



Merrick Financial

Fee-Only Financial Planner

Checklist for a PREC:

A PREC is not a “professional corporation” as contemplated under Ontario’s Business Corporations Act.

The corporate requirements of a PREC are as follows:

- Must be incorporated under the Ontario Business Corporations Act.
- The corporation has one single controlling shareholder (a broker or salesperson who owns ALL the equity shares, which are the voting shares).
- The controlling shareholder is the president and sole director and officer of the corporation.
- The controlling shareholder is registered as a broker or salesperson.
- Any non-equity shares (non-voting) must be owned directly or indirectly by the family members (spouse, children, parents, trust for minor child) of the controlling shareholder or by the controlling shareholder.
- There is no written agreement or other arrangement that restricts or transfers the powers of the sole director and officer to manage or supervise the management of the business and affairs of the corporation.

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