

Web Text for Associations

New Act Expected to Provide Up-to-Date-Rules

Ontario's new Not-for-Profit Corporations Act, 2010 will make it simpler to incorporate and provide not-for-profit corporations with up-to-date rules to run the organization. It will also ensure greater transparency and accountability.

When the Act comes into effect, it will generally apply automatically to all Ontario not-for-profit corporations.

Existing not-for-profit corporations will have a three-year transition period once the Act comes into effect to make any changes to their incorporation and other documents necessary to bring them into conformity with the Act. Existing corporations are encouraged to review their documents before the end of the transition period.

The government is helping not-for-profit corporations make the transition to the new Act by providing the following support:

- A plain-language guide to the Act that explains the sections that will likely have the most impact.
- A transition checklist that existing not-for-profit corporations can use as a reference to ensure compliance with the Act.
- A draft default by-law that existing corporations can use as a guide when reviewing and making any necessary changes to their by-laws during the transition.
- The default by-law will apply automatically to newly incorporated not-for-profit corporations that do not pass an organizational by-law within 60 days after the date of incorporation.

The government has also given a grant to Community Legal Education Ontario (CLEO) to support the sector during the transition period.

The Act is targeted to come into effect in 2014. Amendments to more than 80 statutes including the Act were introduced in the legislature in June 2013. It is anticipated that these amendments will be debated in the legislature in fall 2013. If the amendments are passed by the legislature, the Act is anticipated to come into force no earlier than six months after passage in order to ensure adequate time for not-for-profit corporations to prepare for transition.

Check the Ministry of Consumer Services' website regularly to confirm the effective date. More information is available online at www.sse.gov.on.ca/mcs/en/Pages/Not_For_Profit.aspx