

Financial Resistance when undocumented: How to open up a business



Vivimos Juntxs, Comemos Juntxs
We Live Together, We Eat Together

WHO WE ARE

We are Vivimos Juntxs, Comemos Juntxs, or you can also call us We Live Together, We Eat Together! We are a group of current or former undocumented people and trusted allies. We believe that together we have the power to build a city where we have access to the services and resources we need to live a dignified life. We can support each other by sharing our experiences, and this toolkit is our way of doing that. We hope you find it useful!

To learn more about who we are and our past projects, feel free to go to our website at www.vcj.org!

WHY DID WE DO THIS PROJECT?

As undocumented people, we contribute to society by working, paying taxes, raising families, building relationships, starting businesses and much more. But despite this, we are prevented from accessing the services and resources we need, and are often taken advantage of by Canada's exploitative capitalist economy that prioritises profit over people.

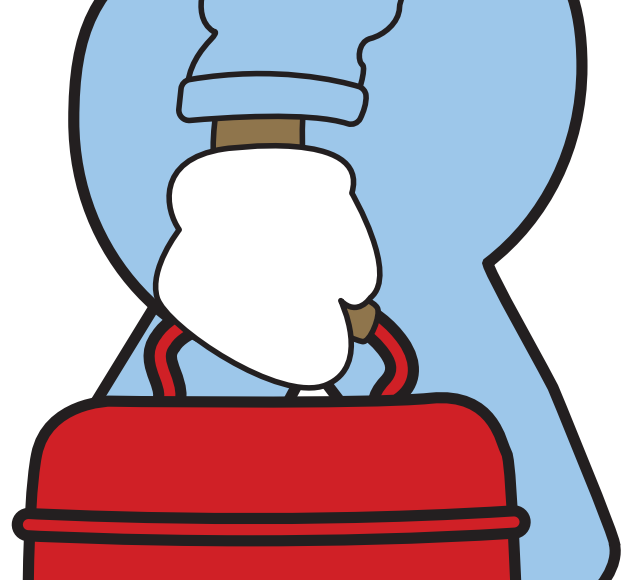
Our lives were made worse by the COVID-19 pandemic. If we are fired or we get sick, we are simply replaced by someone else like us. Under this capitalist system, there are more people at the bottom (working class or poor) than are at the top (the rich). One of the ways Canada makes sure there are more people at the bottom is through immigration - by giving citizenship and permanent residency to some and not at all of us. They say that there are "not enough resources for everyone", which is why they cannot give us permanent residency, and our equal rights. But we know this is not true! There is enough for everyone and we are not going anywhere!

We have already found ways of living and working here, and one of these ways is by opening up our own legal businesses. In this toolkit, you will learn about some of the ways we and other undocumented people have started businesses to financially support ourselves and our communities. We are sharing this with you because we believe everyone should be financially secure and stable, and that we have the capacity to help each other thrive. As undocumented people owning our own businesses, we can make sure we do not exploit those around us in the ways we were or are exploited, and instead be a part of building a fair and equal society!

Remember: an injury to one, is an injury to all!

Sole Proprietorship

(A business owned by one person)



A sole proprietorship is a type of business owned and run by one person. There is no legal distinction between the owner and the business. This means the owner gets all the benefits but also is responsible for all the risks of the business. The owner can work alone or hire other people.

HOW TO OPEN A SOLE PROPRIETORSHIP:

- 1 Go to this website: <https://www.ontario.ca/page/business/start/register-your-business-online> (You can also follow the steps listed on this website)
- 2 Create an ONE-key. You can use this to manage your account or request documents regarding your sole proprietorship → ONE-key account (it just asks for a username and a password, as well as 3 security questions)
- 3 Once you have created your ONE-Key Account, [click on this website](#) to fill in your sole proprietorship
- 4 Fill in the information required (it is not necessary to give your real address)
- 5 Pay with a debit/credit card and you're done!



You will need access to the internet



It is a quick process, you can finish in about an hour!



The website is in English. If you don't speak English, get a friend to help you.



You don't need to put your real address or complete legal name, just make sure a part of it matches a government issued ID.

BENEFITS:

- Makes it possible to be hired as a subcontractor and get paid. As a subcontractor, or an independent contractor, means you are getting paid through your business and not through a Social Insurance Number.
- Involves less paperwork and requirements to start (in comparison to other types of business ownership).

