

Corporations Returns Act

CHAPTER C-43

An Act to provide for the reporting of financial and other statistics relating to the affairs of corporations carrying on activities in Canada

SHORT TITLE

Short title

1. This Act may be cited as the *Corporations Returns Act*.

R.S., 1985, c. C-43, s. 1; 1998, c. 26, s. 63.

INTERPRETATION

Definitions

2. (1) In this Act,

"Minister" «ministre»

"Minister" means such member of the Queen's Privy Council for Canada as is designated by the Governor in Council as the Minister for the purposes of this Act;

"prescribed" *Version anglaise seulement*

"prescribed" means prescribed by regulation;

“related group” means a group of individuals each member of which is connected to at least one other member of the group by blood relationship, marriage, common-law partnership or adoption.

“common-law partner”, in relation to an individual, means a person who is cohabiting with the

individual in a conjugal relationship, having so cohabited for a period of a least one year;

“common-law partnership” means the relationship between two persons who are common-law partners of each other;

"reporting period" « période de rapport »

"reporting period", in relation to a corporation, means a fiscal period of the corporation within the meaning of the *Income Tax Act*.

"union" or "labour union" [Repealed, 1998, c. 26, s. 64]

Residence

(2) A reference in this Act to a person resident in Canada includes a person who was at the relevant time ordinarily resident in Canada and, in determining the residence of a person for the purposes of this Act, the provisions of the *Income Tax Act* applicable to any determination of the residence of a person for the purposes of that Act are applicable with such modifications as the circumstances require.

Persons related by blood, marriage or adoption

(3) For the purposes of this Act,

(a) individuals are connected by blood relationship if one is the child or other descendant of the other or one is the brother or sister of the other;

(b) individuals are connected by marriage if one is married to the other or to a person who is connected by blood relationship or adoption to the other;

(b.1) individuals are connected by common-law partnership if one is in a common-law partnership with the other or with a person who is connected by blood relationship or adoption to the other; and

(c) individuals are connected by adoption if one has been adopted, either legally or in fact, as the child of the other or as the child of an individual who is connected by blood relationship, otherwise than as brother or sister, to the other.

Holding, subsidiary and controlled corporations

(4) For the purposes of this Act,

(a) a corporation is the holding corporation of another corporation if that other corporation is its subsidiary;

(b) a corporation is a subsidiary of another corporation if it is controlled by that other corporation; and

(c) a corporation is controlled by a person if voting securities of the corporation to which are attached more than fifty per cent of the votes that may be cast to elect directors are held, directly or indirectly, other than by way of security only, by or for the benefit of that person.

R.S., 1985, c. C-43, s. 2; R.S., 1985, c. 2 (4th Supp.), s. 1; 1998, c. 26, s. 64.

PART I **CORPORATIONS**

Application

[Application of this Part](#)

3. (1) Subject to subsection (2), this Part applies to every corporation that carries on business in Canada or that is incorporated under a law of Canada or a province

(a) for any reporting period of the corporation in respect of which

(i) the gross revenue of the corporation for that reporting period from business carried on by it in Canada, determined in the prescribed manner, exceeded fifteen million dollars or such greater amount as may be prescribed, or

(ii) the assets of the corporation as of the last day of that reporting period, determined in the prescribed manner, exceeded ten million dollars or such greater amount as may be prescribed; or

(b) for the purposes of section 4, for any reporting period of the corporation in respect of which the value of

(i) equity in the corporation held directly or indirectly by persons not resident in Canada,

(ii) debt obligations with an original term to maturity of one year or more owing directly or indirectly to persons not resident in Canada, or

(iii) debt obligations owing directly or indirectly to affiliates, shareholders or directors of the corporation not resident in Canada

exceeds a book value of two hundred thousand dollars or such greater amount as may be prescribed.

[Exception](#)

(2) This Part does not apply to

- (a) a corporation to which Part II applies;
- (b) a corporation that is exempted by regulation, to the extent that it is so exempted;
- (c) a municipality in Canada or a municipal or other public body performing a function of government in Canada;
- (d) a corporation having as its primary object the furtherance of any religious or other charitable purpose, no part of the income of which is payable to or otherwise available for the personal gain or benefit of any proprietor, member or shareholder thereof; or
- (e) a corporation, without share capital, having as its primary object the furtherance of any national, patriotic, philanthropic, medical, educational, scientific, artistic, social, fraternal, sporting or athletic purpose, no part of the income of which is payable to or otherwise available for the personal gain or benefit of any proprietor or member thereof.

