creditsafe

CANADA COMPANY REPORTS

Detailed Summary of Data, Sources & FAQs

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OUR DATA SOURCES

Please find below the main original sources of information (e.g., Chambers of commerce, local courts, etc). This should apply to registered companies and sole traders/non-registered companies.

Financial data: Only Public Companies are required to release financial data. We use 3rd and 1st party aggregators to provide this information.

Negative data:

Demographic data: Our suppliers collect data on over 2.4 million businesses in Canada. Firmographic data, such as industry codes, telephone numbers, size of business, years in business, and sales levels, is collected from public registries. We also received data from the Canada Post, which identifies and validates new, closed, and existing small office/home office (SOHO) businesses. Finally, we also collect data from the Provincial and territorial personal property registry information and corporate registry information for all of Canada.

Payment Data: Our database is updated daily with trade references derived from approximately 1,100 mercantile trades and financial suppliers (1.5 million trade lines monthly).

Collection data:

Shareholder's data:

Group Structure/Corporate hierarchy:

Other key information:

How often the above data is updated e.g., daily, weekly etc.?

Do you contact companies via a telephone interview or site visits at regular intervals e.g., once a year?
We do not conduct scheduled interviews currently. However, we will use outsourcing interviews to manually investigate companies if the record is not available in our database.

NEGATIVE DATA

What type of negative data is available?

Trade references – daily updates.

Collection Claims – weekly updates.

Firmographic data – daily updates.

Lawsuits – daily updates.

Other Legal Items (Settlements, Withdrawals, etc.) – daily updates.

Liens – daily updates.

Third-party collections – weekly Updates.

Returned cheques – weekly updates.

Bankruptcy/Insolvency data – weekly.

Investigative data – daily updates.

Canada Post information – ongoing.

PPSA information – weekly.

Corporate registry information – ongoing.

CREDIT SCORES & LIMITS

Do you give a credit score & limit on all companies?

All corporate entities with a Safenumber receive a credit score (1000-1722 and A-E) and Credit Limit.

Are there any exceptions?

What is the credit score intended to predict?

The Business Failure Risk Score ("BFRS") predicts the likelihood that a company will cease business, voluntary or involuntary, with loss for the creditors, within the next 12 months.
The BFRS uses statistical probabilities to classify companies' risk classification from 1000 to 1722. The business failure risk scoring model utilizes the combined power of our partners vast information database on more than two million Canadian businesses, including firmographic, public filings, and payment information, when available.

Is payment data included in your credit scoring model?

Yes, the trade data is used on the BFRS score calculation.

Other points that influence the BFRS score are:

Demographic:

- Number of employees.
- Annual sales.
- Industry type.
- Geographic region (providence/state).
- Number of inquiries in the last 12 months.

Public Records Information:

- Number and number of judgments, legal suits, and bankruptcies.
- Number of judgments, legal suits, and bankruptcies.
- Number of collection claims.
- Number of return cheques.
- Evidence of derogatory Items.

Payment Information:

- 90 days credit information.
- All Lines payments.
- Total credit percentage of utilization.
- Periods past due totals.
- Trade aging.

What does the credit limit represent?
The recommended credit limit is calculated using information from a company's payment records along with the company's financial statements (when public) and other relevant firmographic data while also being weighted by its Credit Score. This information is then analysed against similar companies to output a credit limit using a proprietary algorithm. The company credit limit is our recommendation of the total maximum amount of credit that should be outstanding at any one time.

How is the credit limit calculated?
The exact Credit Limit calculations are proprietary. See major factors above.

What other company ratings are available?
For Canadian companies we have the following ratings:

- The Business Failure Risk Score ("BFRS") predicts the likelihood that a company will cease business, voluntary or involuntary, with a loss for the creditors, within the next 12 months. For comparison across international reports, each country's separately calculated credit score is translated into an "International Score" of A (lowest risk) to E (Score Withheld).
- Credit Information Score ("CI"): reflects the overall risk of businesses subject in the last 3 months. The lower the CI, the lower the risk of business failure. High CI values negatively impact the score.
- Commercial Delinquency Score: Commercial Delinquency Score helps predict the likelihood of a company not promptly paying its non-financial trade accounts in the next 12 months.
- Payment Index Calculation: The Payment Index (PI) is a numeric measure of the business's payment habits and is calculated strictly on the distribution of the total owing amounts across the aging periods.

