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Inactive Company Quebec: Pause or Close Your Business?

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In this article

1. Executive Summary
 2. Introduction and Background
 3. Decision Gate: Pause, Lull, Cessation or Dissolution?
 4. Entity Matrix: What Is Registered Versus What Legally Exists
 5. Ongoing Obligations While the Company Stays Registered
 6. What Changes on True Cessation
 7. Address and Mail Audit
 8. Implementation Considerations: Calendar, Worksheet and Restart
 9. Data Analysis and Evidence
 10. Implications and Future Directions
 11. Frequently Asked Questions (FAQs)
 12. Conclusion
-

Executive Summary

A Quebec corporation that stops trading does not become "dormant" by announcement. None of the official pages opened for this report describes a dormant or paused status for a Quebec corporation, and the Quebec registry legislation searched contains no such category (an absence of evidence, not a guarantee). What the sources do state is that a registered, incorporated company keeps its filing obligations until it is formally ended. The Canada Revenue Agency (CRA) says an inactive corporation must still file a T2 return every tax year (www.canada.ca), and says that a business stopping temporarily must keep filing T2 returns until the corporation is dissolved (www.canada.ca). Revenu Québec says that a corporation that has been inactive must still file its CO-17 return, with a balance sheet (www.revenuquebec.ca).

The Quebec Enterprise Register (REQ) requires every registered enterprise to file an annual updating declaration (www.quebec.ca), even when nothing changed (www.quebec.ca). For a Quebec corporation the 2026 fee for that declaration is **\$106** at the regular rate (www.quebec.ca), and a late filing carries a penalty of 50% of the annual registration fee (www.quebec.ca). Two consecutive missed declarations can lead to cancellation of the registration (www.quebec.ca), which for a Quebec-incorporated legal person results in its dissolution (www.legisquebec.gouv.qc.ca). Registered goods and services tax (GST) and Quebec sales tax (QST) accounts must also file returns even with nothing to remit (www.revenuquebec.ca).

The practical decision is binary at the registry level. A **temporary lull** keeps the entity alive, so the T2, the CO-17, the REQ update, any GST/QST returns and the federal annual return (for federal corporations) continue on their normal cycles. A **true cessation** triggers cancellations, final returns and, for a corporation, dissolution, which the REQ describes as free to file at the regular rate (www.quebec.ca) but only once all annual declarations are up to date (www.quebec.ca). Where the line between pause and cessation falls for each tax account is not defined in the opened sources and belongs in a professional-review gate.

Address handling is the least settled area. Corporations Canada states that a registered office cannot be a post office box (ised-isde.canada.ca), the CRA requires a physical business address that represents the actual business (www.canada.ca), and a Quebec corporation's domicile is its head-office address (www.quebec.ca).

No opened regulator page says whether a shared or virtual-office address qualifies; the only acceptance claims found come from providers. The publisher of this report is itself a Montreal provider of offices and business addresses, and the address section does not assert that any address service satisfies every regulator or account provider.

Introduction and Background

This report supports Montreal freelancers who incorporated, solo consultants and founders of two- to ten-person companies about to suspend or sharply reduce trading for several months. It is a decision map for "inactive company Quebec" and "pause versus close", not a dissolution checklist. It is published by 2727coworking.com, a Montreal provider of private offices, desks and business-address services. That makes the publisher a direct provider of some of the address options discussed later, and the address section says so where it matters. Every cited source is an independent regulator, statute, or a provider's own page for that provider's facts.

Warning: there is no one-click "dormant" status in the opened sources. The Quebec REQ states that every registered enterprise must file an annual update even without changes (www.quebec.ca), and the CRA states that a corporation stopping temporarily continues to file until it is dissolved by its incorporating authority (www.canada.ca). A Quebec government language office defines an inactive company as one that carries on no commercial activity, a terminology entry rather than a legal status (vitrinelinguistique.oqlf.gouv.qc.ca). Saying "paused" does not suspend registrations, and temporary inactivity may be treated differently from true cessation by each agency.

The scale of the problem is hard to measure for the people this report targets. Innovation, Science and Economic Development Canada (ISED) counted **1.10 million** employer businesses in Canada in December 2024 (ised-isde.canada.ca), and estimated that from 2018 to 2022 an average of **93,240** small businesses exited each year (ised-isde.canada.ca). Those figures cover businesses with paid employees, so they exclude the typical one-person professional corporation, and Statistics Canada likewise defines active businesses as those with at least one employee (www150.statcan.gc.ca). No closure statistic for employee-less corporations was found.