Calculation of gross revenue and assets

(3) For the purposes of subsection (1), the gross revenue and assets of a corporation include the gross revenue and assets of all its affiliates that carry on business in Canada.

Affiliated corporations

(4) For the purposes of this section,

(a) one corporation is affiliated with another corporation if one of them is the subsidiary of the other or both are subsidiaries of the same corporation or each of them is controlled by the same person or the same related group; and

(b) if two corporations are affiliated with the same corporation they are affiliated with each other.

R.S., c. C-31, s. 3; 1980-81-82-83, c. 79, s. 2; 1984, c. 40, s. 19.

Returns

Return to be filed with Chief Statistician of Canada by corporation

4. (1) Subject to subsection (2), every corporation to which this Part applies shall, for each reporting period of the corporation, file with the Chief Statistician of Canada, not later than ninety days following the end of the reporting period, a return in the prescribed form containing the prescribed information including the following particulars:

(a) the corporate name of the corporation;

(b) the address of the head office of the corporation and, in the case of a corporation not resident in Canada, the address of its principal place of business in Canada or place to which communications for purposes of this Part may be directed;

(c) the manner in which the corporation was incorporated, and the date and place of its incorporation;

(d) the amount of the authorized share capital of the corporation, the number of shares of each class into which it is divided and a description of the voting rights and options attaching to each such class;

(e) the number of issued shares of each class into which the authorized share capital of the corporation is divided and, in relation to each such class,

(i) in the case of corporations having fifty shareholders or less,

(A) the number of shares of that class owned by persons resident in Canada and the number of shares of that class owned by persons not resident in Canada, and

(B) the number of persons not resident in Canada who owned more than five per cent each of the total number of issued shares of that class, and the number of shares of that class owned by each such person, and

(ii) in the case of corporations having more than fifty shareholders,

(A) the number of shares of that class held by persons having addresses as shown in the relevant records that the corporation is required to keep under the law of the place of its incorporation (in this subparagraph referred to as "addresses of record") in Canada, by persons having addresses of record elsewhere than in Canada and by persons not having addresses of record, respectively, and

(B) the number of persons having addresses of record elsewhere than in Canada or not having addresses of record who, according to the records of the corporation referred to in clause (A), held more than five per cent each of the total number of issued shares of that class, and the number of shares of that class held by each such person;

(f) in the case of corporations having fifty shareholders or less, particulars as described in paragraphs (a) and (b) in respect of each body corporate owning ten per cent or more of the issued shares of the corporation or of the issued shares thereof of any class, and the number of shares of each class owned by that body corporate;

(g) in the case of corporations having more than fifty shareholders, particulars as described in paragraphs (a) and (b) in respect of each body corporate holding ten per cent or more of the issued shares of the corporation or of the issued shares thereof of any class, and the number of shares of each class held by that body corporate;

(h) in the case of corporations having fifty shareholders or less, the name and address in respect of each person other than a body corporate and of each individual who is a member of a related group, where the person owns, or the related group together owns, ten per cent or more of the issued shares of the corporation or of the issued shares thereof of any class, and the number of

shares of each class owned by the person or related group;

(i) in the case of corporations having more than fifty shareholders, the name and address of each person other than a body corporate holding ten per cent or more of the issued shares of the corporation or of the issued shares thereof of any class, and the number of shares of each class held by that person;

(j) particulars as described in paragraphs (a), (b) and (c) in respect of each body corporate that carries on business in Canada or that is incorporated under a law of Canada or a province, where the corporation owns issued shares of the body corporate to which are attached a total of ten per cent or more of the votes that may be cast to elect directors;

(k) the total face value of issued and outstanding debentures of the corporation and the total face value and a description of each issue thereof;

(l) except in the case of a corporation incorporated by or under an Act or instrument by the terms of which any invitation to the public to subscribe for its shares and debentures was prohibited, the total number of shares of the corporation of each class and the total face value of debentures of the corporation of each issue that have been offered in Canada for public subscription during a period of five years ending on the last day of the reporting period;

(m) the name and address of each director of the corporation, and the nationality or citizenship of each individual who is a director of the corporation;

(n) the name, address and nationality or citizenship of each officer of the corporation resident in Canada, and the position in the corporation held by each such officer; and

(o) the number of shares of each class owned by each director and officer of the corporation and a description of the voting rights attached to those shares.

