

15 May 2021

Dear members practising Dentistry through a Professional Corporation,

Please find included with this letter your *Renewal Form* personalized to each dental corporation. It is designed to minimize your need to repeat information in different sections.

To aid you or your legal counsel in completing the renewal forms accurately, an *Instructional Guide* is available on the MDA website www.manitobadentist.ca under PROFESSIONAL RESOURCES tab, including the 10 most common mistakes to avoid while filling out your forms. Should you have changes to your corporation, please fill out a **DENTAL CORPORATION CHANGE OF INFORMATION FORM** found under the PROFESSIONAL RESOURCES tab, DENTAL CORPORATIONS.

Please ensure the following documentation is submitted (check the box once complete):

- the completed *Renewal Form*. Please ensure an email for the registered office of the corporation is provided and each director has signed the Directors' Declarations on the second page. If the dental corporation has Non-voting shareholders, please ensure the section on **relationship is completed and also specifies the voting shareholder** if the dental corporation has more than one voting shareholder;
- copy of your most recent **Annual Return from the Corporations Branch**. If your annual return is not due to be filed for 2021, you must submit a copy of last year's annual return. If your dental corporation is less than one year old, you do not need to submit this document until next year;
- proof of your dental corporation **malpractice insurance** from **each director; and**
- permit renewal fee in the amount of \$250.00.

The deadline to renew your professional corporation permit with the MDA is June 30. A valid permit is necessary for your dental corporation to practice dentistry. A failure to renew your permit on time may have significant legal or tax implications.

If additional questions – by you or your legal counsel - arise while completing the forms, please contact the MDA office and speak to Ms. Cheryl Duffy, Administrator of Registration, Licensing and Dental Corporations or myself.

Yours sincerely,





MANITOBA DENTAL ASSOCIATION

**INSTRUCTIONAL GUIDE
FOR
COMPLETING
DENTAL CORPORATION
PERMIT RENEWAL FORM**

The Manitoba Dental Association is the organization authorized by statute to regulate the practice of dentistry by dental corporations in the Province of Manitoba. Our enabling legislation is *The Dental Association Act*.

New *Dental Corporation Permit Renewal Notice Forms (Renewal Forms)* have been developed to improve their organization and reformat them in a manner consistent with other MDA forms. There has been significant effort to make the *Renewal Form* self explanatory. This instructional guide is to provide additional details clarifying requirements and expectations for members in completing the new *Renewal Form*.

The new form is a two sided single page document. It must be completed in its entirety for a dental corporation permit to be renewed.

Your dental corporation permit cannot be renewed unless all the necessary information, documents and payments have been received. An unsigned or incomplete form will be returned and you may be subject to late fees.

The form can be divided into four sections:

1. confirmation of any changes to the corporation in the last year;
2. list of all dental practices and their locations that the dental corporations practice of dentistry;
3. detailed information about officers and shareholders; and
4. directors' declarations signed by all dental corporation directors.

1. CONFIRMATION OF CHANGES

The Bylaw for Dental Corporations requires the MDA to be informed of any changes to the articles or particulars of the dental corporation within 15 days of the change. If you have not submitted the changes at the time they were made, this is an opportunity to notify the MDA.

Please check the applicable box in the section immediately beneath the checklist confirming that there were no changes since the last renewal or that changes have occurred in the particulars (corporation name, officers, directors or shareholders) or in the articles of incorporation.

If changes to the articles have occurred please include a certified copy of the articles with your *Renewal Form*. Please note certain changes (change in dental corporation name; amalgamation, or amendment of the articles) shall result in a permit review with associated fees.

2. DENTAL PRACTICE LOCATIONS

Please identify the name and location of each dental office that the dental corporation practises dentistry.

3. OFFICER AND SHAREHOLDER DETAILS

Please provide complete particulars for each of the remaining tables. If the information in a subsequent table is the same as in the preceding table you only need to check the AS ABOVE ONLY box.

If there are additional directors or voting shareholders than in the preceding table, check the AND AS FOLLOWS box. Please include the particulars for each of the additional directors or voting shareholders.

