



Limited Partnership in Canada for Non-Residents

Limited Partnerships is a simple form of business registration in Canada, which creates a Canadian company and does not generate filing and tax obligations in Canada for partners, who are not residents of Canada.

ADVANTAGES OF CANADIAN LIMITED PARTNERSHIP

- Highly prestigious Canadian company
- No restrictions on the residency of partners
- Availability of one-man limited partnership, when one person is a sole general and limited partner
- There is no minimum authorized capital. Partners can make any contribution to the limited partnership
- No withholding tax on profit received by partners outside of Canada
- No requirements to file corporate tax returns
- No corporate income tax.

COMMON USE OF LIMITED PARTNERSHIP

- Regular trading company for doing business in Canada, US, EU and other highly regulated jurisdictions
- Agent working under Sales Agency Agreement. Principal may be any legal entity including companies registered in low and zero tax jurisdictions
- Software development and IT support services, when major customers are located in Canada, US and EU
- Online based businesses

CORPORATE TAX

Limited Partnership is not considered as a taxable entity. Therefore, LP is not required to file corporate tax returns and pay income taxes.

All profit received by Limited Partnership passes through the company to its partners. Partners, who are not Canadian residents do not have tax liabilities in Canada. If a partner is a Canadian resident, he is required to include his part of profit received through his Limited Partnership into his personal tax return and pay personal income tax.

There is no withholding tax on the profit passed to partners, who are non-Canadian residents.

There are no audit requirements for Limited Partnerships..

CORPORATE INCOME TAX RETURN

Not required.

GENERAL PARTNERS

A minimum of one general partner is required, who may be a residents of any country.

Corporate general partners are permitted. If a corporation is incorporated outside of Canada, it



must be registered in Ontario as Extra-Provincial Corporation before it becomes a general partner.

LIMITED PARTNERS

Each limited partnership must have a minimum of one limited partner, who may be an individual or legal entity.

No Canadian residency is required.

When a non-Canadian corporation is a limited partner, extra-provincial registration of the corporation in Ontario is not required.

A person may be a general partner and a limited partner at the same time in the same limited partnership. Therefore, just one person is needed for registration of limited partnership.

CONTRIBUTION INTO LIMITED PARTNERSHIP

There are no minimum or maximum amount of contribution is required.

Partners may contribute money and other property to the limited partnership, but not services.

Interest of a partner in the limited partnerships is considered as a personal property.

PERSONAL LIABILITY

General partners have unlimited personal liabilities for debts and obligations of the limited partnership.

Liability of the limited partners is restricted by the size of their contributions into the limited partnerships.

MANAGEMENT

Limited partnership is managed by its general partners unless the Partnership Agreement allows general partners to appoint a manager.

ANNUAL GENERAL MEETING

Limited partnership is not required to hold its annual general meetings.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS

The form confirming registration form of a limited partnership must include its address of principal place of business in Ontario. Limited partnerships is required to keep at its Ontario address records of its partners, copies of all resolutions and Partnership Agreement

*Please feel free to contact us
with any questions or queries.*

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