

ONTARIO NOT-FOR-PROFIT CORPORATIONS ACT TO COME IN FORCE. WHAT DO WE DO NOW?

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After a ten-year wait, the Ontario *Not-for-Profit Corporations Act*, 2010 (“**ONCA**”) is set to come into force on October 19, 2021. In its announcement on August 17, 2021, the Ministry of Government and Consumer Services announced that a new on-line Ontario Business Registry will be launched on October 19, 2021 and advised that ONCA will become effective on that same date. The announcement is good news as ONCA will provide a modern legislative framework for Ontario’s not-for-profit corporations.

What is next?

1. For most not-for-profit corporations, it is now time to start considering what changes to articles and by-laws are required to comply with ONCA. The good news is that Ontario not-for-profit corporations will have a three-year transition period from the in-force date of October 19, 2021 to make any necessary changes to their articles and by-laws so as to comply with ONCA. [\[1\]](#) The transition provisions in section 207 of ONCA should be reviewed to better understand the transition terms.
2. A number of not-for-profit corporations were proactive and have already made changes to their existing by-laws to comply with ONCA; however, those changes were typically drafted to be conditional upon ONCA coming into force. Those corporations are reminded that conditional by-law changes that are to take effect when ONCA comes into force will also become effective on October 19, 2021. We suggest that those corporations that have made such by-law changes review them to determine what changes become effective on October 19, 2021.
 - Corporations that have already made changes to their articles and/or by-laws should revisit them because the by-laws may be impacted by some recent changes made to the initially proposed class voting provisions of ONCA. Effective January 1, 2021, the initially proposed class voting provisions of ONCA that would have enabled each class of members to vote separately on certain issues and which would in effect have given each class a veto over the vote, were repealed.
3. Get to know ONCA. The three-year transition period applies to the articles and by-laws of an Ontario not-for-profit corporation. Other terms of ONCA will apply from October 19, 2021 so Ontario not-for-profit corporations

need to take some time to understand the new governing statute.

[1] *Not-for-Profit Corporations Act*, 2010, SO 2010, c 15, s.207.

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A Cautionary Note

The foregoing provides only an overview and does not constitute legal advice. Readers are cautioned against making any decisions based on this material alone. Rather, specific legal advice should be obtained.

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