

The Right Way to Permanently Close Your Canadian Business

By Susan Ward

Closing a business in Canada is not difficult, but there are more steps than just informing customers and clients and liquidating remaining stock. You also need to cancel your [business name](#) or dissolve your corporation and close the [relevant Canada Revenue Agency](#) (CRA) and provincial tax accounts. Otherwise, with no evidence to the contrary, your business officially continues and you end up having to continue to file various tax returns.

The process varies slightly in each province, but the details for Ontario, Quebec, and British Columbia serve as a good example. Be sure to consult with a tax or accounting professional and review local requirements.

Overall, taking care of everything is just a matter of filling out and filing the proper forms.

Checklist

Keep a checklist to be sure you do everything necessary when closing your business:

- Cancel your business registration for your sole proprietorship or partnership or voluntarily dissolve your corporation.
- File the last tax return if you have dissolved a corporation.
- Close your payroll accounts with the Canada Revenue Agency (CRA).
- Close your GST/HST accounts with the CRA, and close your PST accounts with the appropriate provincial agency.

Canceling a Business Registration

In Ontario, go to the "Change of Business Information" page on the Service Ontario [website](#) to cancel your [business name registration](#).

In Quebec, it's called [Striking Off an Enterprise](#), and to close a business you need to file a Declaration of Striking Off with the Registraire des entreprises. To close a general or limited partnership, you need to send the Registraire des entreprises a [Dissolution and Liquidation form](#).

Dissolving a Corporation

If the business you wish to close is a [corporation](#), you need to dissolve it. This requires a special resolution passed at a meeting of the shareholder or the consent in writing of all shareholders entitled to a vote. Corporations that have not issued shares or commenced business have two years from the date of incorporation to dissolve if they have authorization from their incorporators.

In Ontario, the appropriate articles of dissolution must be submitted to the Companies and Personal Property Security Branch, along with a letter consenting to the dissolution from the Corporations Tax Branch, a cover letter, and a \$25 fee.

- Declaration of Intent/Application for Dissolution of a Company or Nonprofit Legal Person form
- A certified copy of the by-law or resolution authorizing submission of the application for dissolution
- Either the full page of the newspaper in which the intent to dissolve was published or a clipping along with the name, date, and place of the publication
- The annual declarations required by the Legal Publicity Act
- An application for revocation of striking off

In British Columbia, file an Application for (Voluntary) Dissolution on the provincial [Corporate Online](#) website. The company must be up to date with annual report filings.

Payroll Accounts and Tax Returns

When winding up your [payroll accounts](#), send all CPP contributions, EI premiums, and [income tax deductions](#) to your [tax center](#) within seven days of the day your business ends. You also need to complete the necessary T4 slips and T4 Summary and submit them to the [Ottawa Technology Centre](#) within 30 days of the day your business ends.

The CRA recommends completing Form RC145, which is a request to close business number accounts and submit it with your final return.

When submitting your final tax return to the CRA, also include a copy of the articles of dissolution. Otherwise, the CRA will assume the corporation still exists and you will have to continue to file an annual [tax return](#) for the corporation forever, even if there's no tax payable.

GST, HST, & PST Accounts

Your accounts for the goods and services tax (GST), harmonized sales taxes (HSTs), and provincial sales taxes (PSTs) also need to be closed. Once you've filed your outstanding GST/HST returns and paid any outstanding amounts, submit Form RC145 to the CRA.

In Quebec, Revenu Quebec deals with both the GST and its PST, known as the Quebec Sales Tax (PST). To close your [registration for GST](#) or QST, submit Form FP-611-V 410 (Request for Cancellation or Variation of Registration) to Revenu Quebec. As a general rule, you must request cancellation of both your GST and QST accounts to come into effect on the same date.

In British Columbia, you can close your PST account by completing an online form from your eTaxBC account.

In [Saskatchewan](#), file a final PST return within 15 days of closing the business, return your vendor's license, and obtain confirmation that all remaining taxes have been paid.

If you have obtained a business license to operate in a town or city, notify the municipality that your business has closed and your license can be canceled.