

**Drache Aptowitzer LLP's**

***Canada Not-for-profit Corporations Act Webinar Series***

# **Session 2: How to Comply After You have Continued Under the New Act**

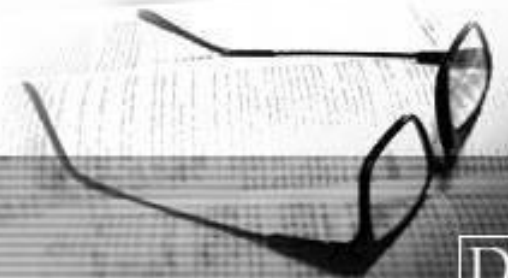
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# Overview

1. Which default rules should be addressed in the by-laws or articles?
2. Will the corporation be a soliciting corporation?
3. What rules will apply re: the appointment of a public accountant and the level of financial review?
4. What are the reporting obligations?
5. Question Period

# What is Continuance?

- Federal non-share capital corporations (charities and non-profit organizations) governed by the *Canada Corporations Act (CCA)*
- CCA has been replaced by the new *Canada Not-for-profit Corporations Act (CNCA)*
- Corporations must actively switch over (continue) to new Act by October 17, 2014

# Submitting the Required Documents

- Form 4031 – Articles of Continuance
- Form 4002 – Initial Registered Office Address and First Board of Directors
- NUANS Name Search Report, if the name of the corporation is changing on continuance.
- By-laws do not have to be filed to obtain a Certificate of Continuance.

# By-laws

- Only two mandatory provisions
- Default rules
  - <http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs04967.html>
- Making by-law amendments
- Borrowing
- Fundamental changes

# Important Features of the CNCA

- Abolition of *ultra vires* doctrine
- Written resolutions in lieu of meetings
- Members rights and remedies
- Relaxation of the audit requirement

# Soliciting and Non-Soliciting

<b>Soliciting corporations</b>	50K or less  Between 50K and 250K  More than 250K
<b>Non-Soliciting corporations</b>	1 M or less  More than 1 M

# Regulatory Differences Between Soliciting and Non-Soliciting

1. Liquidation of residual assets
2. Board composition
3. Appointment of a public accountant and waiving the audit requirement
4. Filing annual financial statements
5. Unanimous Member Agreement (UMA)



# Financial Statements and Public Accountant (PA)

- Financial Statements
  
  
  
  
  
  
  
  
  
  
- Qualifications of Public Accountant

# Level of Financial Review

Type of Corporation	Gross Annual Revenues	Appointment of PA	Review Engagement (RE) or Audit
Soliciting	50K or less	May be waived	PA must conduct RE, but members may require audit
Soliciting	50K to 250K	A must	PA must conduct an audit, but members can pass SR for RE
Soliciting	More than 250K	A must	PA must conduct an audit
Non-Soliciting	Less than 1 M	May be waived	PA must conduct RE, but members may require audit
Non-Soliciting	More than 1 M	A must	PA must conduct an audit

# Reporting Obligations

- File Annual Return (Form 4022)
- File Change of Registered Office Address (Form 4003)
- File Changes Regarding Directors (Form 4006)
- File financial statements and PA's report
- Keep your articles up-to-date
- Send copies of by-laws

# Questions

# For More Information

Visit our website ([www.drache.ca](http://www.drache.ca)) and sign up for our Charity Law Insights newsletter

or contact me at  
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