This is also a legal-existence question. A Quebec corporation remains registered until it is dissolved, according to the REQ's guide for legal persons (cdn-contenu.quebec.ca), while a sole proprietor, who has no separate legal personality, closes through a different route. The sections that follow separate those cases, list what remains due, show what changes on cessation, audit the address and mail workflow, and close with a hypothetical calendar and questions for an adviser. Nothing here is tax or legal advice, and no professional has reviewed this article. Figures are as of October 2026 unless stated.

Decision Gate: Pause, Lull, Cessation or Dissolution?

The first task is to classify the situation, because each answer leads to different filings. The opened sources do not define "temporary" versus "permanent" cessation for tax purposes, but they show where agencies treat the two differently. The CRA's page on temporarily stopping a business states that GST/HST returns must continue to be filed even if income is zero for the period (www.canada.ca), and that it expects payroll

remittances to continue unless the employer contacts it (www.canada.ca). Revenu Québec's payroll table likewise separates an employer that stops remitting but keeps carrying on business, which keeps its normal due date (www.revenuquebec.ca), from one that has stopped operating, whose final payment is due on the 7th day after activities stopped (www.revenuquebec.ca).

Use four questions to place the company on the map:

- **Is there a firm restart intent?** A planned return to trading within a defined window points to a pause. An open-ended wind-down points to cessation.
- **Does any activity remain?** Record assets, open invoices, receivables, payroll, contracts and subscriptions. Revenu Québec's 2004 interpretation note (dated administrative guidance, not current law) says a corporation can be inactive and not operate a business even though it holds assets (www.publicationsduquebec.gouv.qc.ca), so holding assets does not by itself settle the classification.
- **Will any tax account be cancelled?** Cancellation is itself a decision with consequences. Revenu Québec notes that a GST/QST registration is cancelled only after it has established that the registration is no longer necessary (www.revenuquebec.ca).
- **Who will watch the mail and the online mailbox?** An unmonitored pause is a route to unplanned default.

Three outcomes follow. In a **lull** (reduced sales but still operating), nothing about the entity changes. In a **pause** (no trading for months, intent to return), the entity, its registrations and its filing calendar persist. In a **cessation**, the business has stopped for good, and the closure steps in a later section apply. A **dissolution** is the legal end of a corporation. Until dissolution is completed and the CRA notified, the CRA says it treats a corporation as still existing and requires a return even with no tax payable (www.canada.ca). A tax-preparation vendor describes inactivity as possibly temporary, pending a resumption of activities (t2inc.ca), while stating that the company remains legally in existence (t2inc.ca) and files every year even when dormant (t2inc.ca); that is a vendor view, and the agency pages govern.

The GST/HST system offers one official hint on the boundary. Memorandum 2.7 says a registration is cancelled when a person ceases to be engaged in a commercial activity in Canada (www.canada.ca), and Revenu Québec lists a person who stops commercial activity but continues to operate the business among its cancellation grounds (www.revenuquebec.ca). Neither page gives a duration test for "temporary", so the point at which a pause becomes a cessation for each account stays a **professional-review item**.

Entity Matrix: What Is Registered Versus What Legally Exists

Business registration and legal existence are different things, and the answer to "what keeps running during a pause" depends on which entity type the freelancer or founder actually has.

Sole proprietorship

A sole proprietor is registered at the REQ but is not a separate legal person. The REQ's cancellation declaration (déclaration de radiation) applies to a natural person operating a sole proprietorship, and applies when the person ceases to operate the business or sells it (www.quebec.ca). Filing it is free at the regular rate.

Until then, the annual update continues: sole proprietorships that do not use joint filing file between January 1 and June 15 (www.quebec.ca), and the 2026 regular-rate fee is **\$41** (www.quebec.ca).

Quebec corporation

A corporation constituted in Quebec exists until it is dissolved. The REQ's guide for legal persons says that a Quebec-incorporated corporation cannot use the cancellation declaration and remains registered until dissolved. The Business Corporations Act (BCA) provides that it ceases to exist only on the date shown on the dissolution certificate. Under the same Act, the head office must be permanently in Quebec (www.legisquebec.gouv.qc.ca), and the corporation must keep accounting books and minute books (www.legisquebec.gouv.qc.ca).

