

A Policy Framework for Business Designation in Canada

Introduction

This is a policy framework that I will be commissioning from an institutional partner to determine the regulatory designations for businesses in Canada, from solo entrepreneurs to corporations. The objective is to understand what is working, what is not working, and how policy can change to account for the gaps in the current system. This is the first step towards understanding what policies need to shift, what mandates need to be determined, what information needs to be executed, and what needs to happen in order to improve conditions for businesses across Canada. The goal is to establish a more balanced approach to policy governance in this country, which will also support our company mandate to protect and support businesses operating in Canada.

Deliverables

The project will produce a structural analysis of the classification and designation framework as it currently exists. The analysis will determine:

- **Classification Inventory** - The existing classification systems, including size categories, industry codes, legal designations, and provincial or federal frameworks, with a record of what each system measures and what it does not.
- **Threshold Documentation** - The thresholds that determine where a business falls within each classification system, where thresholds are defined, where they are discretionary, and where they are absent.
- **Gap Analysis** - The business types that do not fit a single category, including social enterprises, hybrid models, contractors, and businesses in transition between stages of scale, and the structural consequences of those gaps.
- **Range Analysis** - How the framework treats the same business activity at different stages of scale, from solo entrepreneur to large corporation, and where the classification no longer reflects the business.
- **Policy Requirements** - What policies need to shift, what mandates need to be determined, and what changes would account for the gaps and establish a more balanced approach.

Data and Research Categories

- Federal classification systems and industry codes
- Provincial and territorial designations
- Legal structures and their thresholds
- Classification systems in comparable jurisdictions
- Business types that fall outside existing categories
- Metrics that determine position across the full range of business scale

Why This Matters

Once the classification and designation framework is understood, the gaps become visible. The research will show where businesses fall between categories, where thresholds are undefined, and where the system fails to reflect what a business actually is. That visibility is what makes reform possible. Without it, the conversation stays abstract. With it, the changes become specific. For YSSL, this research is the second half of the same mandate. The first document addresses the structure that regulates business. This document addresses the structure that defines it. Together they form the foundation for a more balanced approach to policy governance in Canada, and for the company's work to protect and support businesses across the country.