[Return may be filed by holding corporation](#)

(2) A holding corporation may file the return required under subsection (1) on behalf of and in respect of any of its subsidiaries and, if a return is filed under this subsection for a reporting period, the subsidiary on behalf of which the return is filed is not required to comply with subsection (1) for that period.

R.S., 1985, c. C-43, s. 4; R.S., 1985, c. 2 (4th Supp.), s. 2.

[Statements to be filed with Chief Statistician of Canada by holding corporation](#)

5. (1) Every holding corporation to which this Part applies shall, for each reporting period of the holding corporation, file with the Chief Statistician of Canada, not later than ninety days following the end of the reporting period, a return comprising

(a) a set of financial statements in respect of itself and any of its subsidiaries carrying on business in Canada during that reporting period, in consolidated form as prescribed, consisting of

the same statements in respect of itself and its subsidiaries as would be required in respect of itself if it were filing a return under subsection (2); and

(b) a list of the corporations in respect of which the set of financial statements are filed under paragraph (a).

Contents of statements to be filed by corporation

(2) Every corporation to which this Part applies in respect of which a return is not required to be filed under subsection (1) shall, for each reporting period of the corporation, file with the Chief Statistician of Canada, not later than ninety days following the end of the reporting period, a return comprising a set of financial statements with respect to its Canadian operations for that reporting period, consisting of

(a) a balance sheet showing the assets and liabilities of the corporation, made up as of the last day of the reporting period,

(b) a statement of investments of the corporation as of the last day of the reporting period,

(c) a statement of income for the reporting period,

(d) a statement of retained earnings, made up as of the last day of the reporting period, and

(e) a statement of changes in financial position (source and application of funds)

in such form and containing such particulars and other information relating to the financial position of the corporation as may be prescribed.

Variation of requirements respecting holding corporations

(3) The Minister may, where the Minister considers it advisable, authorize or require any holding corporation to file separate sets of financial statements in respect of itself and its subsidiaries or a set of financial statements consolidated otherwise than as required by paragraph (1)(a) and, if a holding corporation files financial statements under this subsection in a manner acceptable to the Minister, together with a list of the corporations covered thereby, the holding corporation shall be deemed to have complied with subsection (1).

R.S., 1985, c. C-43, s. 5; R.S., 1985, c. 2 (4th Supp.), s. 3.

Returns on transfers of technology

6. (1) Every corporation to which this Part applies shall, for each reporting period of the corporation, file with the Chief Statistician of Canada, not later than ninety days following the end of the reporting period, a return in prescribed form specifying such information as the Governor in Council may prescribe relating to transactions involving transfers of technology in

that reporting period from persons not resident in Canada to the corporation or, in the case of a holding corporation, to any of its subsidiaries.

Limitation

(2) For the purposes of this section, information relating to transactions involving transfers of technology shall be deemed not to include any scientific or technical description of any product or process.

R.S., 1985, c. C-43, s. 6; R.S., 1985, c. 2 (4th Supp.), s. 4.

Return to be certified

7. Each return and each statement comprised in a return required by this Part to be filed with the Chief Statistician of Canada shall, by the president or vice-president of the corporation filing 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, be certified as having been examined by them and as being, to the best of their knowledge and belief, correct and complete.

R.S., c. C-31, s. 5; 1970-71-72, c. 15, s. 39; 1980-81-82-83, c. 79, s. 2.

Proof that this Part does not apply

8. (1) The Chief Statistician of Canada may, by notice in writing, request proof from any corporation that fails to file or fails to complete any part of a return required under this Part that it is not subject to the application of this Part in respect of the return or of the part of the return not completed.

Proof on request or return instead

(2) A corporation shall, within ten days after it receives a notice under subsection (1), furnish the Chief Statistician of Canada with the proof requested in the notice or file or complete, as the case may be, the return in respect of which the notice was given.

Demand by registered letter to officer, etc., of corporation

(3) Where a corporation has failed to file with the Chief Statistician of Canada a return for a reporting period as and when required by this Part, the Minister may, by demand made by registered letter to any officer, director or agent of the corporation in Canada, require that officer, director or agent to file with the Chief Statistician of Canada, within such reasonable time as is stipulated in the registered letter, the return required by this Part on behalf of the corporation.

R.S., c. C-31, ss. 6, 8; 1970-71-72, c. 15, s. 39; 1980-81-82-83, c. 79, s. 2.

