



Before You Start - Understand These Business Terms

Ministry of Government Services

Last Verified: 2008-03-01

The following is a list of common business terms defined by the Ministry of Government and Consumer Services.

Summary

Business Name Registration

A business name registration refers to a registration under the [Business Names Act](#). It expires after 5 years and must be renewed. The Ministry of Government and Consumer Services, Companies and Personal Property Security Branch, maintains a registry of business names of sole proprietorships, general partnerships, Ontario limited liability partnerships, extra-provincial limited liability partnerships, extra-provincial limited liability companies and business names registered for a corporation operating with a name other than its corporate name. A business name registration should not be confused with incorporation or a business licence.

A Corporation may operate under a name other than its legal corporate name by filing a [Form 2](#) under the Business Names Act. The operating name cannot have the legal endings of Incorporated, Inc., Corporation, Corp., Limited or Ltd.

For further information:

see the document [Registering a Business Name or Partnership](#)

Business Identification Number (BIN)

A business identification number (BIN) is the number assigned by the Companies and Personal Property Security Branch, Ontario Business Information System (ONBIS) to your business name registration. This is not your federal business number issued by the Canada Revenue Agency.

Business Number (BN)

A business number (BN) is a federal numbering system that replaces the multiple numbers businesses require to deal with government. The business number includes Goods and Services Tax (GST), payroll deductions and/or corporate income tax.

For further information:

see the document [Business Number - BN](#)

Business Licence

A Business Licence is required by particular businesses in order to operate in Ontario. This is in addition to the business name registration. For example, "Joe's Garage" is required to register its business name with the Companies and Personal Property Security Branch and obtain a licence in order to operate as a garage. To determine if your business will be affected by local regulations, licences, municipal business tax or zoning requirements contact the clerk of the city, town, village or rural municipality where your business will be located. These numbers can be found in the Blue Pages of the Telephone Directory under the appropriate heading (e.g. Licences and Permits).

For further information :

see these documents:

[Business Licences](#)

[Municipal Requirements to Start a Business](#)

Master Business Licence (MBL)

A Master Business Licence (MBL) is issued when a business name is registered under the Business Names Act. The Master Business Licence can be used as proof of business name registration at financial institutions and to facilitate any other business-related registration with the Ontario government.

For further information:

see the document [Registering a Business Name or Partnership](#)

Sole Proprietorship

Sole Proprietorship refers to an unincorporated business with one (sole) owner. The owner must be an individual. It is NOT a corporation. The business name of a sole proprietorship is registered by filing a [Form 1](#) under the Business Names Act.

General Partnership

General Partnership refers to an unincorporated business with 2 or more owners. The general partnership may consist of individuals, corporations or other unincorporated businesses. This is not the same as a limited partnership. The business name of a general partnership is registered by filing a [Form 1](#) under the Business Names Act.

Limited Partnership

Limited Partnership refers to an unincorporated business with at least one general partner and one or more limited partners. General partners have unlimited liability and limited partners have limited liability up to the amount of their investment. Filing a Declaration [Form 3](#) under the [Limited Partnerships Act](#) creates a limited partnership.

Limited Liability Partnership

A Limited Liability Partnership is a partnership, other than a Limited Partnership, that is formed or is continued as a Limited Liability Partnership in Ontario under [Section 44.1](#) of the [Partnerships Act](#).

Extra-Provincial Limited Liability Partnership

An Extra-Provincial Limited Liability Partnership is defined in [subsection 1.\(1\)](#) of the [Partnerships Act](#) as a limited liability partnership formed under the laws of another jurisdiction but does not include an extra-provincial limited partnership within the meaning of the Limited Partnerships Act. The law under which an EP LLP is formed determines how it is governed and the personal liability of its partners as per [subsection 44.4 \(4\)](#) of the [Partnerships Act](#).

Extra-Provincial Limited Liability Company

An Extra-Provincial Limited Liability Company is defined in subsection 2.1(1) of the Business Names Act as an unincorporated association, other than a partnership, formed under the laws of another jurisdiction that grants to each of its members limited liability with respect to the liabilities of the association. For more information regarding interpretation, it is advised that you consult a lawyer.

Corporation

A Corporation is an incorporated entity with its own rights and responsibilities as a distinct person under the law. A business corporation is owned by the shareholders and managed by directors chosen by the shareholders. The owners of a corporation are not personally responsible for the debts of the corporation. The corporation is responsible for its debts. A corporation should not be confused with an unincorporated business name registered under the Business Names Act.

Business Corporation

A Business Corporation is a business entity incorporated under the Ontario Business Corporations Act. The purpose of a business corporation is to make a profit for its owners. A business corporation is distinguished by the use of the following legal endings within the corporate name: Incorporated, Inc., Corporation, Corp., Limited, Ltd.

Not-For-Profit Corporation

A Not-For-Profit Corporation is an Ontario corporation incorporated under the Ontario Corporations Act. A not-for-profit corporation, such as a social club or a cultural or sporting organization, does not operate for the purpose of gain for its members and any profits must be used to promote its objects. It does not issue any shares. A not-for-profit corporation may have Incorporated, Inc., Corporation or Corp. as a legal ending but it is not a requirement.

This document is based on information from the [Ministry of Government and Consumer Services](#) (last updated September 23, 2003).

Ontario Contact(s):

Registering by internet:

Companies and Personal Property Security Branch
ServiceOntario - Ministry of Government Services (MGS)

Registration on the Internet:

Name searching cannot be done on this web site.

Credit card payments only.

Ontario

Web site:

http://www.gov.on.ca/ont/portal!/ut/p/.cmd/cs/.ce/7_0_A/.s/7_0_252/ s.7_0_A/7_0_252/ /en?

[docid=STEL02_039961](#)

Registering by Mail:

Companies and Personal Property Security Branch
ServiceOntario - Ministry of Government Services (MGS)
Suite 200
393 University Avenue
Toronto, Ontario M5G 2M2

Registering in person (processing over the counter):

Companies and Personal Property Security Branch
ServiceOntario - Ministry of Government Services (MGS)
2nd Floor
375 University Avenue
Toronto, Ontario M5G 2M2
Telephone: 416-314-8880
Fax: 416-314-4852
Toll-free (information): 1-800-361-3223 (in Ontario)
TTY (hearing impaired): 416-212-1476

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