



Starting a Small Business in British Columbia



**BRITISH
COLUMBIA**

Ministry of Small Business and
Economic Development

**Small
Business BC**
"your business resource"

Starting a Small Business in British Columbia

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In British Columbia there are over 350,000 small businesses, and they are by far the biggest job creators in our economy. These small businesses represent 98 per cent of all businesses and employ almost one million British Columbians. Almost 36 per cent of small businesses in B.C. are owned and operated by women, the second-highest proportion in Canada.

Starting your small business in British Columbia

The Ministry of Small Business and Economic Development is working to create the economic climate that B.C. small businesses need to succeed. In partnership with Western Economic Diversification Canada, the Ministry supports Small Business BC, the business information centre for entrepreneurs throughout the province.

Small Business BC is a non-profit business resource centre that provides business information and tools such as:

- › Business start-up and expansion information
- › Online business planning tools and information guides
- › Business planning advisory services
- › Government Acts and regulations
- › Exporting and importing resources
- › Information about financing sources
- › Business research library
- › Market research consultation
- › Business seminars and workshops
- › e-business solutions at *eBusiness Connection* - www.e-bc.ca
- › Regional access to business information resources throughout the province.



Visit **Small Business BC**

› Online at: www.smallbusinessbc.ca

› By phone or fax

Phone: toll-free throughout B.C. 1 800 667-2272

or, in Vancouver 604 775-5525

Fax: 604 775-5520

› E-mail by visiting www.smallbusinessbc.ca/email

› In person:

Suite 82, 601 West Cordova Street

Vancouver, British Columbia

V6B 1G1

Is owning a small business for you?

You need time, commitment, and basic business skills to run a small business.

To assess your skills as an entrepreneur, download the pdf file, "*Exploring Business Opportunities: A Guide for Entrepreneurs*" at www.smallbusinessbc.ca/. To work through some business basics including marketing, financing and planning, visit www.smallbusinessbc.ca/startup.

Do you need a business plan?

A business plan is essential in making informed business decisions. Most lenders and investors will want to assess your business plan before deciding to fund your business.

The *Interactive Business Planner*, available at www.smallbusinessbc.ca/ibp, is an online tool to help you create a business plan. The planner walks you through the creation of a business plan and provides sample business plans.

Another useful tool for creating a business plan is the guidebook “*Business Planning and Financial Forecasting*”. You can find it at www.smallbusinessbc.ca/plan.

If you have questions about your business plan contact the Business Plan Advisory Services, at Small Business BC.

Do you want to operate as a sole proprietorship, partnership, or corporation?

Selecting the right business structure – a sole proprietorship, a general partnership, or a corporation (also known as a limited company) – will depend on such things as tax considerations and personal liability for debts and obligations related to the business.

To find out about the differences between a sole proprietorship, general partnership and incorporation, go to the Ministry of Finance’s Information Centre at www.fin.gov.bc.ca/registries/corpppg/CRInfoctr.htm, or go to www.smallbusinessbc.ca/register.

If you plan to incorporate your business, you may want to talk to a lawyer regarding the legal aspects of your business concept, and seek advice from an accountant on the financial implications of incorporation. Companies can now incorporate online using Corporate Online at www.corporateonline.

Information packages about incorporating a business, registering a sole proprietorship or partnership, registering an extra-provincial company, society and cooperative are available at www.fin.gov.bc.ca/registries. Click on *Information Packages*.

What about financing?

Having enough money to cover business start-up costs and daily operating expenses is critical to the success of your business. If you don't have enough money for start-up through family, friends, personal or equity loans and lines of credit, you may need to consider outside sources of financing.

For a comprehensive listing of government, private, and venture capital sources of financing, go to www.smallbusinessbc.ca/financing. Industry Canada's *Strategis* site, www.strategis.gc.ca, also has extensive information on financing. Click on *Business Support and Financing* located on the left-column menu.

In rural British Columbia, your local Community Futures Development Corporation (CFDCs) is a good source of information about financing. Find your nearest CFDC at www.communityfutures.ca/provincial/bc.

Banks and Credit Unions

Financial institutions are another excellent source of information about financing your business. In addition to credit alternatives, they are able to provide you with information on products and services designed to help your business operate effectively.

