of Reporting Corporation:		Classes of Shares			
		301			302
Number of classes of shares..... 300 1					
a) Description of each class authorized (Describe fully any options or other contracts attached to each class).....		Common			
b) Number of shares authorized.....		311			312
c) Amount of authorized share capital.....		Unlimited			
d) Number of votes per share.....		321			322
e) Number of shares offered for public subscription in last 5 years.....		\$ Unlimited \$			
f) Number of shares owned or held in:		331			332
Canada.....	C A N	1			
United States.....	U S A	341			342
United Kingdom.....	G B R	0			
Other Countries (specify)..... Germany		351			352
		50			
		361			362
		45			
		371			372
		0			
		381			382
		5			
		391			392
		401			402
No address of record.....		411			412
		0			
		421			422
Total issued and outstanding.....		100			

A typical example of a privately held company is shown above. This company has one class of shares, which according to section 4 a) are described as **Common**. Other entries for section 4 a) include **Preferred, Class A**, etc. When the reporting corporation has more than one class of shares, they should be indicated on the adjacent columns.

Section 4 is very important since this data determines ownership and ultimately the country of control. It is divided into 9 parts which are as follows:

- Number of classes of shares: Please indicate the number of classes of shares that the reporting company has issued.
- a) Description of each class authorized: Please indicate the title of each particular class of shares. In addition, please provide documents describing any options or other contracts attached to each class. Each column corresponds to a new class of shares.
- b) Number of shares authorized: Please indicate the total amount of shares authorized for issue by the reporting corporation. The number varies from a specific amount to an unlimited amount.

Part 4: Share Capital of Reporting Corporation (Cont'd)

- c) Amount of share capital: Please indicate the total amount of share capital authorized for that particular class of share. The number varies from a specific amount to an unlimited amount. Share capital represents the ownership interest in a company as authorized by its instrument of incorporation.
- d) Number of votes per share: Please indicate the voting rights of the particular class of share. It is important that this information is filled in correctly as it will help determine the ownership of the reporting corporation. Please note that this should be a numerical value *per share*. This section should not contain the aggregate percentage (total percentage) of ownership that the particular class of shares represent. Also note that at least one class of shares of the reporting corporation must be voting. If any class of shares have multiple voting rights, please indicate the number of votes per share.
- e) Number of shares offered for public subscription in last 5 years: This section is only pertinent to publicly traded corporations. It should indicate how many shares of that particular class have been issued to the public for purchase in the past five years. Since in our example the reporting company is a privately held company, this section is not applicable.
- f) Number of shares owned or held in various countries: This section refers to the countries where the shares of the reporting company are held. In our example, the reporting corporation has shares in four countries: Canada, United States, United Kingdom and Germany. Note that Germany is entered in the “Other Countries” section. This section has to be completed. It is essential to report the name of the country and the number of shares held in *each* of the countries that you may add in the **Other Countries** section. If more space is needed to list countries in this section, please attach an appendix showing how many shares are held in *each* of the reported countries.
- No address of record: Please indicate the number of shares held where no country of residence can be provided.
- Total issued and outstanding: Please indicate the total number of the shares authorized that have been issued.

Once the description of the share capital structure has been completed, the distribution of these shares is done in Parts 5, 6 and/or 7 of this Schedule.

Part 5: With respect to corporation directors and officers specified in item 3, please report the number of shares of each class owned by each director and officer

5. With respect to corporation directors and officers specified in item 3, please report the number of shares of each class owned by each director and officer:						
Name	500	Res.	520	540	560	
1 B. Murray	<input type="text"/>		<input type="text"/>	25		
2 O. Neumann	<input type="text"/>		<input type="text"/>	5		
3	<input type="text"/>		<input type="text"/>			
4	<input type="text"/>		<input type="text"/>			
5	<input type="text"/>		<input type="text"/>			
6	<input type="text"/>		<input type="text"/>			
7	<input type="text"/>		<input type="text"/>			
	E07		E27	E47		E67

This section pertains to the shares held by a director/officer listed in section 3. Please report the name(s) of the director(s)/officer(s) whose shares are registered under their own personal name and the amount owned. In our example B. Murray owns 25 shares held in Canada (as he resides in Canada) and O. Neumann owns 5 shares held in Germany (as he resides in Germany). Note that since we indicated in section 4f) that a total of 50 shares are held in Canada, the remaining 25 shares held in Canada will be reported in section 6 if applicable.

