



## **PROFESSIONAL CORPORATIONS FOR DENTISTS**

### **INFORMATION PACKAGE**

This information package is designed to assist you in following the procedures for registering as a Professional Corporation in Alberta.

A dentist must first be registered with the Alberta Dental Association and College prior to seeking approval as a professional corporation (PC).

### **INITIAL REGISTRATION OF YOUR PC**

#### **FIRST STEP**

Once your legal counsel or accountant has prepared the Articles (these could be Incorporation, Continuance, Amendment, etc. depending on your circumstances), you must submit the original signed documents to the Alberta Dental Association and College (ADA&C) for approval prior to submitting them to corporate registries.

We will review them to ensure they meet the criteria of the appropriate legislation and bylaws:

1. The name must be in the correct format. The first name (in full or initial) and full last name of the dentist must be the first part of the PC name. The dentist's middle name(s) (in full or initial) may be used but are optional. The last part of the PC name must be either Professional Corporation or Professional Dental Corporation. For example John Samuel Doe could incorporate as John Doe Professional Corporation or as J. S. Doe Professional Dental Corporation, etc. However, Dr. John Doe Professional Corporation is not acceptable as it is not possible for a corporation to earn a degree.
2. All voting shareholders and directors of the PC must be licensed members of the ADA&C.
3. All non-voting shareholders (holding legal and beneficial ownership of all issued non-voting shares) must be any one or more of the following (as defined by the Health Professions Act):
  - a) A regulated member of the ADA&C, must also be a voting shareholder;
  - b) The spouse of a regulated member whom is also a voting shareholder;
  - c) The common-law partner of a regulated member whom is also a voting shareholder;
  - d) A child of a regulated member whom is also a voting shareholder;

- e) A trust, all of the beneficiaries of which are minor children of a regulated member whom is also a voting shareholder.
4. The Articles must include the following two clauses, they may be attached as separate schedules to the Articles:
- a) Restriction on Business clause as detailed in Appendix 1
  - b) Chap. H-107(b) of the Health Professions Act as detailed in Appendix 2
5. The Articles must be signed by the incorporating dentist(s), not by legal counsel or any other person.

Attached, as Appendix 3, for your convenience, are sections 107 – 115 inclusive of the Health Professions Act, which contains the amendments under Bill 53.

Once we have reviewed the Articles and they meet all the criteria, they will be stamped as approved, signed and dated as at the date they are approved. We cannot back date the approval date for any reason.

The original documents will be returned, usually within 4-5 business days, along with a letter detailing further instructions along with a Form A “Application for a Permit”.

## **SECOND STEP**

The documents must be sent to Alberta Corporate Registry for processing. Once the Articles are registered a Certificate will be issued from Alberta Corporate Registry.

## **THIRD STEP**

Once the PC is registered with Alberta Corporate Registry you must register it with ADA&C. The following items are required in order to register your PC:

- a) Form A – Application for Professional Corporation Annual Permit: this form must be completed in full and signed by the incorporating dentist; it cannot be signed by legal counsel or any other person.
- b) A copy of the Certificate of Incorporation (or Continuance or Amendment as appropriate).
- c) Certificate of Status if the Articles were registered more the 30 days prior to the application (Form A) being submitted.
- d) Payment of fees in the amount of \$500.00 - \$400.00 for PC initial registration fees and \$100.00 for the current year annual fee.

A Certificate, Annual Permit, and Receipt will be issued and the registration process is complete.

### **ANNUAL PERMIT RENEWAL**

A renewal notice for the Annual Permit will be emailed directly to the registered member whom is listed as the owner of the PC each year in mid-November. The annual renewal submission consists of:

- a) Professional Corporation Permit Renewal Form
- b) Payment of annual fee of \$100.00.

The annual permit renewal will be issued and both emailed and mailed to the PC upon receipt of the above. Please ensure that your mailing and email address are up to date at all times.

### **AMENDMENTS, AMALGAMATIONS, AND REVIVALS**

Any dentist considering changing their registered PC should consult with their lawyer and/or accountant to guide him/her through the complexities. Approval by the ADA&C is required prior to registering Articles of Amendment, Amalgamation, or Revival; as well there is an ADA&C administration fee of \$300.00 for any changes made to an existing registered PC.

### **CHANGE IN SHAREHOLDINGS**

Any changes to the shareholdings of the PC must be reported to the ADA&C within 15 days of the change utilizing Form B "Statement of Particulars". Changes in shareholdings may consist of the issuance of additional or new classes of shares, shares issued or sold to a new shareholder, etc. Please see items 2 and 3 above for information regarding who can be shareholders of a dental PC. There are no fees associated with filing a Form B.

I trust this information will be of assistance to you. A copy of the pertinent sections of the legislation concerning this subject are attached, including ADA&C forms. Please do not hesitate to contact our office should you require further information or clarification.

