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Inactive Company in Quebec: Filings and Fees Still Due

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What "dormant" means for the tax authorities

Founders pause companies all the time: a consulting corporation between contracts, a startup that stopped trading but still owns its code and domain, a holding company that keeps a little cash. In everyday language the company is "dormant" or "inactive".

Legally, there is no such status in Quebec. A corporation exists until it is dissolved, and the filing obligations of an active corporation apply to an inactive one. Revenu Québec, the CRA, the Registraire des entreprises and, for federal corporations, Corporations Canada all expect their filings every year. Corporations Canada puts it plainly: if your corporation's status is "active" (not dissolved, discontinued or amalgamated), you must still file, and every corporation, big or small, is legally obligated to file ([Corporations Canada, policy on annual filings](#)).

This guide lists the minimum annual compliance for a corporation that is alive but not trading, what happens if filings stop, and how to decide between keeping it and closing it. It is general information, not legal or tax advice.

Summary: the minimum filings for an inactive corporation

Filing	Authority	When	Cost as of October 2026
Annual updating declaration (REQ)	Registraire des entreprises	Within six months of year-end if filed jointly with the CO-17; otherwise May 15 to November 15	\$106 for a business corporation, including annual registration fee
T2 corporation income tax return	CRA	Six months after year-end	No government fee
CO-17 with year-end balance sheet	Revenu Québec	Six months after year-end	No government fee

Filing	Authority	When	Cost as of October 2026
GST/HST and QST returns	Revenu Québec	Each reporting period, if still registered	None if nil
Source deduction returns	Revenu Québec and CRA	Only while registered as an employer	None if nil
Annual return (federal corporations only)	Corporations Canada	Within 60 days after the anniversary date	\$12, filed online

Sources are cited in each section below.

REQ annual update: due dates and fees

All enterprises in the enterprise register must file an **annual updating declaration** during the prescribed period, even if nothing has changed, starting the year after registration ([Québec.ca, annual updating declaration](#)).

Joint filing with the CO-17. A corporation that files a Quebec income tax return and whose register information is correct can do the annual update by ticking the box on line 39 of the CO-17. For corporations using joint filing, the annual registration fee is due no later than two months after the end of the fiscal year, and the declaration no later than six months after year-end. If the information must change, file the annual updating declaration through the online service in Mon bureau ([Québec.ca](#)).

Standalone filing. Where the declaration is not combined with a tax return, the filing period for legal persons is **May 15 to November 15** ([Québec.ca](#)).

Fees for a business corporation (société par actions) ([Québec.ca, Registraire fees](#)):

Item	Regular	Priority
Annual updating declaration filed on time (including annual registration fee)	\$106	\$159
Current updating declaration (any change during the year)	Free	\$53
Request for revocation of cancellation	\$134	\$201

A late annual updating declaration carries a penalty of 50% of the annual registration fee; if the fee itself is unpaid, a 5% penalty applies on the unpaid balance plus 1% per full month of delay, up to 12 months (same source).

The Revenu Québec CO-17 guide adds that the annual registration fee is not payable for the year the company is first registered or the following year ([CO-17.G, line 441b](#)).

For more on deadlines and penalties for the annual update, see our French-language guide to the [déclaration annuelle au REQ](#).

Corporate income tax returns: T2 and CO-17 every year

- **Federal.** All corporations, including non-profit, tax-exempt and **inactive** corporations, must file a T2 for every tax year, even if there is no tax payable ([CRA, T4012](#)). The deadline is six months after year-end.
- **Quebec.** The CO-17 is due within six months after the end of the taxation year. If the corporation was inactive (no business transactions) during the year, attach a **balance sheet** showing its financial position at year-end ([CO-17.G](#)).
- **Electronic filing.** For tax years starting after 2023, the T2 must generally be filed electronically, with a \$1,000 penalty for non-compliance ([CRA, Completing your T2 return](#)).

An inactive return is simpler than an active one, but it is not empty. A dormant company usually still has a balance sheet: the cash left in its bank account, a shareholder loan, maybe equipment or intellectual property, and the accumulated deficit or retained earnings. If the company earns interest or holds investments, that income is reported too, and the return is no longer a bare inactive one.

If a tax balance is owing, it is due two months (or three for some CCPCs federally) after year-end, as for any corporation; instalments can apply if tax exceeds the thresholds. See our [2026 Quebec tax instalment calendar](#).