LOCAL ACTIVITY CODES & VAT NUMBERS

What version of activity codes are used in the reports?
For Canada we use two types:
SIC: The U.S. Standard Industrial Classification.
NAICS: North American Industry Classification System.

What company ID numbers are available? (e.g., the local registration number, VAT number, etc.)
Besides the Safenumber, which is an internal ID assigned as a unique static identifier per unique location, we also have the province and federal registration numbers.

How are the company ID numbers formatted?

Are companies obliged to file a VAT number?
Yes, all companies are obligated to file a VAT.

How is the VAT Number derived?

If they are not obliged to file and you have this data where has this data come from?

How often is the VAT number updated?

LOCAL BUSINESS CLASSIFICATIONS

We do not classify or size companies (Small, medium, and large) in Canada. However, the Canadian Statistic Office use the following classification:

Small Businesses: Businesses with 1-99 employees
Medium-sized businesses: Businesses with 100-499 employees
Large businesses: Businesses with 500 or more employees.

For more information, visit:
https://www150.statcan.gc.ca/n1/pub/11f0027m/2011069/part-partie1-eng.htm

FINANCIAL DATA & FILING REQUIREMENTS

Which types of company must file financial data?

In Canada, all companies are required to file their taxes, but only Public Listed Companies (PLC) are obligated to make public their Financial Statements.

Are there any filing exemptions and thresholds?

How long after the financial year end do companies have to file financials?

What is the penalty for not filing the financial data, and is it likely a company would prefer the penalty rather than filing them?

How did you collect the accounts?

The Financial Statements on public trade companies are collected from the public domain and are updated weekly.

What is the number of companies that must publish accounts?

Between 1500 and 2000, Public companies list their Financial Statement in Canada.

What is the number of companies that can decide to publish or not publish accounts?

Are the accounts free in this country?

REGISTERED & LAW INFORMATION

Source: https://core.ac.uk/download/pdf/236355188.pdf

FAQS REGARDING UNAVAILABLE INFORMATION

Why does the local score show as inactive, however the report status shows as active?
All companies with Safenumber are rated.

Why are the headquarters of companies not rated?

Why is there no shareholders information?
The shareholder information is not publicly available for Private companies in Canada.

Why are some reports not available instantly on-line?
Only reports with Trade or legal information reported are created.

COUNTRY POPULATION & TRADE DATA

Population

38,203,076

Source - https://www.worldometers.info/world-population/canada-population/

GDP

Canada is the 9º largest economy by nominal GDP. Its national debt in 2020 was (1,935,423 million of dollars), (117.46% debt-to-GDP ratio) and its public debt per capita is $50,925 dollars per inhabitant.
The last annual rate of CPI published in Canada was in September of 2021 and it was 4.4%.
In terms of the human development index (HDI) of Canada, which is the index used by the United Nations to measure the progress of a country, was 0.929 points in 2019, leaving it in 16th place in the table of 189 countries published.

Source - https://countryeconomy.com/countries/canada

The Gross Domestic Product (GDP) in Canada was worth 1643.40 billion US dollars in 2020, according to official data from the World Bank. The GDP value of Canada represents 1.46 percent of the world economy.

Source: https://tradingeconomics.com/canada/gdp

Import / Export

Export goods	motor vehicles and parts, industrial machinery, aircraft, telecommunications equipment; chemicals, plastics, fertilizers; wood pulp, timber, crude petroleum, natural gas, electricity, aluminum	**Import goods**	machinery and equipment, motor vehicles and parts, crude oil, chemicals, electricity, durable consumer goods
Main export partners	United States(+) 76.2% European Union(+) 7.7% China(-) 4.1% Japan(+) 2.1% Mexico(+) 1.5% Other 8.4%[17]	**Main import partners**	United States(+) 52.2% China(-) 12.1% European Union(+) 11.4% Mexico(+) 6.2% Japan(+) 3% Other 15.1%[17]

Source - https://en.wikipedia.org/wiki/Economy_of_Canada

IMF Economy and Response to COVID-19

Source - https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#Canada