



INTERPRETIVE BULLETIN IB-2

Registration and Maintenance of Registration as a BIP Business:

Scope of Interpretive Bulletin IB-2:

This Interpretive Bulletin applies to those businesses applying for registration as a BIP Business and to current BIP Businesses.

Registration Requirements:

A for-profit corporation, co-operative association, partnership, or sole proprietorship applying for registration as a BIP Business must meet all of the following requirements:

1. Maintains a place of business year-round in the Northwest Territories with a physical location for the primary purpose of operating the business (which may be a portion of a residential space (see below);
2. Holds a GNWT or municipal business license that is current;
3. Is subject to the Income Tax Act (NWT)



A for-profit corporation, co-operative association, partnership or sole proprietorship applying for registration as a BIP Business must meet at least one of the following requirements:

1. Is a corporation registered under the Business Corporations Act (NWT) or the Canada Business Corporations Act, with at least 51 percent of voting shares beneficially owned by NWT residents, or
2. Is a co-operative association registered under the Co-operative Associations Act (NWT) with at least 51 percent of voting shares beneficially owned by NWT residents, or
3. Is a partnership with the majority interest owned by NWT residents, corporations (as at a. above) or co-operative associations (as at b. above), or
4. Is a sole proprietorship where, the sole proprietor is an NWT Resident who is ordinarily resident in the Northwest Territories and has been so resident for the last six months; or
5. Has NWT residents as the majority of employees conducting its operations within the Northwest Territories and has an NWT Resident Manager.

In the case of an NWT Supplier, the business must be accessible to the public and have product for sale.



Meaning of 'maintains a place of business year-round with a physical address':

A business must maintain a physical place of business year-round in the Northwest Territories, for the primary purpose of operating the business (which could be a portion of residential space)

A small amount of administrative functions such as payroll could be provided by an affiliated business outside the Northwest Territories, but for a business to be eligible for registration as a BIP Business the operations of the business relating to the Northwest Territories must be primarily taking place in the Northwest Territories. This is consistent with the Statement of Policy at Section 1 of the BIP Policy, which is to provide an incentive to Northwest Territories-based businesses in recognition of the higher cost of operating businesses and manufacturing products in the Northwest Territories.

As an example, if a business located in a community in the Northwest Territories has an owner and owns or leases a small office, but the employees of the business who actually complete tenders/RFPs, hire labour, perform administrative tasks and make business decisions are located in an office location outside the Northwest Territories, then this would not meet the test of maintaining a place of business year-round in the Northwest Territories.



Maintaining Registration as a BIP Business:

BIP Businesses are required to notify the BIP Monitoring Office of any changes to their operations or ownership that may affect their status as a BIP Business. The BIP Monitoring Office will from time to time request that BIP Businesses confirm their status as a BIP Business by completing a Renewal Application. The BIP Monitoring Office may also initiate (pursuant to a complaint or otherwise) an investigation as to whether a BIP Business should maintain its registration as a BIP Business.

Any decision to revoke the registration of a BIP Business will be made by the applicable Regional Qualification Committee and can be appealed to the BIP Senior Management Committee.