Federally incorporated corporation operating in Quebec

A corporation incorporated under the Canada Business Corporations Act (CBCA) has a separate corporate-law layer. It must send an annual return to Corporations Canada, which the agency says applies to every corporation, big or small (ised-isde.canada.ca), at a fee of **\$12** online (ised-isde.canada.ca). The agency adds that a corporation that is not operating but still active remains obligated to file (ised-isde.canada.ca), and that the return is not the income tax return. A federal corporation must at all times have a registered office in the province named in its articles (laws-lois.justice.gc.ca). Whether a given federal corporation must also be registered at the REQ depends on its Quebec activities and establishments, so that registration question belongs in the professional-review gate.

Why the distinction matters during a pause

The Quebec entity can be ended administratively by the registrar if it lets annual declarations lapse. Before doing so the registrar must give the entity 60 days to remedy its default (www.legisquebec.gouv.qc.ca). A federal corporation faces a similar administrative path: the CBCA lets the Director dissolve a corporation that has not carried on business for three consecutive years (laws-lois.justice.gc.ca), and Corporations Canada says its policy is to dissolve only after two years without filings (ised-isde.canada.ca), following a final notice that adds 120 days. A deliberate decision avoids both administrative paths.

Ongoing Obligations While the Company Stays Registered

If the company is paused rather than closed, the following obligations remain in the opened sources. *Table 1* below sets them against what changes on confirmed cessation. The "owner" and "next review date" columns are intentionally blank templates for the founder to complete, and the "source" column names the agency whose page was opened.

Item	May remain due while inactive	On confirmed cessation	Source	O w n e r	Next review date
REQ annual update	Every registered enterprise files, even with no changes (www.quebec.ca). Corporations: May 15 to November 15, or within six months of fiscal year-end if filed jointly with the CO-17 (www.quebec.ca).	Corporation: dissolution declaration or liquidation notices; sole proprietor: cancellation declaration (www.quebec.ca).	Québec.ca, REQ	As sig n	Set date
Corporate-law status	Quebec head office must stay in Quebec; federal corporations file the CBCA annual return.	Dissolution; books kept five years after the certificate date (www.quebec.ca).	Québec.ca; Corporations Canada	As sig n	Set date
CRA T2	Filed every tax year, including for inactive corporations (www.canada.ca); penalty of 5% of unpaid tax plus 1% per full month if late (www.canada.ca).	Final T2; CRA treats the corporation as existing until dissolution is completed and notified.	canada.ca (CRA)	As sig n	Set date
Revenu Québec CO-17	Inactive corporations file with a balance sheet (www.revenuquebec.ca); due six months after year-end (www.revenuquebec.ca).	Returns generally continue until dissolution (www.revenuquebec.ca); final return runs to the certificate date (www.revenuquebec.ca).	revenuquebec.ca	As sig n	Set date
GST/QST	Returns required even with no refund and nothing to remit (www.revenuquebec.ca); the CRA calls an empty return a nil return (www.canada.ca).	File outstanding returns (www.revenuquebec.ca), request cancellation, then a final return; remaining property is treated as sold.	revenuquebec.ca; canada.ca	As sig n	Set date
Payroll accounts	CRA expects remittances to continue unless the employer calls; Revenu Québec keeps the normal due date for a temporary stop.	Final remittance by the 7th day after activities stop; CNESST file closed, and re-registration is needed if workers are rehired (www.cnesst.gouv.qc.ca).	canada.ca; revenuquebec.ca; cnesst.gouv.qc.ca	As sig n	Set date
Mail and address	Address changes must be reported to the REQ within 30 days (www.quebec.ca) and to Revenu Québec separately (www.revenuquebec.ca).	Update before closing; a federal corporation cannot change registered-office data after dissolution (ised-isde.canada.ca).	Québec.ca; revenuquebec.ca; Corporations Canada	As sig n	Set date
Insurance	No opened official source states whether coverage may lapse or continue during a pause. Confirm with the insurer or broker.	Same gap; confirm cancellation and tail-coverage terms in writing.	Not sourced	As sig n	Set date
Permits	The City of Montréal requires a permit to use part of a dwelling for professional purposes (montreal.ca); other licences vary by activity and were not researched.	Confirm each licence-holder's cancellation process.	montreal.ca	As sig n	Set date

Table 1 shows that every entity-level and tax-account obligation that was sourced continues during a pause, while insurance and licences are unresolved gaps rather than confirmed duties. The REQ joint-filing option, the GST/QST reporting frequency and the existence of employees all change the fact pattern, so the matrix does

not apply identically to every company.

