

ONCA | FAST FACTS

The *Ontario Not-for-Profit Corporations Act, 2010* (ONCA) came into force on October 19, 2021 with supporting Regulations. On the same day, the new Ontario Business Registry also launched. Ontario not-for-profit corporations now have a 3 year transition period to make changes to their governing documents to comply with ONCA. During the transition period the ONCA will apply where existing governing documents are silent. In this Fast Facts summary we provide some key highlights about the ONCA.



WHAT'S NEW?

Business Registry

Ontario Business Registry provides direct access for corporations to complete 90+ transactions online (e.g. incorporation, amendment, annual return, etc.). To use the Registry request your Company Key.

Incorporation as of Right

Incorporation "as of right" for new not-for-profit corporations, meaning certificate of incorporation issued on receipt of application with other required info/fees. PGT approval not required to incorporate charities, but charitable objects still required.

Alternate Voting Methods

By-laws may provide that Members may vote by mail or electronically in addition to/ instead of proxy voting. Alternate methods of voting may only be used if the votes can be verified and the corporation isn't able to identify how a Member voted.

Audit/Review Engagement

The ONCA now allows in certain circumstances for a Review Engagement (simpler review of financial records) instead of an Audit. Auditor/person conducting Review Engagement entitled to notice of, to call and to attend and be heard at Audit Committee meetings.

Public Benefit Corporations

Public Benefit Corporations are subject to more stringent rules. Charities are automatically Public Benefit Corporations. Non-profits that are not charities but receive \$10,000 in donations/gifts or government grants/financial assistance are also Public Benefit Corporations.



WHAT'S DIFFERENT?

Proxies

Proxies are no longer an automatic entitlement for Members. Members can appoint a proxy only if Articles/By-laws allow. Corporations can now specify proxy-holder qualifications.

Special Resolutions

Special Resolutions previously required approval of both Directors and Members but now will only require Member approval with 2/3rds majority.

Board Composition

Directors are no longer required to be Members, unless By-laws provide otherwise. If a corporation has a min/max range for the number of Directors, it must be stated in the Articles and the number fixed by Special Resolution or Board resolution where Members direct.

Officers

ONCA requires a Chair who must be a Director. The Directors may designate other offices. The offices of President and Secretary are no longer required. The office of Secretary is recommended.

Board Delegation

ONCA limits directors ability to delegate certain powers to committees of directors (eg. submitting matters to Members, appointing directors, amending by-laws). Will impact scope of authority of Board Executive Committees.



WHAT TO DO?

Obtain Company Key

Company Key required to complete filings in Business Registry. To obtain Company Key, submit request online through the [Business Registry](#).

Amend By-laws

Review and amend By-laws to conform with the ONCA and its Regulations. Consider whether your organization needs a By-law refresh or replacement based on past cadence of governance review.

Review/Amend LPs

ONCA requires certain items to be stated in the Articles (classes of Members, number range for Directors); consider if these apply to you and if amended Articles will be required at this time.

Align Policies/TOR

ONCA includes new requirements and procedural options that may impact existing policies and practices. Review and amend Board Policies, Committee Terms of Reference and practices to comply with ONCA/updated By-laws.

Update Corporate Registers

ONCA includes additional requirements for corporate registers to be maintained for Directors, Officers, Members and Ownership Interest in Land. Review and update corporate registers to meet ONCA requirements.



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This information is a summary only and not comprehensive of all ONCA requirements. It should not be relied on as legal advice and organizations should develop ONCA transition plans specific to their individual needs.