*Further information relating to dental Professional Corporations can be located on the ADA&C Members website at [www.abdentists.com](http://www.abdentists.com) under Member Services – Professional Corporation and under Legislative + Discipline – ADA&C Bylaws (Bylaw #14).*

*Further information relating to Corporations in Alberta can be located at Service Alberta's website at [www.servicealberta.ca](http://www.servicealberta.ca) and located under Registries – Corporate Registry.*

## APPENDIX 1

### SCHEDULE "A"

The business that may be carried on and the powers that may be exercised by a Professional Corporation shall include:

- a) to engage in every phase and aspect of rendering the same dental services to the public that a dentist, being a member of the Alberta Dental Association and College, is authorized to render;
- b) to purchase or otherwise acquire to own, mortgage, pledge, sell, assign, transfer or otherwise dispose of, and to invest in, deal in and with, real and personal property necessary for the rendering of dental services;
- c) to contract debts and borrow money, issue and sell or pledge bonds, debentures, notes and other evidences of indebtedness and execute mortgages, transfers of corporate property and other instruments to secure the payment or corporate indebtedness as required;
- d) to enter into partnership, consolidate or merge with or purchase the assets of another corporation or individual rendering the same professional services.

## APPENDIX 2

### Health Professions    Chap. H-107(6)

Despite anything to the contrary in the Business Corporations Act and despite the providing of the professional services of a regulated member

b) of the Alberta Dental Association and College,

on behalf of a professional corporation, every voting shareholder of a professional corporation is liable to the some extent and in the same way as if the shareholder were, during that time, carrying on the business of the professional corporation as a partnership or, if there is only one voting shareholder, as an individual providing professional services.

Liability of shareholders and employees

## APPENDIX 3

### Liability of shareholders

107 Despite anything to the contrary in the Business Corporations Act and despite the providing of the professional services of a regulated member

- a) of the College of Physicians and Surgeons of Alberta who is a physician, surgeon or osteopath,
- b) of the Alberta Dental Association and College,
- c) of the Alberta College and Association of Chiropractors, or
- d) of the Alberta College of Optometrists,

on behalf of a professional corporation, every voting shareholder of a professional corporation is liable to the same extent and in the same way as if the shareholder were, during that time, carrying on the business of the professional corporation as a partnership or, if there is only one voting shareholder, as an individual providing professional services.

### Approval for professional corporation

108 The registrar may issue an approval of the articles of a proposed professional corporation for the purposes of section 7(2) of the Business Corporations Act to a regulated member

- a) of the College of Physicians and Surgeons of Alberta who is a physician, surgeon or osteopath,
- b) of the Alberta Dental Association and College,
- c) of the Alberta College and Association of Chiropractors, or
- d) of the Alberta College of Optometrists,

who files an application in the form provided for in the bylaws, submits a copy of the proposed articles and pays all the approval application fees provided for in the bylaws.

### Professional corporation registered

109(1) A regulated member who obtains an approval under section 108 and incorporates the proposed professional corporation under the Business Corporations Act may register the professional corporation under this Act if the regulated member

- a) satisfies the registrar that the individuals who will provide professional services or who will supervise the provision of professional services on behalf of the professional corporation are regulated members of the college,
- b) satisfies the registrar that the professional corporation is a corporation in good standing with the Registrar of Corporations,
- c) satisfies the registrar that the professional corporation is not restricted from providing professional services regulated by the college or from carrying out its powers, duties and functions under this Act,
- d) satisfies the registrar that the name of the corporation meets the requirements of the bylaws,
- e) satisfies the registrar that the legal and beneficial ownership of all the issued voting shares of the professional corporation is vested in one or more regulated members of the college and that all of the directors of the corporation are regulated members of the college,

(e. 1) satisfies the registrar that the legal and beneficial ownership of all the issued non-voting shares of the professional corporation is vested in one or more of the following persons:

- i. one or more regulated members of the college who are also voting shareholders;
- ii. in respect of any regulated member of the college who is also a voting shareholder, one or more of the following persons:
  - a. the spouse of the regulated member;
  - b. the common-law partner of the regulated member;
  - c. a child of the regulated member;
  - d. a trust, all of the beneficiaries of which are minor children of the regulated member;
- f) satisfies the registrar that no shareholder of the professional corporation has entered into a voting trust agreement, proxy or any other type of agreement vesting in another person who is not a regulated member of the same college the authority to exercise the voting rights attached to any or all of the voting shareholder's shares, and
- g) submits the permit application fees provided for in the bylaws.

2. If a registrar is satisfied that subsection (1) has been complied with, the registrar must register the professional corporation, issue an annual permit to the professional corporation, assign a unique registration number to the professional corporation and enter the name of the professional corporation in the record of professional corporations.

