

Bringing Your Business To Canada Can Be Simple

If you are a non-resident business looking to conduct business in Canada, you need a professional advisor that can provide you with accurate, timely and comprehensive advice in the Canadian business context.

Without guidance, the Canadian tax system and legislative requirements can be frustrating and complex for non-resident firms or professionals looking at doing business in Canada.

Welch LLP has the range and scope of experience to assist you whether you are looking at early stage entry or large scale expansion to Canada. We can provide advice in a wide range of areas including:

- Relevant tax structure
- Canadian Payroll issues
- Mergers & acquisitions
- Valuations
- Outsourced controller functions
- Year-end compliance & reporting for audits & tax
- Government Incentives such as Scientific Research & Experimental Development tax credits

One option non-residents find particularly attractive at Welch LLP is our virtual accounting office. More information about this service is provided on the next page.

Welch LLP is a full service firm of Chartered Accountants with offices in eastern Ontario and western Quebec. For more information about the firm and to locate an office near you, visit our website at www.welchllp.com.



Welch LLP has experience offering a full range of services to non-residents including:

- Establishing business operations in Canada
- Assistance with Canadian operations
- Payroll administration
- GST/HST and provincial sales tax compliance and reporting
- Expertise in dealing with the Canadian income tax system
- Acting as a representative to tax authorities

delivering the
INSIGHT[®]
you need

www.welchllp.com

An Independent Member of BKR International

Our Virtual Accounting Office May be Your Cross-border Solution

Welch can provide a fully staffed virtual office to handle all of your financial functions on an ongoing basis or until your organization is large enough to hire its own accounting staff.

Services we provide include the following:

Establish Basic Business Structures

- Recommend bank and open bank account
- Recommend Canadian lawyers to provide assistance
- Establish extra-provincial licences for each applicable province
- Establish reporting framework, either through remote access to your world-wide software, or on our servers using Simply Accounting exportable data
- Assist in finding temporary office space, or use Welch address

Payroll Set Up

- Help you interpret and quantify payroll taxes and deductions
- Assist you in understanding payroll and benefits etiquette and best practices
- Help you negotiate health benefits packages with your employees
- Register your business with Canada Revenue Agency for payroll deductions
- Determine whether registration for Workers Safety Insurance is required

Payroll administration

- Perform net payroll calculations as required
- Remit source deductions to Canada Revenue Agency on a timely basis
- Direct deposit net pay to your employee's bank account

- Perform year end reporting to facilitate individual tax return preparation

GST/HST and Provincial Sales Tax Set Up & Returns

- Determine your obligations to register to collect GST/HST and the various provincial sales taxes (are you "carrying on a business" in Canada?)
- Analyze ability to claim Input Tax Credits in respect of tax paid on purchases and imports
- Register your company for Sales Taxes
- Assist in calculating and posting non-resident vendor security bond
- Prepare periodic GST/HST and other sales tax returns as required

Employee Expense Reimbursements

- Process all monthly expense reimbursements from employees
- Pay through direct deposit or cheque

Office Expense Payments

- Pay office expenses monthly (telephone, office rent, equipment, etc.)

Monthly Financial Reporting

- Prepare general ledger for Canadian Operations
- Record all revenues and expenses
- Calculate intercompany sales/support charges to parent company
- Reconcile bank account
- Accrue all expenses and revenues

Consolidation Reporting

- Upload data to Parent Co monthly for worldwide consolidation
- Can use any data file format for financial statement transfer

Income Tax Analysis

- Advise on requirement to pay income tax in Canada, or claim treaty-based exemption
- File annual income tax returns as required
- Recovery of Canadian withholding taxes from service contracts

Audit Preparation

- Work with your auditors by providing complete working paper support for all Canadian transactions
- Recommend auditors if required

Case Study #1:

Privately-held Medical Devices Company headquartered in California looking to buy Canadian competitor.

Welch assisted in the acquisition by:

- Performing due diligence on vendor's Canadian operations
- Suggesting modifications to the buy/sell agreement
- Recommending a Canadian business law firm to incorporate a Canadian subsidiary to buy the vendor's Canadian assets.

The only employees of the Canadian division were sales people. Welch therefore provides full virtual accounting office support services from our office in Ottawa including:

- Payroll processing
- Sales expense reimbursements
- Maintain general ledger and financial statements for Canadian subsidiary
- Monthly billing of service fee to US parent
- Uploading of financial information for worldwide consolidation purposes

At year end we prepare all Canadian income tax returns and advise on repatriation of profits to parent company.

Case Study #2:

Public corporation with proprietary software used by Fortune 500 companies. Over 200 subsidiaries worldwide including two in Canada. One corporation performs qualifying research and development activities and the second acts as a sales lead generation company.

Welch assisted by:

- Performing payroll functions for over 50 employees.
- Monthly expenses paid, with Welch LLP Partners acting as signing officers on the company bank account.
- Accounting performed using client's Oracle based accounting software via the Web.
- Month end closes done by the second day of the following month.
- Canadian income tax compliance; calculation of Research and Development credits; filing of all Canadian GST/HST returns.
- Liaising with corporate auditors.

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