Corporate income tax: T2 and CO-17

Most corporations must file the T2 electronically for tax years starting after 2023, with a **\$1,000** penalty for non-compliance (www.canada.ca). The T2 is due six months after the end of the tax year (www.canada.ca), and the balance of tax is due within two or three months of year-end (www.canada.ca), with the longer period reserved for qualifying Canadian-controlled private corporations (CCPCs).

The CRA gives inactive corporations some relief on schedules. Corporations that were inactive throughout the year and have no balance sheet or income statement information to report need not attach schedules 100, 125 and 141 (www.canada.ca). Revenu Québec takes a different approach on the provincial return: even an inactive corporation attaches a balance sheet showing its financial position (www.revenuquebec.ca). The same inactive year can therefore require different attachments.

The CO-17 applies to a corporation that had an establishment in Quebec at any time in the year (www.revenuquebec.ca) and must be filed whether or not tax is payable. It is due within six months of year-end, with any balance payable within two months (www.revenuquebec.ca); the CO-17 guide passage cited states two months after year-end; the three-month period for qualifying CCPCs is a federal rule, and whether any longer Quebec period applies was not confirmed from a primary source, so confirm the exact date with the accountant. Late filing attracts a penalty that adds a monthly percentage per full month late (www.revenuquebec.ca).

GST and QST

A registrant that has paused trading still files. Revenu Québec requires returns even when no refund is due and nothing is to be remitted, and the CRA calls an empty return a nil return. The filing frequency is set from expected annual taxable sales (www.revenuquebec.ca): monthly and quarterly returns are due one month after the period (www.revenuquebec.ca), and annual returns generally three months after it (www.revenuquebec.ca).

A paused company with very low sales may qualify as a small supplier, which need not register (www.revenuquebec.ca). The federal threshold is \$30,000 in a single calendar quarter and over the last four calendar quarters (www.canada.ca). Cancelling a registration is possible for a small supplier at any time (www.revenuquebec.ca), but the CRA states the supplier must have been registered for at least one year (www.canada.ca). Cancelling during a pause means re-registering on restart if sales exceed the limit, so it is a professional-review decision, not a default.

Registry fees, defaults and reinstatement

The REQ fee schedule sets the annual declaration for a share corporation at **\$106** regular and **\$159** priority (www.quebec.ca), owed by every company registered on January 1 (www.quebec.ca). A late declaration carries a penalty of 50% of the annual fee (www.legisquebec.gouv.qc.ca). If the declarations lapse, the registrar may cancel the registration ex officio after two consecutive missed years (www.quebec.ca). Reversing

that requires an annual declaration for each missed year, with penalties and fees (www.quebec.ca), plus a revocation request with its own listed fee (www.quebec.ca) (\$134 regular, \$201 priority on the fee page opened). An unmonitored pause is therefore the more expensive way to end up closed.

What Changes on True Cessation

If the company has genuinely stopped, the filing map changes from "continue on schedule" to "finish and cancel". Revenu Québec's cessation page tells businesses to file all outstanding GST/QST returns and make required payments (www.revenuquebec.ca), request cancellation of their consumption-tax registrations, and, for a corporation, expect to file income tax returns until it is dissolved. A business that has decided to end should follow the full closure sequence, not the pause calendar below.

Corporation: dissolution or liquidation

The REQ describes two paths for a share corporation: a declaration of dissolution, or a liquidation notice followed by a closing notice. The corporation must still be registered with every annual declaration filed (www.quebec.ca), and the filer must attach the certified shareholder resolution. The Business Corporations Act requires shareholder consent by special resolution (www.legisquebec.gouv.qc.ca), and prior liquidation where the corporation has obligations or property (www.legisquebec.gouv.qc.ca). The REQ will not issue the dissolution certificate where the corporation has not complied with the legal publicity law (cdn-contenu.quebec.ca), and a corporation that has decided to liquidate or dissolve must declare that fact without delay (www.legisquebec.gouv.qc.ca).

