SHENG QIAN CHARTERED PROFESSIONAL ACCOUNTANTS

Ontario Branch Registration: Document Checklist, Fees and Tax Filing Overview

For US and Chinese parent corporations · November 2026

A corporation formed outside Canada that wants to set up a branch in Ontario must first obtain an Extra-Provincial Licence from the Ontario government, and then open tax accounts with the Canada Revenue Agency (CRA). We handle the name search, the application documents, the government filings and the tax account set-up — you only need to provide the documents and information below.

> **The information in this document is for reference only.** It does not constitute professional advice or a formal quotation; our written confirmation governs.

1. Documents and information we need from you

	Document / information	Details
1	**Certificate of Status; incorporation documents**	Recently issued by the official authority in the home jurisdiction, showing the corporation's name, date of incorporation and jurisdiction, and that it is validly subsisting. **US parent:** a Certificate of Good Standing issued by the Secretary of State of the state of incorporation. **Chinese parent:** the business licence and a registration certificate issued by the registration authority, with English translations. Ontario may ask for a legal opinion from a lawyer licensed in China during its review; we recommend preparing one at the same time. **Incorporation documents:** the certificate of incorporation (or amalgamation) and any later amendments, such as name changes, for the CRA tax account applications. Please attach English translations of any documents not in English.
2	**Corporate details**	Legal name, date of incorporation, jurisdiction, registration number (US: state registration number; China: unified social credit code), and the physical address of the registered office or head office. Chinese parents, please also confirm the corporation's English name.
3	**Board resolution**	The resolution authorizing the corporation to apply for a licence in Ontario, and its date. Please attach an English translation of a Chinese resolution.
4	**Agent for Service in Ontario**	The agent's name and Ontario address. The agent must be an adult who ordinarily lives in Ontario, or a corporation with its head office or registered office in Ontario. We prepare the appointment for the corporation to sign; if you do not have a suitable person, we can act as your agent.
5	**Ontario office and manager**	The date you expect to start carrying on business in Ontario. If already set up or appointed, please also provide the physical Ontario business address (PO boxes are not accepted) and the name and title of the Ontario manager.

	Document / information	Details
6	**Business activity**	One or two sentences describing what the branch will do in Ontario.
7	**Directors and officers**	Names, titles and contact addresses, for the CRA tax account applications.
8	**Signatory and contact**	The name and title of the director or officer who will sign the application documents (electronic signature is fine); the name and email of the day-to-day contact; and the corporation's official email address (the licence and government notices will be sent there).
9	**Tax account details**	Fiscal year-end; expected annual sales in Canada; whether you will hire employees in Ontario and, if so, the expected first pay date; and whether you will import or export goods.

2. Service fees

Service	Fee	Notes
Ontario branch registration Extra-Provincial Licence	$650	Includes government fees and our basic service fee
NUANS name search	$70	Includes government fees
CRA Business Number	$150	Includes the corporate income tax and HST accounts
Agent for Service in Ontario	$600 / year	Optional — we act as agent if the corporation has no suitable person in Ontario; billed annually in advance; limited to receiving and forwarding documents; separate service agreement required
Business address and mail handling virtual office	$70 / month	Optional — use our address as your Ontario mailing address, with mail handling
Import/export (RM) account	$350	Optional — needed if you import or export goods

Prices exclude HST. Annual tax filing, bookkeeping and payroll after registration are quoted separately based on the size of the business.

3. Tax filing after registration

Corporate income tax (T2)

- **Filing:** The branch must file a T2 corporation income tax return every year, within 6 months after its fiscal year-end — whether it makes a profit or a loss — and report in Canadian dollars.
- **Rate:** In general, the branch's taxable income is taxed at 26.5% (15% federal plus 11.5% Ontario); the small business rate does not apply.

- **Branch tax:** The branch's after-tax profits, less its reinvestment in Canada calculated under the rules, are also subject to branch tax. The rate and the exemption depend on the parent's home country — see the table below.
- **Payment:** Any balance owing is due within 2 months after the fiscal year-end; if the annual tax is more than $3,000, monthly instalments start the following year.
- **Books and records:** The branch's books and records must be kept in Canada; expenses that head office allocates to the branch need a reasonable basis and written documentation.
- **Related-party transactions:** If transactions with related parties outside Canada total more than $1,000,000 in the year, Form T106 must also be filed.
- **Withholding on service fees:** When a Canadian customer pays the branch for services performed in Canada, it generally has to withhold 15%; you can apply to the CRA for a waiver in advance. The amount withheld can be credited or refunded when the T2 is filed.

Branch tax	US parent	Chinese parent
Treaty rate statutory rate 25%	Up to 5%	Up to 10%
Exemption	C$500,000 cumulative, shared with related parties carrying on the same or a similar business	C$500,000 cumulative, shared with related parties carrying on the same or a similar business

The treaty rates and exemptions apply only if the corporation qualifies for benefits under the relevant tax treaty. The exemption is a cumulative amount over all years, not renewed each year; US LLCs need to be reviewed separately. Hong Kong companies fall under the Canada–Hong Kong tax agreement, and the rate and any exemption need to be confirmed separately. How the parent's home country taxes the branch profits, and any foreign tax credit there, should be confirmed by the parent's local tax adviser.

Sales tax (HST)

- **Registration:** A non-resident corporation that carries on business in Canada and makes taxable sales decides whether it must register based on the worldwide taxable sales of the corporation and its associates: if they exceed $30,000 in a single calendar quarter or over four consecutive calendar quarters, it must register for HST.
- **Security:** Whether security must be posted depends on whether the corporation has a permanent establishment in Canada as defined for HST purposes; a corporation that only uses an agent's address or someone else's place of business may have to post security.
- **Rate:** The HST rate in Ontario is 13%. For goods or services sold into other provinces, the rate is set by the place-of-supply rules, and some provinces also charge provincial sales tax.
- **Input tax credits:** HST paid in the course of business, and GST paid at customs when the branch is the importer, can be claimed as input tax credits; keep the invoices and customs documents.
- **Filing:** Returns must be filed electronically. The filing frequency depends on annual taxable sales — see the table below.

Annual taxable sales	Filing frequency	Filing and payment deadline
$1,500,000 or less	Annual (may elect quarterly or monthly)	Within 3 months after the fiscal year-end
More than $1,500,000 up to $6,000,000	Quarterly (may elect monthly)	Within 1 month after each quarter
More than $6,000,000	Monthly	Within 1 month after each month

Sales in this table are calculated under the CRA's reporting-period rules — generally the taxable sales in Canada of the corporation and its associates, less certain excluded amounts — which is a different basis from the worldwide sales used for the registration threshold above. Annual filers whose net tax is $3,000 or more in both the current and the previous year generally have to pay quarterly instalments, due within 1 month after each quarter.

Ontario corporate filings

- **Initial Return:** filed with the Ontario government within 60 days after starting to carry on business in Ontario.
- **Annual Return:** filed once a year, within 6 months after the fiscal year-end.

These are corporate information filings with the Ontario government, separate from the T2 filed with the CRA — filing the T2 does not mean the Annual Return has been filed.

Payroll

If the branch hires employees in Ontario, it must open a separate payroll account, withhold and remit income tax, CPP and EI on schedule, and, where applicable, register for WSIB workplace insurance and Ontario's Employer Health Tax (EHT).

For general information only: this document is a general explanation and does not constitute legal or tax advice on any specific situation, or a formal quotation. Tax rates, government fees and filing requirements may change; our written advice governs. Questions? Contact us: 647-607-6858 · info@sqcpa.ca