Offences and Punishment

Failure to file return and non-compliance with subsection 8(2)

9. (1) Every corporation that fails

(a) to file with the Chief Statistician of Canada a return for a reporting period, or

(b) to comply with subsection 8(2),

as and when required by this Part is guilty of an offence and liable on summary conviction to a fine not exceeding two hundred and fifty dollars for each day of the default.

Officers, etc., of corporations

(2) Where a corporation commits an offence under this section, any officer, director or agent of the corporation who directed, authorized, assented to, acquiesced in or participated in the commission of the offence is a party to and guilty of the offence and is liable on summary conviction to the fine provided by subsection (1) for the offence or to imprisonment for a term not exceeding three months or to both, whether or not the corporation has been prosecuted or convicted.

R.S., c. C-31, s. 7; 1970-71-72, c. 15, s. 39; 1980-81-82-83, c. 79, s. 3.

Non-compliance with subsection 8(3) demand

10. Every person who fails to comply with any demand made to that person under subsection 8(3) is guilty of an offence and liable on summary conviction to the punishment provided by subsection 9(2) for an offence under section 9, whether or not the corporation or any other person has been prosecuted or convicted therefor.

R.S., c. C-31, s. 8; 1970-71-72, c. 15, s. 39.

PART II

[Repealed, 1998, c. 26, s. 65]

PART III
GENERAL

[Information available for inspection](#)

16. The information contained in any return filed by a corporation pursuant to section 4 shall be made available to the Minister of Industry and that information shall be made available by the Minister of Industry for inspection by any person, on application at any reasonable time and on payment of such fee, not exceeding one dollar in respect of any one corporation, as may be prescribed.

R.S., 1985, c. C-43, s. 16; 1992, c. 1, s. 145(F); 1995, c. 1, s. 62; 1998, c. 26, s. 66.

[Definitions](#)

17. In sections 18 to 20,

["authorized person" «*personne autorisée*»](#)

"authorized person" means any person engaged or employed, or formerly engaged or employed, by or on behalf of Her Majesty for any purpose relating to the administration or enforcement of this Act;

["official" «*fonctionnaire*»](#)

"official" means any person employed in, or occupying a position of responsibility in, the service of Her Majesty and includes any person formerly so employed or formerly occupying such a position.

R.S., c. C-31, s. 15.

[Privileged information; prohibition against communication](#)

18. (1) Except as provided in section 19, all information contained in a return filed by a corporation pursuant to section 5 or 6 is privileged and no official or authorized person shall knowingly

(a) communicate or allow to be communicated to any person any such information (in this section and section 19 referred to as "privileged information") obtained under this Act; or

(b) allow any person to inspect or have access to any statement or other writing containing any privileged information obtained under this Act.

Information privileged in connection with legal proceedings

(2) Notwithstanding any other Act or law, no official or authorized person shall be required, in connection with any legal proceedings,

(a) to give evidence relating to any privileged information obtained under this Act; or

(b) to produce any statement or other writing containing any privileged information obtained under this Act.

R.S., 1985, c. C-43, s. 18; 1998, c. 26, s. 67.

Exception respecting proceedings

19. (1) Subsections 18(1) and (2) do not apply in respect of proceedings relating to the administration or enforcement of this Act.

Exception respecting employees of Statistics Canada

(2) An official who is an officer or other person employed in the execution of any duty under the *Statistics Act* or any regulation thereunder may

(a) communicate or allow to be communicated to any other such official any privileged information obtained under this Act; and

(b) allow any other such official to inspect or have access to any statement or other writing containing any privileged information obtained under this Act.

(3) and (4) [Repealed, R.S., 1985, c. 2 (4th Supp.), s. 5]

Restriction, notwithstanding exceptions, on use of information

(5) Notwithstanding anything in this section, in no case shall any privileged information obtained under this Act be communicated to any person for the purpose of facilitating the institution or furtherance of any proceedings brought or taken or that may be brought or taken under any law of Canada other than this Act.

R.S., 1985, c. C-43, s. 19; R.S., 1985, c. 2 (4th Supp.), s. 5.

Contravention of section 18 or 19

20. Every person who, being an official or authorized person, contravenes any provision of

section 18 or 19 is guilty of an offence and liable on summary conviction to a fine not exceeding one thousand dollars or to imprisonment for a term not exceeding three months or to both.

R.S., c. C-31, s. 15.