A federal corporation dissolves under the CBCA, which allows dissolution only when property is distributed and liabilities are discharged (ised-isde.canada.ca). There is no filing fee for the certificates, but registered-office and director data cannot be changed afterwards.

Final returns, clearance and deemed dispositions

Revenu Québec requires a corporation to cancel its GST/QST registration before it is dissolved (www.revenuquebec.ca) and to file a final corporate return through the date on the dissolution certificate. On the federal side, the CRA says to obtain a clearance certificate before distributing corporate property on a dissolution (www.canada.ca). Revenu Québec warns that directors can become personally liable if property is distributed without first notifying it (www.revenuquebec.ca).

Closing a GST/HST account requires notifying the CRA with a reason and filing a final return. Inventory and other property are treated as sold just before the account closes (www.canada.ca) and input tax credits may have to be repaid. The Income Tax Act also contains deemed-disposition and deemed-dividend rules for property appropriated or distributed on a winding-up (laws-lois.justice.gc.ca). How these rules apply to a particular small corporation's assets, inventory and unpaid invoices is fact-specific, and the opened sources contain no official guidance on final invoicing or collecting receivables, so these points sit in the professional-review gate.

Employees and wind-down

When the business stops operating, the CRA requires source deductions to be remitted within seven days (www.canada.ca). The BCA makes directors jointly liable to employees for up to six months of salary (www.legisquebec.gouv.qc.ca). CNESST says closing its insurance file does not automatically end personal protections (www.cnesst.gouv.qc.ca).

Sole proprietors and record retention

A sole proprietor who stops operating files the REQ cancellation declaration and informs Revenu Québec. Corporate records must be kept after the business ends: the person who signs the dissolution declaration (or the liquidator, as the case may be) keeps the corporation's books for five years after the date shown on the certificate of dissolution (www.quebec.ca; French-only page), and CBCA accounting records are kept for six years after the end of the financial year to which they relate (laws-lois.justice.gc.ca).

Address and Mail Audit

A paused company has no desk use but still needs an address where official mail arrives and someone who reads it. The audit has three parts: what each agency accepts, how each delivers notices, and who monitors them. *Table 2* summarizes the opened sources, and the paragraph after it states what remains unresolved.

Recipient	Address concept in the opened source	Stated limits	How notices arrive	Confirm
REQ	A corporation's domicile is its head-office address (cdn-contenu.quebec.ca); the Civil Code says the same (www.legisquebec.gouv.qc.ca). An "elected domicile" can name a person mandated to receive documents (www.legisquebec.gouv.qc.ca).	Head office permanently in Quebec. A P.O. box is not accepted as the professional address of a natural person (www.quebec.ca). No text found on virtual-office head offices.	Letter from the registrar (www.quebec.ca); changes must be declared within 30 days.	Whether the elected domicile suits the company; who opens REQ letters.
Corporations Canada (federal)	Registered office in the province named in the articles.	Not a P.O. box (ised-isde.canada.ca); change notice within 15 days (laws-lois.justice.gc.ca).	Documents served at the registered office are assumed received (ised-isde.canada.ca); reminders can go to an additional address (ised-isde.canada.ca).	Subscribe to reminders.
CRA	A physical business address that represents the actual business (www.canada.ca).	No P.O. box or rural route as the physical address (www.canada.ca).	Mailing address may differ (www.canada.ca); online mail is treated as received when posted (www.canada.ca).	Online mail setup; undeliverable paper mail reverts the account to online mail.

Recipient	Address concept in the opened source	Stated limits	How notices arrive	Confirm
Revenu Québec	Business address kept current, even with Canada Post forwarding (www.revenuquebec.ca).	Assessment notices go to the head-office address (www.revenuquebec.ca).	Most communications are electronic; a communication is deemed received once posted in Mon dossier (www.revenuquebec.ca).	Valid email on file; the department disclaims wrong or outdated contact details (www.revenuquebec.ca).
Banks and AML	One major bank states its business address cannot be a P.O. Box (www.cibc.com); others ask for proof of address (www.td.com) (www.bmo.com).	Federal anti-money-laundering guidance requires reporting entities to obtain names and addresses of persons who own or control a corporation (fintrac-canafe.canada.ca).	Bank-specific.	Each bank's current policy on shared or virtual addresses.
Canada Post fallback	Hold Mail has a listed fee (www.canadapost-postescanada.ca) and renews indefinitely if renewed before expiry (www.canadapost-postescanada.ca).	Excludes shared postal addresses used by more than two businesses (www.canadapost-postescanada.ca) and privately administered mailbox companies (www.canadapost-postescanada.ca).	Physical delivery to the address on file.	Whether the fallback fits the chosen address type.