Investment Capital Programs

The Ministry of Small Business and Economic Development offers programs to help small businesses gain access to capital, whether a business is just starting out or seeking expansion capital to compete in global markets. These programs offer investors, including employee investors, tax credits for making equity capital investments in qualifying small businesses. Visit www.equitycapital.gov.bc.ca or call 1 800 665-6597 for more information.

Next steps

Deciding on a business name

The first step in the registration process is the approval of a business name. Business names must have both a descriptive and distinctive element.

For further information about the name approval request process, visit the Ministry of Finance web site at www.fin.gov.bc.ca/registries/corppg/CRInfoctr.htm.

The name approval process cannot be completed online at the present time. The Name Approval Request Forms are available and may be completed at all OneStop kiosks. Small Business BC is a OneStop location. To locate your nearest kiosk, go to www.businessregistry.ca or call 1 877 822-6727.

This form may also be downloaded from the Ministry of Finance web site, www.fin.gov.bc.ca/registries/corppg/forms/0708BFILL.pdf, completed and mailed to the Corporate Registry.

Once your business name is approved, it is reserved for 56 calendar days. Within this 56-day period, you must register your business with the Corporate Registry. This is easy to do using OneStop Business Registry (see next section for details).

Business owners who decide to establish a business in their own name, without adding any other words (i.e. “and sons/daughters” or “and associates”) do not have to go through the Name Approval Request process, nor does their business have to be registered with the Corporate Registry.

Please note: *Sole proprietorship and partnership names have no statutory name protection. If name protection is important to you, you may wish to incorporate your business.*

Whether or not you complete the name approval process, you may need to complete other registrations/applications. You can check with Small Business BC to find out if you need to register with other agencies such as Workers' Compensation Board, Consumer Taxation for PST, Canada Revenue Agency for GST. Go to www.smallbusinessbc.ca/checklist for further details.

Registering your business



OneStop Business Registry is an easy-to-use online service where you can quickly register your sole proprietorship or general partnership with the Corporate Registry. To use this online service or to find the locations of OneStop Business Registry kiosks throughout the province go to www.bcbusinessregistry.ca

Companies can now incorporate online using Corporate Online at www.corporateonline.gov.bc.ca.

If you are incorporating a company you will need to incorporate before you can complete other required registrations using OneStop Business Registry. For information on incorporation, go to www.fin.gov.bc.ca/registries. Just click on *Information Packages*.

Other business registrations

You may also need to complete other provincial, federal or municipal registrations. If you don't know what other registrations you may need, you can check the OneStop Business Registry web site or call Small Business BC with any questions on registration at 1 800 667-2272 toll-free. In Vancouver, call 604 775-5525.

Business Address Change Service

Enables federally and provincially incorporated British Columbia corporations to change a business physical and/or mailing address with one entry and automatically notify participating federal, provincial and municipal agencies.

OneStop Business Services are Available

- › **Internet** from 7:00 AM to 11:00 PM, Pacific Time, Monday to Saturday, and 9:00 AM to 11:00 PM, Pacific Time, on Sundays.
- › **Business Registry kiosks** are located conveniently throughout the province, with staff available to assist, if necessary, Monday to Friday, 8:30 AM to 4:30 PM. Check www.bcbusinessregistry.ca for the nearest location.
- › **Business Registry HelpDesk:** call toll-free **1 877 822-6727**; or in the Greater Victoria area, **250 370-0332**. Help Desk hours are Monday to Friday, excluding statutory holidays, 8:00 AM to 7:00 PM, Pacific Time.

The “other registrations” that you may need to complete using OneStop Business Registry include:



To register for either account use OneStop Business Registry!

Provincial Sales Tax (PST) & Hotel Room Tax (HRT)

Provincial Sales Tax – Many businesses operating in the Province of British Columbia must apply to the Consumer Taxation Branch for registration as a vendor under the *Social Service Tax Act* before commencing business.

You must register as a vendor with the Consumer Taxation Branch if you engage in any of the business activities described in the *Consumer Tax Bulletin SST 044* located at www.rev.gov.bc.ca/ctb/publications/bulletins/SST_044.pdf.

Hotel Room Tax – You should register for a Hotel Room Tax account if you make sales of taxable accommodation in British Columbia as described in the Consumer Tax Bulletin HRT 005 located at www.rev.gov.bc.ca/ctb/publications/bulletins/HRT_005.pdf. If you are unsure if you are required to register for either account, check directly with the Consumer Taxation Branch.