Part 6: Number of Shares Held by Individuals and Corporations

In this section, report all shareholders of the reporting company not accounted for in Part 5. Specify the corporations, individuals and related groups owning or holding 10% or more of the total issued shares of each class. Please identify each class of shares for the reporting corporation in the columns marked **Classes of Shares** (Refer to image below for an example).

			Classes of Shares					
			602					
			Common					
<p>6. (a) Identify each class authorized as described in item 4(a):</p> <p>(b) For those shares not accounted for in item 5, specify the corporations, individuals and related groups owning or holding 10% or more of the total issued shares of any class:</p> <p>Number of such corporations/individuals/groups:..... <input type="text" value="2"/></p> <p>Report name and address of each such corporation or individual. Note: For each group, report the name and address of each individual member. If this address in (i) is outside Canada give in (ii), if applicable, the address of principal office in Canada of that corporation or individual:</p> <p>a) First such corporation/individual/group:</p> <p>Name <input type="text" value="Foreign Company"/></p> <p><input type="text"/></p> <p>(i) <input type="text" value="1111 Corporate Ave."/> <input type="text" value="Detroit"/> <small>Street and No. City</small></p> <p><input type="text" value="Michigan"/> <input type="text" value="58923"/> <input type="text" value="USA"/> <small>Prov./State Postal code Country</small></p> <p>(ii) <input type="text"/> <small>Street and No. City</small></p> <p><input type="text"/> <small>Province Postal code</small></p> <p>Number of shares owned or held.....</p>						<p>610 CCID</p> <p><input type="text"/></p> <p>RES.</p> <p>611 <input type="text"/></p>		
			612	Number of shares				
			45					
<p>b) Second such corporation/individual/group:</p> <p>Name <input type="text" value="Canadian Company"/></p> <p><input type="text"/></p> <p>(i) <input type="text" value="120 Parkdale Ave."/> <input type="text" value="Ottawa"/> <small>Street and No. City</small></p> <p><input type="text" value="Ontario"/> <input type="text" value="K1T 8U9"/> <input type="text" value="Canada"/> <small>Prov./State Postal code Country</small></p> <p>(ii) <input type="text"/> <small>Street and No. City</small></p> <p><input type="text"/> <small>Province Postal code</small></p> <p>Number of shares owned or held.....</p>						<p>620 CCID</p> <p><input type="text"/></p> <p>RES.</p> <p>621 <input type="text"/></p>		
			622	Number of shares				
			25					

Part 6: Number of Shares Held by Individuals and Corporations (Cont'd)

In our example, there are two companies that hold shares in the reporting corporation, one in Canada and one in the United States. Please indicate the legal name, address and number of shares held by each respective shareholder as shown above. Based on this example, the Canadian company holds 25 shares and the American company holds 45 shares, which corresponds to the information we provided in section 4f). Notice that under **Classes of Shares** the name of the share class that is being referred to (i.e. Common) has been entered by the respondent. If additional space is required, you may photocopy this page or attach an appendix to report additional classes of shares.

Part 7: Shareholders with Addresses Outside Canada or no Address of Record and not specified in Items 5 or 6

7. Shareholders with Addresses Outside Canada or no Address of Record and not Specified in items 5 or 6:
If any such shareholder owns or holds, less than 10% and more than 5% of the total issued shares of any class, report the number of each class owned or held, for each such shareholder.

Identify each class as described in question 4.	701			702			703			704		
	Number of Shares Owned											
Shareholder no 1	711			712			713			714		
Shareholder no 2	721			722			723			724		
Shareholder no 3	731			732			733			734		

This section should only be used for shareholders whose **address is unknown** and who hold between 5% and 10% of any of the reporting corporation's classes of shares. Do not report any shares that have already been reported in Parts 5 and 6.

