



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. It does not apply to those BIP Businesses identified in Schedule 3 of the BIP Policy.

Registration Requirements:

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

1. Operate from a bona fide place of business in the Northwest Territories (see below);
2. Hold a GNWT or municipal business license that is current;
3. In the case of
 - a. a corporation, it is 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,
 - b. a co-operative association, it is registered under the Co-operative Associations Act (NWT) with at least 51 percent of voting shares beneficially owned by NWT residents,
 - c. a partnership, the majority interest in the partnership is owned by NWT residents, corporations (as at a. above) or co-operative associations (as at b. above), or
 - d. a sole proprietorship, the sole proprietor is an NWT Resident who is ordinarily resident in the Northwest Territories and has been so resident for the last twelve months; and
4. In the case of an NWT Supplier, it is accessible to the public and has an inventory of product for sale

Meaning of operates from a bona fide place of business in the Northwest Territories:

A business must “[operate] from a bona fide place of business owned or leased from year to year (or for a longer term of years) in the Northwest Territories and [have] done so prior to the date of its application;”

This means that a substantial part of the operations of the business relating to the Northwest Territories must be performed at a physical place of business (owned or leased) in the Northwest Territories, by employees of the business who are residents of the Northwest Territories. 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 corporation located in a community in the Northwest Territories has an owner (who beneficially owns at least 51 percent of voting shares) and owns or leases a small office, but the employees of the corporation who actually complete tenders/RFPs, hire labour, perform administrative tasks and make business decisions are located in an office in a location outside the Northwest Territories, then this would not meet the test of operating from a bona fide place of business 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.