All non-voting shareholders need to be named. There are only a limited number of acceptable relationships to allow for non-voting shares in a dental corporation. Only the following are accepted:

- a. a voting shareholder may be issued non-voting shares;
- b. a spouse, common-law partner or child of a voting shareholder;
- c. another corporation each share of which is owned by a person in (1) or (2).

It is necessary to identify the relationship the non-voting shareholder has to a voting shareholder. If there is more than one voting shareholder, you must also identify which voting shareholder - by name - has the relationship.

4. DIRECTORS' DECLARATIONS

Each of the directors of the dental corporation must review and sign the declarations on the second page. Please include email address for each director. Please provide date when signing was completed.

COMMON ERRORS NOTED WITH DENTAL CORPORATIONS

I.) **ERROR: FAILURE TO PROVIDE ALL NECESSARY DOCUMENTATION**

In compliance with *The Dental Association Act*, the Manitoba Dental Association (MDA) *The Bylaw for Dental Corporations* requires certain information and documents to be completed annually for permit renewal. They are:

1. any **changes** to the corporation's **Articles of Incorporation**;
2. a correctly completed ***Dental Corporations Permit Renewal Notice Form (Renewal Form)***;
3. a copy of your **Annual Return of Information** provided by the Corporations Branch of the Companies Office (Corporations Branch);
4. proof of **Dental Corporation Malpractice Insurance** of a minimum **\$3,000,000.00**;
5. **payment** of the prescribed **Corporate Renewal Fee**.

ARTICLES OF INCORPORATION

II.) **ERROR: FAILURE TO SUBMIT CHANGES TO YOUR ARTICLES OF INCORPORATION**

As part of the corporate birthing process, your legal counsel was required to develop Articles of Incorporation (Articles). They establish the rules and structure governing your corporation. An example of the information contained in your articles can be seen at:

http://www.companiesoffice.gov.mb.ca/forms/incorporation_share_e.pdf.

A copy of your originating Articles was submitted to the MDA with your initial professional corporation permit application. If there are any changes to the Articles, the MDA must be informed within 15 days of the change. The necessary information to register a change would be an updated *Renewal Form* and a copy certified by the Director of the Corporations Branch, Companies Office (Director) of either:

1. Articles of Amendment (for further information, please refer to the following - http://www.companiesoffice.gov.mb.ca/instruction_sheets/amendment_e.pdf ;
2. Articles of Continuance (for further information, please refer to the following - http://www.companiesoffice.gov.mb.ca/instruction_sheets/continuance_e.pdf ;
3. Articles of Amalgamation (for further information, please refer to the following - http://www.companiesoffice.gov.mb.ca/instruction_sheets/amalgamation_e.pdf ; or
4. like Articles.

You may request a certified copy of the above Articles from Corporations Branch of the Companies Office (Corporations Branch) through a request for service form -

http://www.companiesoffice.gov.mb.ca/forms/request_for_service_e.pdf.

DENTAL CORPORATION PERMIT RENEWAL NOTICE FORM

III.) **ERROR: VOTING SHAREHOLDERS WHO ARE NEITHER MDA LICENSED MEMBERS NOR DENTAL CORPORATIONS WITH AN VALID MDA PERMIT**

The Bylaw for Dental Corporations requires permit renewal applicants to provide information on all **VOTING** shareholders. *The Dental Association Act (The Act)* clause 23.3(1)(d) limits voting shareholders to **LICENSED MEMBERS AND DENTAL CORPORATIONS ONLY**.

Any individual currently not on the MDA register as a licensed member in good standing or a dental corporation with a valid permit is ineligible to own voting shares.

IV.) ERROR: INSUFFICIENT INFORMATION ABOUT THE RELATIONSHIP OF NON-VOTING SHAREHOLDERS

The Bylaw for Dental Corporations requires permit renewal applicants to provide information on all **NON-VOTING** shareholders and their relationship to licensed members. *The Act* allows for **ONLY** the following relationships may be issued non-voting shares:

- a. a voting shareholder of the dental corporation may be issued non-voting shares;
- b. a spouse, common-law partner or child of a voting shareholder of the dental corporation;
- c. another corporation each share of which is owned by a person in (a) or (b).

As noted in ERROR (II), a voting shareholder must be a licensed member or another dental corporation.