In Vancouver, call 604 660-4524. In other parts of the province call toll-free 1 877 388-4440 or visit the Consumer Taxation website at: www.rev.gov.bc.ca/ctb.



Workers' Compensation Board of British Columbia (WCB)

If you are hiring employees, or are incorporated, you will need to register with the Workers' Compensation Board. As an employer you will need to review WCB regulations and may want to apply for Personal Optional Protection. Find out about your obligations from WCB's website at www.worksafefbc.com.



Canada Revenue Agency Business Number Account – Goods and Services Tax (GST)

Until you reach \$30,000 in revenue in any four-quarter period, it is optional to register for the GST. This means that until your business has sales of \$30,000 in any one-year period, you are not required to register for GST.

Without a GST number, you are not able to charge GST nor are you able to receive an input tax credit for your GST expenses.

For further information contact the Canada Revenue Agency toll-free at 1 800 959-5525 (English), 1 800 959-7775 (French) or go to www.cra-arc.gc.ca and click on *Taxes*.



Canada Revenue Agency Business Number Account – Payroll Deductions

If you are hiring employees, you will need to register for a payroll deductions account in order to remit Income Tax, Canada Pension Plan (CPP) and Employment Insurance (EI) payments.



Canada Revenue Agency Business Number Account – Import/Export

If you are a commercial importer/exporter you will need to register with CRA.

If you are thinking of exporting and don't know where to start, visit www.exportsource.gc.ca, Team Canada Trade Network's on-line resource for export information or check out the Interactive Export Planner at www.smallbusinessbc.ca/iep.

If you are considering importing check out www.importsource.ca, a gateway to a comprehensive range of resources designed to help both new and experienced importers with every stage of the import process.

For export and import information describing regulations, funding, training courses, contacts, and market data, visit www.smallbusinessbc.ca/trade.

Municipal Business Licences

You also need to check with the municipality/municipalities where your business operates to find out about obtaining a municipal business licence.

Check OneStop Business Registry at www.bcbusinessregistry.ca for a listing of the municipalities you can register with using OneStop Business Registry.

For municipalities not available through OneStop Business Registry:

- › If your business is located in an incorporated municipality, contact the municipal business licence office to obtain a business licence and ensure you conform to land use and/or zoning bylaws.
- › If your business is located in an unincorporated area of the province, check with your nearest Regional District.

Other business considerations you may need to think about

Income Tax

If you conduct business as a proprietorship or partnership, you will need to report your share of gross and net profits (or losses) on your individual tax return (T1).

For an incorporated company, file a corporation tax return (T2) within six months of the end of the corporation's fiscal period.

For further information contact the Canada Revenue Agency toll-free at 1 800 959-5525 (English), 1 800 959-7775 (French) or visit their web site at www.cra-arc.gc.ca. Click on *Taxes* and then *Businesses*.

Labour Requirements

If you are hiring employees, you should be aware of the current *Employment Standards Act* for British Columbia.

Contact the Employment Standards Branch at 1 800 663-3316 or visit their website www.labour.gov.bc.ca/esb.

Apprenticeship requirements for certain industries can be directed to the Industry Training Branch at 1 866 660-6011 at www.aved.gov.bc.ca/industrytraining.

Business Records

If you are operating a business or have self-employment income, you will need to set up an orderly record and accounting system as required

under various Acts. It is recommended that you contact a qualified accountant to assist you with your business records and accounting system. You can find details and requirements for records retention at www.cra-arc.gc.ca by entering “records retention” in the search box.

British Columbia Statutes and Associated Regulations

There may be additional regulations from the provincial and/or federal government that apply to your particular business. To check on this, call Small Business BC or visit their website at www.smallbusinessbc.ca/search. Enter the type of business you are intending to operate to find out the regulations that may be relevant.

British Columbia Statutes and associated regulations are located at www.qp.gov.bc.ca/statreg or purchased through Crown Publications at 250 386-4636.

Patents, Trademarks and Copyrights

The Canadian Intellectual Property Office within the federal government has information guides that provide you with the details to answer your questions.

› A Guide to Copyrights

www.strategis.ic.gc.ca and click on *Copyrights*.

