

## Working Capital Requirements

Registrants are required (pursuant to section 24 of the Regulation) to maintain minimum working capital levels. Working capital is defined as the ability to meet current obligations as they come due and is calculated by subtracting current liabilities from current assets. Working capital is calculated in accordance with generally accepted accounting principles with the exception that related party balances are excluded as well as the value of security that TICO holds in relation to the \$10,000 security from all new registrants.

**Note:** Effective July 1, 2016, a working capital exemption exists for lower risk businesses that promote tourism and are closely tied to the government. For more information, contact TICO.

**The working capital levels are as follows:**

<b>Sales in Ontario During the Previous Year</b>	<b>Minimum Working Capital</b>
\$500,000 or less	\$5,000
More than \$ 500,000 but not more than \$750,000	\$10,000
More than \$ 750,000 but not more than \$1,000,000	\$15,000
More than \$1,000,000 but not more than \$2,000,000	\$20,000
More than \$2,000,000 but not more than \$5,000,000	\$25,000
More than \$5,000,000 but not more than \$10,000,000	\$35,000
More than \$10,000,000 but not more than \$20,000,000	\$50,000
More than \$20,000,000	\$100,000

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