The key finding of *Table 2* is what is missing. No opened regulator page says that a virtual-office or shared address is acceptable, or unacceptable, as a registered office, domicile or physical business address; the explicit limits are P.O. box exclusions and wording about the "actual" business or head office. Legal effect also attaches to the registered address: the REQ states that most information an enterprise declares is binding on third parties. Any plan to use a shared address for a paused company therefore needs a written check against each registration, and a virtual office does not satisfy every regulator or account provider by default.

A practical audit for a paused company runs in six steps:

- **Inventory:** list every account that holds an address: the REQ, Corporations Canada (if federal), the CRA, Revenu Québec, CNESST, banks, insurers and licence-holders.
- **Match:** confirm each address is current and consistent, remembering that each agency has its own update route.
- **Assign:** name the person who reads paper mail and checks the CRA and Revenu Québec online mailboxes every week.
- **Verify email:** confirm the email address on file in each online account, because notices are treated as received when posted.
- **Test the provider:** ask the address provider in writing how mail is handled, what happens when a term ends, and whether it accepts the address for each registration.
- **Diarize:** set a review date ahead of each filing trigger in the calendar below.

Address options and provider terms

Table 3 lists terms posted by Montreal-area providers as of October 2026, each taken from the provider's own page. Prices and acceptance statements are marketing copy that can change without notice, so re-check each provider page before relying on a row. Acceptance claims are the providers' statements, not regulator confirmations. The publisher's row is included because it is a direct provider of business addresses; its plan prices and eligibility terms are not cited here and should be confirmed in writing.

Provider	Posted price	Mail handling	Provider's stated address use	Notes for a pause
Regus (Montréal)	From \$3 per day (www.regus.com)	Ad-hoc, weekly or monthly forwarding (www.regus.com)	Page advises checking that the address complies with Canadian registration law (www.regus.com)	No monthly price shown on the page opened.
Davinci Virtual (Montréal)	Promotional \$60 per month in USD (www.davincivirtual.com)	Forwarding on request, postage extra (www.davincivirtual.com)	Address use for licences and websites listed; registry acceptance not stated	Minimum term applies (www.davincivirtual.com).
Centre d'affaires de Montréal	\$50 per month (centredaffairesmontreal.ca)	Weekly mail sending, postage extra	States the address will appear on legal and official documents (centredaffairesmontreal.ca)	Vendor statement only.
Domiciliation Montréal	Several tiers; amounts not reproduced here	Reception and scans by plan	States its address is recognized by tax and social security authorities (www.domiciliation-montreal.com)	Mail reception stops when the subscription ends (www.domiciliation-montreal.com), and mail is destroyed afterwards (www.domiciliation-montreal.com).
Montréal Mailbox	Plans posted; amounts not reproduced here	Pickup by appointment; no forwarding (montrealmailbox.ca)	States eligibility as an elected domicile with the REQ (montrealmailbox.ca)	Vendor statement; the REQ pages opened do not confirm it.
2727 Coworking (publisher)	Not cited here	Virtual mailbox with a Montreal street address; handling terms not cited here	Eligibility for each registration not cited here	Direct provider; confirm all terms and eligibility in writing before relying on it.

Table 3 is a lookup of published terms, not a ranking. Two patterns matter for a pause. Several providers apply minimum terms or monthly billing, so a six-month hiatus has a carrying cost that belongs in the worksheet below. And ending a subscription can end mail reception immediately, which is hazardous when REQ, CRA and Revenu Québec notices still arrive. A Canada Post postal box starts at a posted **\$69** for three months (www.canadapost-postescanada.ca), with terms of three, six or twelve months (www.canadapost-postescanada.ca), but a postal box does not meet the physical-address rules above.

Implementation Considerations: Calendar, Worksheet and Restart

A hypothetical 6- and 12-month calendar

(Hypothetical Example) A Quebec corporation with a December 31 fiscal year-end stops trading on November 1, 2026 and intends to restart in May 2027. The example corporation files its REQ annual update jointly with the CO-17 and is a quarterly GST/QST filer; without joint filing, its REQ window would instead be May 15 to November 15. Dates below apply the rules cited earlier and are illustrative, not universal deadlines; fiscal year-end, GST/QST frequency and joint-filing choices change every date.