"So, because on hard days, and those days come, or unstable days in the beginning, you need to believe in something that allows you to continue. So, overall, my emotions are very positive. I really love what I do, I truly do. And that's what helps me continue."

- Luna

MAIN CHALLENGES:

- In a sole proprietorship, there's no difference between you and the business. If there's any legal action against you, your assets, such as personal savings and your house, can be taken to pay overdue bills and fines.
- People cannot invest in your business or be a part of growing your business. This means it might be harder for you to get financial support from others.
- If your business carries a lot of risk, you may want to set it up as a corporation to avoid legal responsibility and not have your assets taken away (see section on corporations).



The cost is \$60 CAD!

If someone tells you it costs more, they are wrong!

“There is also that fear of getting caught... because I didn't know that ServiceOntario was not connected to immigration... it was fear, and not knowing what could eventually happen... ServiceOntario is not connected to CBSA, since it's a provincial department, and CBSA is a federal one. So, explain the process overall and know that there is a minimum risk.” - Ana

“Look, I feel successful here because 1) I am a person with a precarious status who has been here for 15 years. That we live independently, working hard, obviously. But we have what it takes. I'm not rich, not at all. I don't have luxuries—as a car would be a luxury for me. I don't have it but I'm not going to die without those luxuries either. I feel successful.” - Frida

HOW TO GET A COPY OF YOUR BUSINESS NUMBER:

- 1 Log into your ONE-Key Account
- 2 Look for your service name and click on your profile. It will send you to another page.
- 3 On the new page, click on “Request Search Products”, then click on “List Request Document Copies” on the drop down menu
- 4 At the very top, put a checkmark next to “Business Name Registration for A Sole Proprietorship” and then scroll down and enter your email
- 5 Click “request documents”. Note: You will be charged \$3 CAN for each copy. Make sure to save a digital file, or print one and make copies if you need them

“When you create your company, make sure you don't lend it to other people so they can get paid. If one day you regularize your status, the government will charge you taxes for what someone else worked. ”

- Arturo

“I think it was successful. And that if I put the effort in, it will be again. Like I said, it might only be 30 people, but they're loyal *laughs* they like the sauce. They come back. I think there is hope!”

- Pocahontas

Corporation

(Business owned by one or more people)



A corporation is the registration of a business by one or more people with the provincial or federal government. You must show documents that describe the type of business, have a set of bylaws, and name the people involved in the corporation. These are referred to as the articles of incorporation.

HOW TO OPEN A CORPORATION: There are three ways to submit your paperwork:



Submit the articles of incorporation online.



Send it by mail to the Business and Personal Property Branch at 393 University Ave, Suite 200, Toronto, ON M5G 1E6



Go to the Land Registry/Service Ontario office at 20 Dundas St West, Unit 420, Toronto, ON M5G 2C2.



Cost is 300 dollars. You can pay online using a debit or credit only, or by mail-in cheque.

You can go to this website for more information:
<https://www.ontario.ca/page/incorporating-business-corporation>

BENEFITS:

- If you incorporate your business federally, your business name can only be used by you across the country.
- You will be taxed at a lower rate.
- You have access to “limited liability”. This means that investors, also known as shareholders, are not responsible for a corporation’s debts. If your corporation goes bankrupt, your shareholders only lose up to what they invested.
- Corporations have the same rights as a real person, including owning property, getting loans and entering into contracts.
- Corporations live on until they shut down, join with another corporation, or when they go bankrupt.
- You have easier access to financial support, for example, you can borrow money at lower rates.

MAIN CHALLENGE(S):

- Usually at least 25% of the owners or directors of the corporation have to be permanent residents or citizens. However, if a corporation has fewer than four directors, one of them must be a permanent resident.
- The process of filing all the necessary paperwork may be overwhelming and confusing. You may also want to consider hiring a lawyer to help you, although it will cost you!

