
**CANADIAN BAR ASSOCIATION /
ONTARIO BAR ASSOCIATION
2nd National Symposium on Charity Law**

Toronto – April 14, 2004

**EXTRA-PROVINCIAL CORPORATE AND
FUNDRAISING COMPLIANCE FOR CHARITIES**

(Power Point Presentation)

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Part I: General Overview

A. Introduction

- **Definition of “extra-provincial” corporation**
- **Focus on charitable non-share capital corporations**
- **Paper and chart provides summary of various provincial requirements to register an extra-provincial charitable corporation**
- **Other compliance issues to be aware of include privacy, investment powers and anti-terrorism legislation**

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B. Types of Corporate and Fundraising Registrations

1. Overview

- **Extra-provincial registration**
- **Business name registration**
- **Charitable fundraising registration**

2. Extra-provincial Registration

- **Purpose of registration serves to record presence of an existing corporation in registering jurisdiction**
- **Charities incorporated in one jurisdiction but carrying on operations or activities in another jurisdiction must register**

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- **No uniform set of criteria for extra-provincial registration – key is “substantive physical presence”**
- **Divergent approaches to extra-provincial registrations taken by provinces both in relation to enabling legislation and the registration process**
- **In addition to fulfilling reporting requirements in home jurisdiction, it is important to maintain all extra-provincial registrations**

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3. Business Name Registrations

- **While charity will have only one corporate name, it may also utilize multiple operating names**
- **However, these operating names may also need to be registered as business names in the various provinces in which they are used**
- **Charities may also wish to register as business names some or all of its program names or trade-marks**

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- **In some provinces, an extra-provincial registration is required before a business name can be registered**
- **Business name registrations do not grant a charity any right of ownership to the name**
- **Following registration, charities must carefully use its business name in coordination with its corporate name both in public documents and all contracts, invoices, etc.**

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4. Charitable Fundraising Registration

- **Some provinces also require organizations involved in charitable fundraising to register under fundraising legislation, i.e. Alberta, Saskatchewan, Manitoba and P.E.I.**
- **In addition, where a charity anticipates soliciting funds from Quebec residents, a separate Quebec charitable registration is required**

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**Part II: Explanation of Differences
Between the Various Provincial
Registration Requirements**

A. Extra-provincial Registrations

**1. Differences in Legislative and Statutory
Regimes**

- **Some provincial legislation reflect explicit application to both non-share capital corporations and share capital corporations**
- **Some provincial statutes reflect explicit application to share capital corporations only, but have a regime that permits extra-provincial registration by charitable corporations**

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- **Some provincial statutes reflect explicit application to share capital corporations only and have no regime that permits extra-provincial registration by a charitable corporation**
- **Some provincial legislation use general wording in describing application to “corporations” and require that all extra-provincial corporations, including both extra-provincial business corporations and non-share capital corporations register**
- **Some provinces have separate statutes governing business corporations and non-share capital corporations**

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2. Differences in Criteria Applicable to Extra-provincial Registration Requirements

The provinces have varying requirements concerning the type of activities that will require registration by an extra-provincial charity

- **In some provinces soliciting funds from outside the province will require an extra-provincial registration(Quebec)**
- **Some provincial legislation contain broad wording, but communications with local authorities have clarified that only activities involving a physical presence within the province, would require extra-provincial registration (Manitoba)**

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- **Other provincial statutes contain broad wording, that appears to capture all activities carried on within a province, but local authorities have been unwilling to clarify the same. It is recommended that charities err on the side of caution and proceed with registration in such jurisdictions (Alta and Sask)**
- **In certain provinces, extra-provincial registrations by charities are entirely optional. However, failure to register will result in the charity lacking capacity to sue or defend against any legal action**

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B. Differences in Provincial Legislation Governing Business Name Registrations

- **Some legislation contain an explicit requirement that both business corporations and non-share capital corporations register business names (Ontario)**
- **Some provincial statutes do not distinguish between business corporations and non-share capital corporations, but on a practical level do permit registration by the latter**
- **No provinces have passed separate legislation exclusively governing business name registrations for charities**
- **Newfoundland does not have any statutory regime for business name registrations at all**

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C. Differences in Registration Requirements under Charitable Fund-Raising Legislation

- **Certain provincial authorities have a highly supervisory role over charities**
 - **In Ontario, the office of the Public Guardian and Trustee has broad powers to investigate charities. A complaint by a member of the public can result in a requirement that charity pass its accounts before a judge**

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- **Some provinces have clear requirements re where registration will be required**
 - **In Alberta, charities that use services provided by a “fund-raising business” or raise more than \$25,000 in gross contributions in its financial year from solicitations to individuals in Alberta must register**

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- **In Manitoba, any persons who “canvass for, solicit, or collect money, goods, or financial assistance of any kind” or sells or provides, or offers to sell or provide, services or other things of value on the direct or indirect representation that those items are being solicited for a charitable purpose must register**
- **In Quebec, all charities that receive any donations from the Province of Quebec must seek separate charitable status in Quebec**

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- **Some provinces have enacted legislation that place restrictions on charitable activities, but does not necessarily require registration by charities**
 - **In Saskatchewan, charitable fund-raising businesses must register. Both charities and fund-raising business are restricted with respect to the hours of door-to-door solicitation and telephone solicitations**
 - **In P.E.I., the *Charities Act* mandates registration where donations are solicited within the province**
 - **This Act does not apply to charities registered under the *Income Tax Act* (Canada)**
- **The majority of provinces do not have any charitable fund-raising legislation at all**

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