NESVIT LAW

The Founder's Pre-Incorporation Checklist

Here are a few things that your lawyer will need to know before they can help you with your incorporation.

5 Things to Sort Out Before You Incorporate:

1. Who owns what percentage, and why? Ownership division can be critical should any conflicts or unexpected situations come up.

2. What happens if a co-founder wants to leave? It is a great idea to have all the difficult conversations upfront, so that you don`t have to go to court to resolve these matters later on.

3. Who owns the IP your team is building right now? If you`d like to retain ownership of the results your team is providing for you right now, it is best to put in all the expectations in writing to protect your ownership.

4. Ontario vs. federal — which one actually fits your plans? Conducting your own research may be sufficient in some cases, however consulting a licensed lawyer will really help you mitigate all the potential legal risks coming from this choice.

5. What "investor-ready" documentation actually means? The level of details and paperwork your specific business structure requires can depend on multiple factors, such as the nature of your business, ownership structure, remuneration plans (a.k.a. employees bonus structure) and any potential external investments. We strongly recommend consulting a startup/corporate lawyer for appropriate legal protection.

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