3. For the purposes of subsection ( 1 )(e.1) (ii) and section 114(2),

- a) "child", with respect to a regulated member, includes
  - i. a person of whom the regulated member is the legal parent,
  - ii. a person who is wholly dependent on the regulated member for support and of whom the regulated member has, or immediately before the person attained the age of 19 years had, in law or in fact, the custody and control, and
  - iii. a child of the regulated member's spouse or common-law partner;
- b) "common-law partner", with respect to a regulated member at any time, means a person who cohabits in a conjugal relationship with the regulated member at that time and
  - i. has so cohabited with the regulated member for a continuous period of at least one year, or
  - ii. would be the parent of a child of whom the regulated member is a parent if this clause were read without reference to clause (a)(iii),

and, for the purposes of this clause, where at any time the regulated member and the person cohabit in a conjugal relationship, they are, at any particular time after that time, determined to be cohabiting in a conjugal relationship unless they were not cohabiting at the particular time for a period of at least 90 days that includes the particular time because of a breakdown of their conjugal relationship.

#### Annual permit

110 (1) An annual permit expires on the date provided for in the bylaws.

2. If a professional corporation to which a unique registration number has been assigned under section 109(2) submits

- a. an application for an annual permit in the form provided for in the bylaws,
- b. evidence satisfactory to the registrar that the corporation complies with section 109(1)(a) to (f).
- c. the information required by the bylaws, and
- d. the annual permit application fee provided for in the bylaws,

the registrar must issue an annual permit to the professional corporation.

#### Voting of shares restrictions

111 No voting shareholder of a professional corporation shall enter into a voting trust agreement, proxy or any other type of agreement vesting in another person who is not a regulated member of the same college the authority to exercise the voting rights attached to any or all of the shareholder's shares.

#### Change in organization

112 A professional corporation must inform the registrar within 15 days in the form provided for in the bylaws of any change in the ownership or directors of the professional corporation or to the name of the professional corporation.

#### Record of professional corporations

113(1) A registrar must keep and maintain a record of professional corporations containing the following information with respect to each professional corporation:

- a) its name and registered head office address;
- b) the unique registration number issued to the professional corporation;
- c) the date the annual permit was issued;
- d) other information required by the bylaws.

- 2. The public may, during regular office hours, inquire about the information on the record of professional corporations, and the college must on request provide the information described in subsection (1).

#### Cancellation of P.C. permit

114(1) An annual permit may be cancelled by a registrar if sections 104 to 112 are not complied with.

- 2. Despite subsection (1), if a professional corporation ceases to comply with a condition specified in section 109(1)(a) and (d) to (f)
  - a. only because of
    - i. the death of a regulated member, or
    - ii. the suspension or cancellation of the registration or practice permit of a regulated member, who is a voting shareholder of the professional corporation,
  - b. only because
    - i. of the death of a non-voting shareholder of the professional corporation or the death of a minor child who is a beneficiary of a trust referred to in section 109(1)(e. 1)(ii)(D), or
    - ii. a former spouse or former common-law partner of a regulated member who is a voting shareholder continues to own non-voting shares after their divorce or the breakdown of their common-law relationship,

or



- c. only because a child who is a beneficiary of a trust referred to in section 109(1)(e.1)(ii)(D) attains the age of 18 years,

the professional corporation has 90 days from the date of death, suspension, cancellation, divorce, breakdown of the common-law relationship or a beneficiary of a trust attaining the age of 18 years, as the case may be, in which to fulfil the condition, failing which the annual permit is cancelled on the expiration of the 90-day period.

3. If the practice permit of a regulated member who is a shareholder of a professional corporation is suspended, that member may remain as a shareholder of the professional corporation, but the member may not provide any professional service on behalf of the professional corporation while the practice permit is suspended.
4. In the event of the death of a regulated member or the occurrence of an event or circumstance described in subsection (2)(b), the council may in writing order that the 90-day period provided for in subsection (1) be extended for a further period that it considers reasonable.
5. When an annual permit is not applied for, expires or is cancelled, the registrar must record in the record of professional corporations that an annual permit was not applied for or that the annual permit expired or was cancelled.
6. (A registrar shall not remove any information from the record of professional corporations except in accordance with the bylaws.

Notification or cancelled, expired P.C. permits

115(1) When an annual permit is cancelled, a registrar must notify the Registrar of Corporations and the shareholders of the professional corporation recorded with the registrar.

2. Thirty days after the date that an annual permit expires, the registrar must notify the Registrar of Corporations that the annual permit has expired.
3. In addition to the information provided under subsection (1), the registrar may provide information, in accordance with the bylaws, on expired and cancelled annual permits.