- **November 2026:** Decide the classification and assign owners. Check whether employees remain, whether the payroll account stays open, and whether any subscription ending will stop mail.
- **December 31, 2026:** Fiscal year-end. A company registered on January 1, 2027 owes that year's annual registration fee, which affects the timing of any dissolution filed around the new year; the Act contains an exemption for the year of removal whose conditions need review (www.legisquebec.gouv.qc.ca).
- **January 2027:** A quarterly GST/QST filer's return for the quarter ended December 31 is due one month after the period.
- **Late February 2027:** The general balance-due day for corporate tax, two months after year-end. The Revenu Québec CO-17 guide passage cited above states two months; the three-month period for qualifying CCPCs is a federal rule, so confirm the date with the accountant. Joint filers should also confirm in their REQ file when the annual REQ fee falls due, because the payment date was not settled from the sources opened.
- **March 2027:** The balance-due day for qualifying CCPCs and the annual GST/HST filer deadline, three months after year-end (www.canada.ca).
- **April 2027:** The next quarterly return is due one month after the quarter ends (www.canada.ca). This is the six-month review point: restart, or begin closure.
- **June 2027:** The T2 and CO-17 are due six months after year-end, as is the joint REQ annual update.
- **Months 7 to 12:** A second fiscal year-end approaches. If the company is still paused, the same cycle repeats. A second missed REQ year is the point at which cancellation can begin.

Cash-preservation worksheet

Continuing costs appear only as user-input amounts; no benchmark is implied.

- **Registry filing:** REQ annual fee and any CBCA annual return fee, as posted: \$_____ per year.
- **Accounting and tax preparation:** quote from the accountant for T2, CO-17 and GST/QST filings: \$_____.
- **Address and mail service:** monthly fee times months of the pause, plus minimum-term charges: \$_____.
- **Insurance:** premium for any policy kept in force, as quoted: \$_____.
- **Payroll and CNESST:** costs, if any, until the accounts are closed or confirmed active: \$_____.
- **Restart reserve:** reinstatement exposure if filings lapse: \$_____.

Restart checklist and professional-review gate

- **Confirm filings are current:** REQ annual updates, T2, CO-17 and any GST/QST returns.
- **Re-check each account:** payroll, CNESST (re-registration is required on rehiring), GST/QST (re-registration if cancelled).
- **Reconfirm the address:** test the address and mail workflow.

Questions for an accountant or lawyer, where the opened sources leave a gap:

- **Classification:** At what point does this pause count as cessation for the GST/QST and payroll accounts?
- **Registration:** Does a federal corporation with a Quebec establishment also file at the REQ?
- **Timing:** How do the January 1 fee date and the year-of-removal exemption affect a closure date?
- **Assets and invoices:** How do deemed-disposition rules apply to assets, inventory and open invoices?
- **Address acceptance:** Is a shared or virtual address acceptable for the head office or registered office?
- **Insurance and licences:** What do the policies and permits require during and after the pause?

Data Analysis and Evidence

The quantitative core of this decision is a small set of official figures, listed with their originators:

- **REQ annual declaration (share corporation, 2026):** \$106 regular, \$159 priority, from the registrar's fee page (www.quebec.ca).
- **Late REQ declaration penalty:** 50% of the annual fee, which is \$53 on a \$106 fee by arithmetic, under the legal publicity act (www.legisquebec.gouv.qc.ca).
- **CBCA annual return, online:** \$12, from Corporations Canada (ised-isde.canada.ca).
- **T2 late-filing penalty:** 5% of unpaid tax plus 1% per full month, up to 12 months, from the CRA guide (www.canada.ca).
- **Mandatory T2 e-filing penalty:** \$1,000, from the CRA (www.canada.ca).
- **CRA prescribed interest on overdue taxes, Q4 2026:** 7%, effective October 1 to December 31, 2026 (www.canada.ca).

Revenu Québec states that its own interest rate is derived from bank rates, rounded and increased by 3 points (www.revenuquebec.ca). These figures describe exposure if a filing is missed, not a recommendation to keep an inactive company alive.

