



## INCORPORATION GUIDE

### A. LAW CORPORATIONS

Amendments to *The Law Society Act* allowing lawyers to incorporate came into effect December 1, 1999. The distinguishing features of a law corporation are now set out in Part 4 of *The Legal Profession Act*. A law corporation may practise law in Manitoba through one or more practising members or as a member of a general partnership of law corporations or of law corporations and members.

Law Society staff are not qualified to advise you on how to structure your law corporation(s) or on corporate or commercial issues or other related considerations which arise from incorporation. You may want to obtain professional advice about how to set up the corporate structure to meet your own personal, family, professional and financial planning needs.

### B. PROCEDURE FOR OBTAINING A LAW CORPORATION PERMIT

1. **Reserve a Corporate Name:** You should apply to the Director appointed under *The Corporations Act* pursuant to regulation 2(10) of the Regulations to *The Corporations Act* to reserve a corporate name. This is strongly recommended, as it will avoid disputes as to entitlement to an intended name. If you intend to use the name of a former or founding partner of your firm in your corporate name then you must provide the Director with the written consent of that individual or his or her estate to the use of the name.

Reservation of the name does not relieve you from your obligation of ascertaining that the name is not the same or confusingly similar to that of an existing name. The reservation of the name is only the withholding of the availability of that name from use by another and is not an undertaking that the name will be available upon incorporation.

The address of the Director is:      10<sup>th</sup> Floor - 405 Broadway  
Winnipeg, Manitoba  
R3C 3L6  
Telephone: (204) 945-5999  
Fax: (204) 945-1459  
[E-mail: companies@cca.gov.mb.ca](mailto:companies@cca.gov.mb.ca)

In choosing a corporate name, remember that:

- (a) A law corporation must include in its name the words "law corporation" [s. 32(1)(b) of the Act];
- (b) The corporate name must be in compliance with Rule 5-112 [attached].

2. **Apply for a Certificate Respecting Corporate Name:** After the intended corporate name has been reserved by the Director of the Corporations Branch, apply to the Law Society, using Form C - 1, for a certificate that the Law Society consents to the proposed name for the law corporation. In determining whether to issue a certificate, the Law Society will apply the criteria set out in paragraph 1.

The certificate will only state that the Law Society consents to the proposed name. The certificate does not reserve the name and does not imply that the Director appointed under *The Corporations Act* has approved the name.

3. **Register the Law Corporation:** Once you have received a certificate stating that the Law Society consents to your proposed name, apply to the Director for registration and file the Certificate with your application.

**Share Structure:** Each voting share of the corporation must be legally and beneficially owned by a practising member of the Law Society or by a law corporation [s. 32(1)(c) of the Act].

Non-voting shares must be legally and beneficially owned by:

- (a) a person who is a voting shareholder of the corporation,
- (b) a spouse, common-law partner or child, within the meaning of *The Income Tax Act (Canada)*, of a voting shareholder of the corporation, or
- (c) a corporation each share of the capital stock of which is legally and beneficially owned by a person referred to in paragraphs (a) or (b).

Each director of the corporation must be a practising member.

The president of the corporation must be a practising member.

Each member through whom the corporation will be carrying on the practice of law must be authorized under the Act to practise law in Manitoba.

If any person or law corporation that owns shares ceases to qualify as a voting or non-voting shareholder (for example, through ceasing to be a member of the Society, bankruptcy or suspension) then the permit may be revoked [s. 37(1) of the Act]. Any irregularity must be corrected within the time frames set out in the Act.

4. **Apply for a Law Corporation Permit:** Once a law corporation has been registered under *The Corporations Act*, and you wish to carry on any business pursuant to Part 4 of *The Legal Profession Act*, you must apply to the Law Society, using Form C - 3, for a permit.

The application to the Law Society, must include:

- (a) a copy of all Articles of Incorporation and amendments thereto;

- (b) a copy of the Law Society's Certificate Respecting Corporate Name; and the
- (c) permit fee of \$250.00 plus GS.T.

If your application is in order, the Law Society will issue a permit to the law corporation entitling it to practise law in Manitoba. A permit is valid from the effective date shown on it until the following March 31st unless it is previously surrendered, suspended or revoked.

**C. CHANGE OF CORPORATE NAME**

If you intend to change the name of a law corporation that holds a valid permit, the procedure set out in Rule 4-6 must be followed. It should be noted that the fee for this is \$50.00 plus G.S.T.

**D. PUBLIC DISCLOSURE OF CORPORATION STATUS [Rules 5-110 & 5-114(1)]**

Law corporations shall disclose on all letterhead and in all advertising that the legal services are being provided by a law corporation.

**E. CHANGE IN CORPORATE INFORMATION**

A law corporation must advise the chief executive officer of the Law Society of any change in the information which was contained in the permit application or renewal application most recently delivered to the Law Society by filing a Statement of Particulars using Form. C - 6 within 15 days of the change.

**F. MORE INFORMATION**

For more information about the procedure outlined in this guide, write or contact Lana Dixon, Assistant to the Deputy Chief Executive Officer at (204) 942-5571, fax (204) 956-0624 or by e-mail at [ldixon@lawsociety.mb.ca](mailto:ldixon@lawsociety.mb.ca)