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LAWYERS

Transition to the Ontario Not-For-Profit Corporations Act

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Over the past four years there has been much anticipation, questions and confusion surrounding *Ontario's Not-For-Profit Corporations Act, 2010* (ONCA). The ONCA is an initiative to help modernize companies incorporated without share capital, which specifically include charities and not-for-profit companies. The majority of the affected companies were incorporated, or granted "Letters Patent", under the *Corporations Act*.

The ONCA passed through the provincial legislature in 2010 but has not yet to date been proclaimed in force by the government. Numerous target dates, including the latest of January 1, 2014, have passed and there is no indication of when the ONCA may come into force. The provincial government is currently reviewing numerous industry comments with respect to potential issues with the ONCA as well as debating Bill 85 which relates to technical amendments of more than 80 statutes which will be affected by the ONCA. It is anticipated that the ONCA will come into force no sooner than 6 months after the resolution of the industry comments and passing of Bill 85. Currently, there is no indication of when these issues will be addressed. As a result, charitable and not-for-profit companies are left to sit and wait in anticipation of what is to come.

The ONCA will help modernize requirements of the companies it governs by making the incorporation process more efficient, providing clearer rules for corporation governance, increase accountability and provide members with greater rights and clearer actions of recourse in certain situations.

The common question that we receive is "what does my organization need to do now to comply with the ONCA?". Unfortunately, as a result of uncertainty as to when the ONCA will come into force and what it will ultimately look like after the commentary review is complete, we do not have concrete answers for that question. We are suggesting to organizations that they follow the legislative process, prepare to strike a by-law review committee when the ONCA comes into force and become familiar with the top level requirements of the new legislation. Currently, the Ministry has provided some information about what the ONCA will look like and same can be found at www.sse.gov.on.ca/mcs.

As more information about the ONCA becomes available we intend to provide seminars to help companies understand their compliance obligations with respect to the new legislation and regulations. If you are interested in being on our mailing list for any future seminars with respect to the ONCA please email events@waterousholden.com.