GST/QST: nil returns or cancel the registration

This is where dormant companies most often slip. Revenu Québec states that a registrant must file a GST/HST and QST return **for each reporting period, even if not entitled to a refund and with no amount payable** ([Revenu Québec, Reporting GST/HST and QST](#)). Since January 1, 2024, all GST and QST registrants except charities must file electronically (same source).

Because Revenu Québec administers both taxes, you can file a combined GST/HST-QST return (same source); a company on quarterly reporting therefore still owes four combined returns a year, even with no sales. Missing them triggers penalties under the *Tax Administration Act*: \$25 per day up to \$2,500 for failure to file. For GST, a late-filing penalty applies only where there is an amount owing, not for a nil return or a refund ([Revenu Québec, Penalty for failure to file](#)).

Options:

1. **Stay registered and file nil returns.** Sensible if you expect to restart soon and want to keep claiming input tax credits on start-up costs.
2. **Ask Revenu Québec to cancel the registration** if you no longer need it. Revenu Québec handles cancellation requests for GST and QST together; its dissolution page links to the cancellation procedure ([Revenu Québec, Dissolution of a corporation](#)). Cancelling has a cost if the company still holds assets: when a person ceases to be a GST registrant, it is deemed to have supplied, immediately before, each property it held for use in its commercial activities, and must account for tax on it ([Excise Tax Act, s. 171\(3\)](#)). A company holding only cash has nothing to account for; one holding equipment or software does.

Payroll accounts

If the company has no employees and pays no salary to its owner, keep its payroll registrations from generating obligations:

- **Quebec.** Revenu Québec uses form **LM-1.A-V**, *Request for Cancellation or Variation of Registration*, to cancel a source-deductions registration. Before stopping, an employer must make its final remittance and file the required slips and summaries by their deadlines ([Revenu Québec, Dissolution of a corporation](#)).
- **Federal.** The CRA payroll program account is separate from the Quebec registration; close it with the CRA as well.

Remember the RL slips: a business that must file RL slips and summaries and does not is exposed to the same \$25-per-day failure-to-file penalty ([Revenu Québec](#)).

Penalties for not filing

What you miss	Consequence	Source
T2 late, tax owing	5% of unpaid tax + 1% per complete month, up to 12 months; 10% + 2% per month up to 20 months for repeat failures after a demand	CRA, avoiding penalties
T2 not filed electronically when required	\$1,000	CRA
CO-17 late, tax owing	5% of the unpaid balance + 1% per full month, up to 12 months	CO-17.G
GST/QST, RL slips or other returns not filed	\$25 per day, up to \$2,500, under the Tax Administration Act	Revenu Québec
REQ annual update late	50% of annual registration fee, plus 5% and 1% per month on unpaid fees	Québec.ca

The money is often small for an inactive company, because percentage penalties apply to tax owing, which may be nil. The per-day penalties and the risk of losing the company are what matter.

What happens if you stop filing at the REQ

Any enterprise that fails to file **two consecutive annual updating declarations**, or to submit mandatory information within the prescribed period, may have its registration **cancelled ex officio** by the Registraire. For a business corporation constituted in Quebec, ex officio cancellation **results in its dissolution**. To continue, the company must apply for a revocation of the cancellation (\$134 regular as of October 2026), and it also risks penal sanctions for failing to update ([Québec.ca, annual updating declaration](#); [Québec.ca, Registraire fees](#)).

A company dissolved this way has not been wound up properly: its tax accounts and any assets are not dealt with. If it still holds a bank balance, a domain name or intellectual property, you have a problem to fix rather than a clean exit.

Federal corporations face a parallel risk with Corporations Canada. A CBCA corporation must file an annual return (with information on individuals with significant control) within 60 days after its anniversary date; the fee is \$12 online ([Corporations Canada, Services, fees and processing times](#)). Corporations Canada says the law allows it to dissolve a corporation after one year of non-filing, but its policy is to dissolve only after two years, with a final notice first ([Corporations Canada, policy on annual filings](#)). A federal corporation registered in Quebec's enterprise register also files the REQ annual update, since that obligation applies to every registered enterprise.

Costs of staying alive for a year

Government fees are low. The real cost is professional time and the risk of missed deadlines. A worksheet for a Quebec business corporation with a December 31 year-end:

Item	Amount as of October 2026	Notes
REQ annual updating declaration	\$106	Joint filing with the CO-17
Corporations Canada annual return	\$12	Only if federally incorporated; filed online
T2 and CO-17 preparation	Your accountant's quote	An inactive return still needs a balance sheet
GST/QST nil returns	\$0 if filed yourself	Or cancel the registration
Bank account fees	Your bank's fees	Check your account plan
Registered address and mail	Your provider's price	If you do not want official mail at a home address
Total	Sum of the above	

Plug in your own numbers. If the total is a meaningful fraction of what the company would ever earn again, consider closing it.

