

**ADVISORY**  
**PROFESSIONAL MEDICAL CORPORATIONS**

The basic principles pertaining to professional incorporation, as set out in the *Medical Act, 2005 and Medical Board Regulations*, are the following:

1. A medical practitioner cannot provide his or her services by or through a corporation unless it is a professional medical corporation registered and licensed with the College of Physicians and Surgeons of Newfoundland and Labrador (the “College”)
2. A professional medical corporation must be incorporated under the *Corporations Act* of Newfoundland and Labrador.
3. The corporate name must indicate that the professional medical corporation is engaged in the practice of medicine, and must contain the words “Professional Medical Corporation” or one of the abbreviations permitted under the Regulations.
4. There cannot be any restriction on the right of each medical practitioner who is a shareholder to exercise his or her vote as he or she wishes to nor any restriction on the powers of the directors to manage the business and affairs of the corporation in relation to the practice of medicine.
5. Medical practitioners remain, whether they practice medicine in their personal capacity or through a professional medical corporation, personally liable for medical negligence.
6. Medical practitioners remain accountable to the College for their conduct, whether they practice medicine in their personal capacity or through a professional medical corporation.
7. Medical practitioners have the same legal and ethical responsibilities to their patients, whether they practice medicine in their personal capacity or through a professional medical

corporation.

8. All directors of the professional medical corporation must be medical practitioners individually licensed under the *Medical Act, 2005*.
9. All holders and beneficial owners of voting shares of a professional medical corporation must be individually licensed under the *Medical Act, 2005*.
10. Medical practitioners who practice medicine through a professional medical corporation must still be individually licensed under the *Medical Act, 2005*.
11. Non-voting shares may only be owned by a natural person. Where the beneficial owner of non-voting shares is not a medical practitioner providing medical services through the corporation or is not in an apparent familial or personal (i.e. non-commercial) relationship with a medical practitioner providing medical services through the corporation, the College may inquire as to whether there is a commercial reason for such shareholding.
12. Applicants should refer to the *Medical Act, 2005* and Part VIII of the *Medical Board Regulations* for further details.
13. An application form for licensure as a professional medical corporation must be completed and submitted to the College.
14. Any changes from the last filed application for corporate license, application for renewal of corporate license, or notice of change must be disclosed to the College by filing a notice of change within 15 days of change.
15. An application for renewal of licensure as a professional medical corporation must be completed annually and returned to the College.
16. Applications for licensure as a professional medical corporation, applications for renewal of

corporate licensure and notice of change must be sworn to by each medical practitioner who is a director or a shareholder of the professional medical corporation.

17. In the first year of registration, a professional medical corporation must pay the registration fee of \$275.00; with Trust Indenture \$375.00 and the annual fee of \$125.00. The total fee payable in the first year of registration will therefore be \$400.00; with Trust Indenture \$500.00. The fee for filing a notice of change will be \$100.00. All fees, including the annual license fee of \$125.00 are subject to change from time to time as determined by the College.
18. The College recommends that medical practitioners obtain and review the application form, the notice of change form and the instructions from the College prior to incorporation of an intended professional medical corporation under the *Corporations Act* of Newfoundland and Labrador. The forms and instructions are available from the College.