“I wanted to do it because it would’ve been an opportunity for people without SIN numbers, and these things, to be able to work comfortably enough, and have that access. Because a lot of jobs want this and the other, but it takes a lot of work. In the long run, if I could as a partnership.” - Whitney

WHAT YOU SHOULD KNOW BEFORE OPENING A CORPORATION:

- To create a corporation, you must open a ‘business account online’. Here they will ask you for a SIN (Social Insurance Number) or a TTN (Temporary Tax Number).
- When you insert an expired SIN or TTN, the website may get ‘frozen/blocked’. If that happens, you will have to contact Canada Revenue Agency (CRA) for approval of the number used.
- This might feel uncomfortable for you, so just know that the CRA does **NOT** communicate with Immigration, Refugees and Citizenship Canada (IRCC) or Canada Borders Services Agency (CBSA). Ultimately, they care more about your money than they do if you are here in Canada without status.
- If you do not have an expired SIN or TTN, you will need to find a business partner who does.
- Once approved by the CRA, you then need to create:
 1. ‘MY CRA account’ to take care of personal issues, and
 2. ‘MY Business account’ to take care of the business like HST, payroll and corporate tax.
- You will need to prepare a balance sheet for your corporation. This is an accounting document that shows the profits and losses of the company.
- Finally, you will also need to open a business account at a bank. Read the next section for some tips!

HOW TO OPEN A BUSINESS ACCOUNT AT A BANK:

- You will need two pieces of identification and the business licence. For example, you can use a valid passport and your Ontario Photo ID (which you can apply for in Ontario if you have a valid passport).
- When opening up a bank account, it is common for the bank employees to ask for a SIN (Social Insurance Number), even though it is not mandatory. They ask this because:
 - *“The Income Tax Act requires banks to ask you for your Social Insurance Number (SIN) when you open an **interest-bearing account**, so the bank can report your interest income to the government. Other accounts, however, can be opened without your SIN. Sept 30, 2019”*
- Because of this legal requirement, make sure to ask to open a checking account for that business account to avoid providing a SIN.

“Some of my friends asking me if they can work with me... I don’t have any idea because I never do like this, to hire people [...] In the future I will have more bigger cleaning, I can hire some people because [...] they want to earn more extra money to, you know, to make more money to pay all their expenses, their bills. So, I’m willing to help them, you know, through my connections. That’s what I want to be.”
-Grace

TIPS ON OPENING A BUSINESS ACCOUNT AT A BANK OR CREDIT UNION:

- If you have a personal bank account already, we recommend going to that same bank to open a business account since they already know you!
- If you are opening up a bank account for the first time, they should approve you on the same day. We suggest that you schedule a meeting with the branch manager to avoid the bank tellers at the front who might not know the requirements for opening such an account.
- If you are nervous or do not feel comfortable speaking in English, we recommend taking a friend or someone else with you.
- You can also apply for business accounts at credit unions - such as Meridian Credit and Alterna - however, if done online, they will request a SIN (Social Insurance Number). We recommend trying to open a business account in person at your local branch.

Remember: You can always try to open a checking account first, since the SIN is not mandatory. Once this has been done, you can try to push to open other accounts (and see if you face any barriers).



Non-Profit

A non-profit is like a corporation, but it is separate from its members. This means that the non-profit exists by itself, and can have legal duties, benefits, and obligations. A member is a person who has been accepted into the non-profit in a process defined in its bylaws.

Non-profits are managed by a board of directors, which is elected by its members. The board of directors do not actually own the non-profit, and cannot use it for personal financial gain. However, the non-profit can participate in activities that benefit its members and community. For example, your non-profit can do a bake sale in order to raise money for its members, but you cannot use the non-profit to gain money to personally invest or buy stocks.

DO YOU NEED TO INCORPORATE YOUR NON-PROFIT?

You do not legally need to incorporate your non-profit in Ontario, you can still be active without registering your business with the government. There are advantages and disadvantages to incorporating your non-profit in Ontario:

Advantages:

- You have the ability to own property under the non-profit's name.
- The non-profit is able to sue or be sued.
- You have access to liability protection for board members.
- Your members are not liable for any debt or obligations tied to the non-profit.
- You are able to apply for grant opportunities that are restricted to non-profit applicants.

Disadvantages:

- You must follow the Not-for-Profit Corporations Act (ONCA) if you register your non-profit.
- If you do not follow these guidelines, penalties may be given to the directors of the corporation, or your non-profit may be cancelled.
- You may be unable to apply for grants, or other money given by the government or companies that restrict applications from non-profits.

The most common types of non-profits are:

- General type: ratepayer's associations, professional associations, community organizations;
- Sporting + Athletic Organizations;
- Social clubs;
- Services (healthcare, education, etc);
- Charities.