› A Guide to Patents

www.strategis.ic.gc.ca and click on *Patents*.

› A Guide to Trademarks

www.strategis.ic.gc.ca and click on *Trademarks*.

Anything else?

Now you know the start-up basics. It is wise to speak with a lawyer and accountant about legal and financial implications.

Information resources for the small business owner

Aboriginal Entrepreneurs

Aboriginal Business Service Network - www.cbbsc.org/english/absn or phone 604 685-2330 for a network of information and services for aboriginal business.

www.firstbusiness.ca - a web site meeting place for B.C.'s aboriginal entrepreneurs to assist in improving access to business information and services. You can also phone 604 775-6299 or toll-free at 1 800 551-2276.

First Citizens Fund - is dedicated to enhancing cultural, educational and economic development opportunities for Aboriginal citizens resident in B.C. For information and local contact information about the Business Loan Program and Business Loan Aftercare Program go to www.mcaaws.gov.bc.ca/fcfund.

Community Futures Development Corporations (CFDC)

www.communityfutures.ca/provincial/bc

Call 604 685-2332 to find the CFDC nearest you. There are 33 individual CFDCs located throughout rural British Columbia and many are OneStop kiosk locations. In partnership with Western Economic Diversification Canada, CFDCs foster local entrepreneurship, promote, coordinate and implement a variety of community development activities within their communities.

The CFDCs offer a variety of entrepreneurial programs, business counseling, loan programs and business information to community members interested in starting or expanding their own businesses.

Ministry of Small Business and Economic Development

www.gov.bc.ca/sbed

The Ministry of Small Business and Economic Development is the primary provincial agency responsible for initiatives and programs dedicated to creating a strong provincial economy in British Columbia. Activities within the Ministry are focused on building a competitive business environment that gives the private sector the confidence to invest, generate opportunities and create jobs throughout British Columbia. The Ministry is committed to reducing and simplifying regulatory requirements and to providing entrepreneurs with one-stop access to business information. The Ministry is also enhancing access to start-up capital through Investment Capital Programs and maximizing economic development opportunities related to the 2010 Olympic Games.

Service BC – Government Agents

www.governmentagents.gov.bc.ca

Call Enquiry BC 1 800 663-7867 to find your nearest location.

Government Agents, located throughout the province, provide local access to government information, services and applications. Knowledgeable staff can answer your questions. Community Access Terminals are available to access government information and file applications over the Internet. Government Agent offices are also OneStop kiosk locations.

Small Business BC

www.smallbusinessbc.ca

Details about Small Business BC, British Columbia's leading source of business information and business tools for entrepreneurs throughout the province, are located in the introduction to this guide.

Western Economic Diversification Canada (WD)

www.wd.gc.ca

Toll-free 1 888 338-WEST (9378)

In Vancouver: 604 666-6256.

WD promotes the development and diversification of the economy in Western Canada and advances the interests of the West in national economic policy. WD's programs and services support three strategic directions: Innovation, Entrepreneurship and Sustainable Communities. WD supports the Western Canada Business Service Network which includes the Community Futures Development Corporations, the Women's Enterprise Society of B.C., the Francophone Economic Development Organization and Small Business BC.

Women Entrepreneurs

Women's Enterprise Society of British Columbia (WESBC)

www.wes.bc.ca

Tel: 1 800 643-7014

WESBC is committed to establishing and growing women-owned and controlled businesses in BC. The organization provides loans, counseling, mentorship and programs to women entrepreneurs. It operates a virtual training program (www.bbtb.ca) that provides training on a variety of topics and formats to meet the diverse needs of women entrepreneurs.

Young Entrepreneurs Association BC (YEABC)

www.yea.ca

Tel: 1 888 639-3222

YEABC connects young entrepreneurs with each other both physically and via the Internet. YEABC is a volunteer-driven non-profit organization whose mandate is to support young people in business.

For additional export or import information contact:

Small Business BC

Suite 82, 601 West Cordova Street
Vancouver, British Columbia, Canada V6B 1G1

Phone: In Greater Vancouver 604 775-5525

Toll -free in British Columbia: 1 800 667-2272

Fax: 604 775-5520

e-mail: visit www.smallbusinessbc.ca/email

www.smallbusinessbc.ca

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