When to dissolve instead

Situation	Usually better to...	Why
Planned restart within a year or two	Keep the company and file everything	Keeps the name, NEQ, bank account, contracts and tax history
Company holds cash or investments for the owner	Keep it, with proper filings, or wind it up with a planned distribution	Distributing assets has tax consequences; directors are liable when distributing property (Revenu Québec)
Company owns IP, a domain or a brand you will reuse	Keep it, or deal with the assets before dissolving	Transfer them before dissolving: property a federal corporation still owns at dissolution vests in the Crown (CBCA, s. 228(1))
No assets, no debts, no plan to restart	Dissolve properly	Annual costs and risk with no benefit

Situation	Usually better to...	Why
Unpaid tax debts or disputes	Settle them before dissolving	Directors can be personally liable in some situations (Revenu Québec)

To dissolve properly, Revenu Québec asks you to cancel the GST and QST registration before dissolution, make final payroll remittances and cancel the source-deductions registration with LM-1.A-V, and file a corporate return for the year of dissolution up to the date on the certificate of dissolution ([Revenu Québec, Dissolution of a corporation](#)). The Registraire's side is covered on Québec.ca's [dissolving, liquidating or cancelling an enterprise](#) page, and our guide on [how to close a business in Quebec](#) walks through the full process.

Checklist for the dormancy year

At the start of dormancy

- ☐ Decide: keep or dissolve (table above).
- ☐ If keeping: decide whether to keep GST/QST registration (nil returns) or cancel it.
- ☐ Cancel payroll registrations if no one will be paid (LM-1.A-V for Quebec; CRA separately).
- ☐ Make sure the REQ address, directors and email for notices are current. A current updating declaration is free on the regular track.
- ☐ Subscribe to Revenu Québec's due-date email alerts in *Mon dossier pour les entreprises*, and check the CRA's online business account regularly.

Every year (December 31 year-end example)

Date	Task
Each GST/QST period end + 1 month (if registered)	Nil GST/HST and QST return, online
End of February	Pay any Quebec balance and the REQ annual registration fee
End of March	Pay any federal balance (qualifying CCPCs)
Anniversary date + 60 days (federal corporations)	Corporations Canada annual return and ISC information
June 30	File T2 and CO-17 with balance sheet; confirm REQ information on CO-17 line 39
May 15 to November 15	Standalone REQ annual update, if not filed jointly

The T2, CO-17 and line 39 confirmation are usually filed together by whoever prepares the returns, which is where most of the annual cost lies.

A dormant company still needs an address where official mail reaches someone. 2727 Coworking's [virtual mailbox plans](#) in Griffintown provide a Montreal civic address with mail notifications.

Sources

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2. Tarifs du Registraire des entreprises pour une société par actions (Québec.ca)
3. T4012 T2 Corporation Income Tax Guide: Before you start (CRA)
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5. Corporations: avoiding penalties (CRA)
6. Guide de la déclaration de revenus des sociétés, CO-17.G (Revenu Québec)
7. Reporting GST/HST and QST (Revenu Québec)
8. Penalty for Failure to File (Revenu Québec)
9. Dissolution of a Corporation or a Partnership (Revenu Québec)
10. Policy on annual filings, Canada Business Corporations Act (Corporations Canada)
11. Dissolving, liquidating or cancelling an enterprise (Québec.ca)
12. Services, fees and processing times (Corporations Canada)
13. Excise Tax Act, s. 171 (Justice Laws Website)
14. Canada Business Corporations Act, s. 228 (Justice Laws Website)

Source links

Links cited in this article, in order of first appearance. Full addresses are provided for readers using extracted text.

1. <https://ised-isde.canada.ca/site/corporations-canada/en/business-corporations/policy-annual-filings-canada-business-corporations-act>
2. <https://www.quebec.ca/en/businesses-and-self-employed-workers/updating-information/update-information-enterprise-register/annual-updating-declaration>
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11. <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/corporations/corporation-payments/avoiding-penalties.html>
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13. <https://laws-lois.justice.gc.ca/eng/acts/C-44/section-228.html>
14. <https://www.quebec.ca/en/businesses-and-self-employed-workers/close-sell-entreprise/dissolving-liquidating-cancelling>

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