The fee to incorporate a not-for-profit is \$155 CAD

How to set up your non-profit:

1. Go to the ServiceOntario Website (<https://www.ontario.ca/page/serviceontario>)
2. Scroll down to the 'Business services' subheader and click on the '[Not-for-profits](#)' section
3. Scroll down to 'the laws' subheader and click 'Incorporate a not-for-profit' and follow the steps provided on the website

“So, as we grow, the plan is always to not just look out for our individual self, but for the entire community and we have a lot of ideas how to do that, and the more resources we have, the more we are going to do that. That is always a motivation for us in terms of how we operate, ‘what can we do better, not only for ourselves, but for everyone else?’” - Ken

TIPS FOR OPENING A NON-PROFIT:

- To open a non-profit, you need at least one person with permanent residency status, or for them to be a Canadian citizen. You can ask a family member, or an ally who you trust.
- You must present the names and addresses of the board of directors when you submit your application for the non-profit. You must state if they are a Canadian resident. Talk to your board members first to see if they are comfortable with sharing this information. 25% of your board members must be living in Canada as well.
- Reminder: Being a Canadian resident has nothing to do with your immigration status. You are a Canadian resident if Canada is the place where you regularly live.
- If you incorporate your non-profit, you will probably need to set up a bank account for your profit. There might be some obstacles, such as providing a Social Insurance Number and other documentation to the bank. Keep this in mind.
- If you are unable to create or incorporate your own non-profit, you can still be part of an existing non-profit, and can even be part of their board of directors. Keep your information confidential, and only share whatever you are comfortable with.

Co-operative

WHAT IS A CO-OPERATIVE?

An alternative to a corporation is a co-operative. Co-operatives, also known as co-ops, are meant to support the local economy, business and community growth. They have different models that can be used in various ways. Co-ops can still sell shares, but in comparison to corporations, shareholders can only have one vote regardless of how many shares they have.

Profits from the co-op can be distributed in various ways. The extra income can be given to members based on their use or need of the co-op. Members can also join and leave at any time. Co-ops also have the ability to own property, take mortgages, and enter into contracts.

DISCLAIMER: We have never heard of a co-op being completely owned by a group of undocumented people in Ontario. If you do want to start your own co-op with other undocumented people, get in contact with us at comemosjuntxs@gmail.com and we will connect you to the right support and resources!

BENEFITS OF INCORPORATING YOUR CO-OP:

- Co-ops are member-owned.
- Controlled under the Ontario's Co-operative Corporations Act (CC ACCT).
- Incorporation gives the co-op legal rights and recognition under the law.
- It limits your personal liability.
- You can purchase assets through your co-operative.

INCORPORATING A CO-OP:

Go to this website, and click CO-OP: <https://www.ontario.ca/page/ontario-business-registry>

TIPS:

A co-op requires at least five people to incorporate.
If you incorporate a worker co-op, you only require 3 people.
You must be at least 18 years of age.

EXAMPLES OF CO-OPS IN TORONTO:

Riverdale Co-operative: <https://riverdalecoop.ca/>

Current Members - Urbane Cyclist Co-op: <https://www.ucycle.com/service/worker-owners/>

List of Co-ops in Ontario: <https://canadianworker.coop/join/members/>

Conclusion

This toolkit was created from the experiences of undocumented people like you who bravely shared their stories. Without them, this never would have happened, and we are very thankful for their trust in us. Here is more of what they had to say to you all:

"The advice I would give them is to open the company, without any fear. So many doors will be open after that. It is the advice that I would really share. Maybe not like they were opened to me, maybe even more so to them."
- Frida

"Without that support, one, I wouldn't be able to know what I know, and two, I wouldn't have sold anything, you know? I think that support has been everything, it has even given the whole purpose to the creation of this company. It means everything to me and my business"
- Pocahontas

"So, I wouldn't change anything besides sharing information, but I did it, so... Be more open. We don't have to hide—there's so much fear, and it's not without reason, but we must take care of ourselves." - Ana

"Bring other people with you. Help others. And sometimes it's sometimes as easy as just sharing knowledge. It's free! Share your experiences, share your victories as much as you share your challenges. And help others, and support others, and be kind. Like I was saying, how you react to situations matter, and sometimes we can choose to react in different ways." - Luna

"Just don't give up, keep on fighting. Whatever, if you want to do business, just do it. Don't stop. Don't stop connecting to other people. Be open, be open to sharing your knowledge. Whatever you have. Like if someone needs your help, just try to help. - Grace

We want to meaningfully acknowledge that all of us involved in the creation of this toolkit live and work on Huron-Wendat, Haudenosaunee, Anishinabe, Mississaugas of the New Credit territory. To find the territories on whose land you are located, click here: <https://native-land.ca/>.

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