FORM A

ALBERTA DENTAL ASSOCIATION AND COLLEGE

APPLICATION FOR PROFESSIONAL CORPORATION ANNUAL PERMIT

\_\_\_\_\_ Professional Corporation, with Registered Office at \_\_\_\_\_ in the \_\_\_\_\_ of \_\_\_\_\_, in the Province of Alberta, hereby applies for a permit under Section 109 of the Health Professions Act.

1. Annexed hereto are:
  - a) a copy of the Company's Certificate of Incorporation certified correct by the Registrar of Companies,
  - b) Certificate of Status,
  - c) Payment of the fee prescribed by Council.
2. The name of the Company is \_\_\_\_\_ Professional Corporation.
3. The objects of the Company stated in its Articles of Incorporation or Charter include the objects contained in the Schedule "B11 to the Bylaws of the Alberta Dental Association and College.
4. The Company is in good standing with the Registrar of Companies under The Business Corporations Act.
5. All the persons who are voting shareholders of the Company, each of whom is a regulated member of the Alberta Dental Association and College are:

NAME	ADDRESS	NO. AND CLASS OF VOTING SHARES
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6. All the persons for whom any issued voting shares of the Company are held in trust, and the Trustee thereof, each of whom is a regulated member of the Alberta Dental Association and College are:

TRUSTEE	ADDRESS	BENEFICIAL OWNER	ADDRESS	NO. AND CLASS OF VOTING SHARES
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7. All the persons who are non-voting shareholders of the Company, each of whom is a regulated member of the ADA&C, the spouse of a regulated member, the common-law partner of a regulated member, a child of a regulated member, or a trust, all of the beneficiaries of which are minor children of a regulated member, are:

NAME (indicate relationship to regulated member)	ADDRESS	NO. AND CLASS OF NON-VOTING SHARES
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8. All the persons who are directors of the Company, each of whom is a regulated member of the Alberta Dental Association and College are:

NAME	ADDRESS
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9. Each of the persons who will carry on the practice of a dentist on behalf of the Company, is a regulated member of the Alberta Dental Association and College.
10. The Company hereunder undertakes with the Alberta Dental Association and College that it will at all times while it is the holder of the subsisting annual permit will and faithfully keep and perform all of its obligations in the practice of dentistry and all of the rules and requirements of the Alberta Dental Association and College.

DATED AT \_\_\_\_\_, in the Province of Alberta, this \_\_\_\_\_ day of \_\_\_\_\_, A.D. 20\_\_\_\_\_

\_\_\_\_\_  
Applicant

MEMBER'S CERTIFICATE

I, \_\_\_\_\_, a regulated member of the Alberta Dental Association and College and a director of the above named applicant, hereby certify to the Alberta Dental Association and College that the information and particulars contained in Paragraphs 2 to 9 inclusive of the within application are true and complete.

\_\_\_\_\_  
Director

FORM B

ALBERTA DENTAL ASSOCIATION AND COLLEGE

PROFESSIONAL CORPORATION STATEMENT OF PARTICULARS

1. Name of Company \_\_\_\_\_ Professional Corporation.
2. The objects of the Company stated in its Articles of Incorporation include the objects contained in the Schedule "B" to the Bylaws of the Alberta Dental Association and College.
3. The Company is in good standing with the Registrar of Companies under The Business Corporations Act and attached hereto is a certificate of status.
4. All the person who ore voting shareholders of the Company, each of whom is a regulated member of the Alberta Dental Association and College are:

NAME	ADDRESS	NO. AND CLASS OF VOTING SHARES
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5. All the persons for whom any issued shares of the Company are held in trust, and the Trustee thereof, each of whom is a regulated member of the Alberta Dental Association & College are:

NAME	ADDRESS	BENEFICIAL OWNER	ADDRESS	NO. AND CLASS OF VOTING SHARES
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6. All of the persons who are non-voting shareholders of the Company, each of whom is a regulated member of the ADA&C, the spouse of o regulated member, the common-law partner of a regulated member, a child of a regulated member, or a trust, all of the beneficiaries of which are minor children of a regulated member, are:

NAME	ADDRESS	NO. AND CLASS OF NON-VOTING SHARES
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7. All the persons who are directors of the Company, each of whom is a regulated member of the Alberta Dental Association and College are:

NAME	ADDRESS
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8. Each regulated member of the Alberta Dental Association and College who will carry on the practice of a Dentist on behalf of the Company.

NAME

ADDRESS

I, \_\_\_\_\_, a regulated member of the Alberta Dental Association and College and a director of the Company, hereby certify to the Alberta Dental Association and College that the information and particulars respecting the Company are true and complete.

DATED at \_\_\_\_\_, in the Province of Alberta, this  
\_\_\_\_\_ day of \_\_\_\_\_, A.D. 20\_\_\_\_\_.

\_\_\_\_\_  
Director