A comparison of the two routes can be framed with the posted fees. Keeping a Quebec corporation registered costs at least \$106 per year in REQ fees, plus accounting, address and insurance costs the founder inputs, and \$12 per year more where a federal annual return also applies. Closing it has a regular-rate REQ filing fee of zero, though unpaid annual fees must still be paid. Letting it lapse into ex officio cancellation and then reversing it costs, at the fee page opened, \$134 for the revocation request plus every missed annual declaration with penalties. As an illustration of the arithmetic only, two missed years at \$106 each with a 50% penalty would be \$318, plus \$134, giving \$452, before any priority-processing fees. This assumes the fee-and-penalty rules read from the fee page apply as stated, and an adviser should confirm the actual amount.

The statistics available are limited. ISED's national count of **1.10 million** employer businesses covers businesses with paid employees, and Quebec's statistical institute likewise publishes counts of active enterprises with one or more employees (statistique.quebec.ca). No source opened gives closure or pause rates for corporations without employees.

Implications and Future Directions

Three implications follow. First, a supervised pause is the cheaper one: default consequences escalate from late fees to registrar notices to cancellation, and routing notices to a person who acts on them avoids each step. Second, the rules differ by entity and by level of government. A CBCA corporation, a Quebec corporation and a sole proprietorship have distinct obligations, and the CRA and Revenu Québec require different attachments for the same inactive year. Third, the address question is unsettled enough that a company relying on a shared address should obtain written confirmation from each recipient rather than assume acceptance.

Official processes are moving online, which raises the stakes of a stale email address. The CRA delivers most business correspondence online and treats it as received when posted (www.canada.ca), and Revenu Québec likewise treats a communication as received once posted in Mon dossier (www.revenuquebec.ca). Fees and rates also change: a Finance Québec bulletin of April 2026 announced a change to the minimum Quebec small business rate for taxation years starting after its date (cdn-contenu.quebec.ca), so every figure here should be rechecked with the issuing agency before filing.

For the publisher's audience, the practical consequence is that "pause" is a plan with owners, dates and a mail workflow, not a status. This report does not claim that any address provider, including the publisher, resolves the unanswered registration questions.

Frequently Asked Questions (FAQs)

How do I close a business in Quebec?

A corporation files a dissolution declaration, or a liquidation notice and closing notice, with the REQ (www.quebec.ca), after its annual declarations are current. A sole proprietor files a cancellation declaration. Tax-account cancellations and final returns run in parallel.

What does a dormant company have to do in Quebec?

No dormant status was found in the opened sources. The company continues to file the T2, the CO-17, the REQ annual update (www.quebec.ca) and any GST/QST returns.

Is there a declaration of inactivity at the REQ or Revenu Québec?

None was found. The closest registry filing is the declaration that a corporation has decided to liquidate or dissolve (www.legisquebec.gouv.qc.ca), which is not a pause.

Should I dissolve or keep the company dormant?

If restart is firm, the entity persists with its filings. If restart is uncertain or carrying costs are unacceptable, dissolution is the clean end. Timing matters because fees fall on companies registered on January 1.

Does a Quebec corporation need a registered office address?

Its head office must be permanently in Quebec (www.legisquebec.gouv.qc.ca), and its domicile is that address (www.quebec.ca). A federal corporation needs a registered office that is not a P.O. box (ised-isde.canada.ca).

Can I use a virtual office address for an inactive company in Montreal?

The opened regulator pages do not say. Providers make their own claims, one provider tells customers to check local registration law (www.regus.com), and the CRA requires a physical address representing the actual business. Confirm with each recipient.

What does it cost to keep a dormant company?

The posted REQ fee is \$106 for a share corporation, and the founder enters the other costs in the worksheet. Missed filings add penalties.

Conclusion

Pausing a Quebec company does not suspend its registrations. The sourced obligations of a registered, incorporated company continue through a quiet period: the T2, the CO-17, the REQ annual update, GST/QST returns and, for a federal corporation, the CBCA annual return. A true cessation moves the company to cancellations, final returns and dissolution, and the choice between the two is a documented decision rather than a label. The address connects both paths, because it determines where the REQ, CRA and Revenu Québec send notices, and no opened regulator page confirms that a shared or virtual address satisfies each registration. The classification line, federal registration status, asset treatment, insurance and address acceptance belong in a professional-review gate before any months-long hiatus begins.

Source links

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

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