In filling out the table state the non-voting shareholders name and specify the relationship from one of the three above listed categories. If the relationship is category three (another corporation), that corporation may be but does not have to be a dental corporation but you **MUST PROVIDE EVIDENCE ALL THE SHARES ARE OWNED BY A PERSON IN CATEGORY (1) OR (2)**.

V.) ERROR: CORPORATE DIRECTOR IS NOT A LICENSED MEMBER

The Bylaw for Dental Corporations requires permit renewal applicants to list all dental corporation directors. Directors are the individuals authorized to manage the corporation's affairs. Your Articles of Incorporation identify your first directors. You must report any changes in your directors on your annual Return of Information to the Corporations Branch. The MDA must be informed of any changes in your directors. Every director of a dental corporation **MUST BE A LICENSED MEMBER**. Any application with a director not on the MDA register will be rejected.

VI.) ERROR: RENEWAL FORM DIRECTORS' DECLARATIONS UNSIGNED

The second page is a statement declaring accuracy, knowledge and diligence in completing the document. All the directors must sign and date it to attest to the information's accuracy.

VII.) ERROR: COPY OF ANNUAL RETURN OF INFORMATION NOT PROVIDED

Every year your dental corporation or legal counsel must file information with the provincial Corporations Branch. For further information, please refer to:

http://www.companiesoffice.gov.mb.ca/instruction_sheets/annual_return.pdf.

The Corporations Branch will then send you an Annual Return of Information (an example of this and other forms is available at: <http://companiesoffice.gov.mb.ca/forms.html#manitobacorps>).

You must provide a current Annual Return of Information. If a dental corporation is incorporated recently and you have not been required to file an Annual Return to the Corporations Branch, your renewal application must include a written note explaining why and when you expect to receive it. As soon as you receive it, you are expected to send a copy to the MDA.

VII.) ERROR: PERSONAL INCOME TAX RETURN SENT INSTEAD OF ANNUAL RETURN

The only Annual Return of Information you need to provide is from the provincial Corporations Branch. Please do not send a copy of your Personal or Corporate Income Tax Return. An example of an Annual Return of Information is included in the appendices and available online (see above). If you still are uncertain please talk with your accountant or legal advisor.

VIII.) ERROR: COPY OF DENTAL CORPORATION MALPRACTICE INSURANCE NOT SENT

The Bylaw for Dental Corporations requires every MDA dental corporation to have professional liability insurance. In the perception of the law, a dental corporation is a person distinct from its shareholders. A dental corporation does carry on the practice of dentistry and may be liable for malpractice unto itself. Your personal malpractice insurance may not protect your dental corporation from liability.

You must provide a copy of your Memorandum of Malpractice Insurance in the **NAME OF THE DENTAL CORPORATION** (please see appendices for example). If you have more than one dental corporation carrying on the practice of dentistry, all of them must be listed on the memorandum. A dental corporation without valid professional liability insurance will have its renewal application rejected.

If a dental corporation does not have a policy in its name, CDSPI should be contacted to discuss the malpractice insurance options for dental corporations.

IX.) ERROR: COPY OF PERSONAL MALPRACTICE INSURANCE SENT

For emphasis, a dental corporation must be named in the professional liability insurance policy. Professional liability insurance in the name of a licensed member shareholder is not an acceptable alternative.

X.) ERROR: LATENESS

All dental corporation permits expire every year on June 30. A dental corporation ceases to carry on the practice of dentistry immediately on permit expiry. This may disrupt malpractice insurance protection. Income accrued after permit expiration from the practice of dentistry will be personal not corporate income until the permit is renewed.

The Registrar's Office is required to notify the Corporations branch promptly when a permit is expired.

Please take the time to plan ahead and submit your accurate corporate renewal applications with the necessary documentation before the deadline.

XI.) ERROR: FAILURE TO NOTIFY ON LICENSE CLASS CHANGES

As per the *Bylaw for Dental Corporations*:

- i. the corporation does not carry on and does not plan to carry on any business or activity other than the practice authorized by the permit and the provision of other services directly associated with that practice;
- ii. the corporation does not have and shall not allow voting agreements involving a person who is not a licensed member;

Members who are retiring can no longer own a dental corporation.