Part 8: Share Capital of Corporations Owned by Reporting Corporation

8. Share Capital of Corporations Owned by Reporting Corporation: Corporate name and address of each corporation authorized to do business in Canada in which the reporting corporation owns 10% or more of the voting shares that can elect directors.*				
Name and Address	Manner of incorporation	Date of incorporation	Place of incorporation	For office use
Name Corporate Company Address 130 Parkdale Ave. Ottawa Street and No. City Ontario K1T 8T6 Canada Prov./State Postal code Country Street and No. City Prov./State Postal code Country For office use CCID: 807 [][][][][][][][][][]	Articles of incorporation... <input checked="" type="checkbox"/> 811 Letters patent..... <input type="checkbox"/> 812 Memorandum of association... <input type="checkbox"/> 813 Special act..... <input type="checkbox"/> 814	815 2002 9 1 YYYY MM DD	Ontario	816 [][][][]
Name Address Street and No. City	Articles of incorporation... <input type="checkbox"/> 831 Letters <input type="checkbox"/> 832	835 [][][][]		836 [][][][]

This section pertains to the **directly held Canadian** corporations owned by the reporting corporation where the amount of *voting* shares held is **10%** or more. The information should include the legal name and the Head office address. If this address is not in Canada, please provide the address of the principal office in Canada. The Manner, Date and Place of incorporation of the corporation should also be completed as illustrated above. As this section provides space for only three corporations, you may photocopy this page or attach an appendix to report additional corporations.

Part 9: Funded Debt of Reporting Corporation

9. Funded Debt of Reporting Corporation: List all classes of debentures including bonds, debenture stock and any other forms of funded debt.			
Classes of Funded Debt	For office use	Total Outstanding	Total amount offered for public subscription in Canada in the last 5 years
900	901	902	903
910	911	912	913
920	921	922	923

The term **Funded Debt** refers to long term publicly-traded debt such as bonds, debentures, etc. To be excluded: bank loans, inter-company loans, director's loans, etc. If funded debt does not apply to the reporting corporation, you may leave this section blank or write Not Applicable.

Part 10: Certification

10. Certification: Each of the undersigned officers of the above corporation hereby certifies that this return and each statement comprised herein has been examined by them and it is to the best of their knowledge and belief, correct and complete.			
Name in block letters:		Signature:	
B. Murray			
Position or rank of officer:	Area code:	Telephone Number:	Date:
Chairman of the Board	613	555-1234	20-Feb-06
Name in block letters:		Signature:	
J. Smith			
Position or rank of officer:	Area code:	Telephone Number:	Date:
Secretary-Treasurer	613	555-1234	20-Feb-06
<i>(To be signed by the President or Vice-President of the corporation filling the return and by one other officer thereof or another person duly authorized by the board of directors or other governing body of the corporation.)</i>			

As per the Act, this section must be certified by either the **President or at least one Vice-President of the reporting corporation and another individual with signing authority**. Please include a phone number for any follow-up that may be required. If you file by e-mail, please fax in the last page of the return to 1-888-858-8976 (toll free) or (613) 951-0318 to ensure the reporting corporation's full compliance with the Act.

Once your report is completed please return by mail, fax or electronic mail using the contact information listed below. Please note that the **Corporations Returns Act** requires the questionnaire be filed no later than **90 days** following the corporation year end.

Thank you for your continued participation in this survey.

Contact Information

Telephone (toll free): 1-866-825-5975 or (613) 951-9858

Fax (toll free): 1-888-858-8976 or (613) 951-0318

E-mail: corpreturnsact@statcan.ca

Mail: Statistics Canada
C/O Industrial Organization and Finance Division
150 Tunney's Pasture Driveway
Ottawa, Ontario
K1A 0T6

Copies of the electronic version of the Schedule II Ownership form are available free of charge in WordPerfect, Microsoft Word and Microsoft Excel formats on our website: www.statcan.ca/english/survey/business/cra/cra.htm under the heading: **QUESTIONNAIRES.**