
Accumulating Funds in Health Profession Corporations of Dentists Creates Challenge under Current Legislation

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It is now six years since Ontario Regulation 39/02 made under the Regulated Health Professions Act, 1991, passed into law giving health professionals the right to incorporate their practices. Four years later, in January 2006, the legislation was amended allowing family members to hold non-voting shares in a dentistry professional corporation.

While almost 3,000 of our members have chosen to establish dentistry professional corporations, for many, this has brought on new challenges as funds begin to accumulate in your professional corporations.

The College receives numerous inquiries from accountants, lawyers and members seeking advice on how to transfer the funds out of the professional corporation without going “offside” of the legislative requirements for maintaining the Certificate of Authorization.

The College consistently advises that it cannot give legal advice on how to affect these transfers but you need to know that:

- The College is not in a position to revoke a Certificate of Authorization on a date and time to be specified by the corporation.
- The College cannot guarantee a specific date upon which a new Certificate of Authorization will be issued.
- Once a Certificate of Authorization is revoked, the corporation cannot practise dentistry. To do so would subject the directors, officers and voting member shareholders of that corporation to potential misconduct proceedings.