

Maintaining a Corporation in the Yukon

The information contained in this memo is accurate as of the date written (March 2006). Please ensure that any fees quoted herein should be verified with the Government of Yukon, Corporate Affairs. Items identified in [] are specific sections of the Business Corporations Act (Yukon).

Organization of the Corporation

After the Certificate of Incorporation is issued, a meeting of the directors of the corporation should be held at which time the directors may:

- a) Make by-laws. By-laws set out the 'rules' of the corporation and give the directors and officers their authority to act on behalf of the corporation.
- b) Directors Resolution to adopt forms of security*, certificates and corporate records. This document sets up the corporation including identifying who will be the Bank, accountant, whether a seal is required (desk – makes an imprint into the paper of the corporate name or wafer – usually a gold or red seal with the name of the corporation on it), confirms the by-laws, registered office and most importantly, issues shares at a particular price.
- c) Directors Resolution to authorize the issue of securities. This confirms and validates the Share Subscription(s), Share Subscription Receipt and Share Certificates.
Share Subscription – each person or entity who has been authorized by the directors and has asked to purchase shares in the corporation agrees to pay the purchase price.
Share Subscription Receipt – An officer of the corporation acknowledges that the shareholder(s) have purchased 'x' number of shares at the price identified. It is important that the officer physically collects the money for the shares and puts the money into the corporation's bank account.
Share Certificates – based on the Directors Resolution share certificates are prepared to reflect the share issuances. Share certificates are signed by an officer of the corporation and the corporate seal is affixed thereto.
- d) Transact any other business. [s.105]

* Security includes a share or debenture or similar evidence of indebtedness.

All originally executed copies of these documents should be kept with the Certificate and Articles of Incorporation. These are considered the 'corporate records'. Shareholders Ledgers (records the issuances of shares) and Shareholders Registers (a register for each individual shareholder identifying how many shares of which type and/or class they hold) may be prepared.

The corporation has to ensure that its registered office and its records office are accessible to the public during normal business hours and is readily identifiable from the address given. [s.22]

The corporation has to prepare and maintain at its records office certain records:

1. Articles, by-laws and all amendments thereto.
2. Copies of any unanimous shareholder agreements and all amendments thereto.
3. Minutes of meetings and resolutions of shareholders.
4. Copies of all Notices of Directors and Change of Directors.
5. A securities register.
6. Copies of the financial statements, auditor's reports and other pertinent information.
7. A register of director's disclosures. [s.23]

Annual Maintenance

Pursuant to the *Business Corporations Act* (Yukon) there are certain aspects that must occur on a yearly basis.

These include:

Annual Return – this lists the directors and officers of the corporation and is signed by a director or other authorized signatory of the corporation. The Annual Return should be filed after the anniversary date or before the last day of the month following the anniversary month of incorporation. [s.267] Form 1-04 http://www.gov.yk.ca/forms/3000/yg3038_b.pdf The filing fee is \$15.00.

Notice of Change of Directors within 15 days of any change in directors. [s.114] http://www.gov.yk.ca/forms/files/yg3037_b.pdf The filing fee is \$15.00.

Notice of Change of Address within 15 days of any change of registered or mailing address. [s.22] http://www.gov.yk.ca/forms/3000/yg3082_b.pdf The filing fee is \$15.00

Corporations should also, on an annual basis, complete the following:

- Call an annual meeting of shareholders to be held not later than 18 months after the date of incorporation. [s.134]
- At each annual meeting appoint an auditor or, by unanimous approval, not appoint an auditor.
- At least 21 days before each annual meeting of shareholders send a copy of its financial statements to each shareholder. [s.161]
- Directors' Resolutions – these identify who have been appointed as officers for the corporation for the next year.
- Shareholders' Resolutions – these identify who have agreed to act as directors for the corporation for the next year.

Throughout the year the corporation may or may not do any number of things – issue more shares, borrow money, purchase assets – all of which should be directed to the originating solicitor or their designate.

Please note: **All forms submitted to Corporate Affairs must be in duplicate.**