
BILL C-62: CHANGES AFOOT FOR FEDERAL NON-PROFIT CORPORATIONS

By Jane Burke-Robertson, B.Soc.Sci., LL.B.

A. INTRODUCTION

On June 13, 2008, Bill C-62, *An Act respecting not-for-profit corporations and certain other corporations*,¹ was tabled in the House of Commons. Most people reading Bill C-62 (“Bill C-62” or the “Bill”) for the first time will have a definite sense of déjà-vu. In fact, the Bill is almost a repeat of Bill C-21, which died on the order paper when the 38th Parliament dissolved in 2005. However, there are a few important differences between the bills. The purpose of this *Charity Law Bulletin* is to provide a general summary of the main provisions of Bill C-62 as they affect the establishment and operation of not-for-profit corporations. The *Bulletin* will also highlight some of the areas in which Bill C-62 differs from its predecessor, Bill C-21.

Should the Bill become law, all federal not-for-profit corporations will be established under the new *Canada Not-For-Profit Corporations Act*. As well, all existing federal non-share capital corporations subject to Part II of the CCA will be required to apply for continuance under the new legislation within three years of it coming into force.

In order to continue, existing corporations will have to bring their corporate documentation into compliance with the Bill. This will necessitate the filing of articles of continuance, as well as possibly amending corporate by-laws, in order to conform with new requirements and to obtain the benefit of the Bill’s new provisions.

¹ Bill C-62, *An Act respecting not-for-profit corporations and certain other corporations*, 2nd Sess., 39th Parl., 2008, (1st reading in the House of Commons 13 June, 2008) available at http://www2.parl.gc.ca/content/hoc/Bills/392/Government/C-62/C-62_1/C-62_1.PDF.

The completion of the application for continuance is an important step for corporations to complete within the three-year transition period because where they fail to do so, they could be dissolved.

B. OVERVIEW OF BILL C-62

1. Scheme of the Bill

The process for reform of the CCA was based on certain fundamental underlying principles. They are: the need for flexibility and permissiveness, transparency and accountability and efficiency and fairness in a new statute. A quick review of Bill C-62 by those who are familiar with the *Canada Business Corporations Act*² (“CBCA”) will reveal that the Bill has been modeled significantly on the CBCA.

The Bill creates more accountability by not-for-profit corporations and their directors while at the same time providing for more protection from liability; the Bill enhances members’ rights and protections, creates flexibility by providing for many more types of corporate actions and fundamental changes and provides efficiency by streamlining the incorporation process. All of this means that if the Bill becomes law there will be some significant changes for federal non-profit corporations in terms of their legal organization, the “corporate options” available to them and their responsibilities and reporting requirements.

2. Repeal of the Canada Corporations Act

Bill C-62 will repeal the *Canada Corporations Act*³ (“CCA”) in its entirety (its predecessor only purported to repeal Parts II and III of the CCA). A background document released by Industry Canada notes that the “importance of modernizing the governance of federal not-for-profit corporation legislation is widely recognized” and that the CCA “has remained largely unchanged since 1917 and lacks modern governance rules”. As such, the government has recognized that the CCA needs to be replaced with a “modern corporate governance regime for the corporations governed by its provisions”.⁴ To this end, passage of the proposed legislation will result in:

- the creation of a new, modern, *Canada Not-for-Profit Corporations Act*;

² R.S.C., 1985, c. C-44, as am.

³ R.S.C. 1970, c. C-32, as am.

⁴ See Corporations Canada, *Bill C-62 An Act respecting not-for-profit corporations and certain other corporations: Notice from the Director* (June 13, 2008), online: <<http://corporationscanada.ic.gc.ca/epic/site/cd-dgc.nsf/en/cs03865e.html>>.

- the movement of some 12 business corporations created by Special Acts of Parliament, subject to the *Canada Corporations Act*, into the *Canada Business Corporations Act*;
- the repeal of the outdated *Canada Corporations Act*; and
- a reduction in the paperwork burden by approximately 4,700 information and administrative requirements⁵

3. “As of Right” Incorporation

Under the current CCA, a minimum of three applicants wishing to incorporate must apply, with accompanying by-laws, to the Minister of Industry for a charter creating a body corporate in order to carry on certain objects specified in the application.⁶ The current system requires at least 2-4 weeks to incorporate while an examiner at Industry Canada reviews the by-laws filed with the application for compliance with the CCA and Industry Canada policy. Under the Bill, incorporation will be granted “as of right” once the appropriate documents and fee are submitted, thus foregoing the need for ministerial review of the application for articles of incorporation or the corporation’s by-laws.⁷ With the likelihood of electronic filing, incorporation will be effected in a shorter time period and will be simpler and more efficient than under the CCA.

4. Articles of Incorporation

Bill C-62 allows one or more individuals or bodies corporate to incorporate a corporation by signing articles of incorporation and delivering a Notice of Directors and Notice of Registered Office to the Director. Consistent with Bill C-21, the Bill allows for incorporation of a non-profit corporation as a numbered company.⁸ The Bill requires that the articles of incorporation (including articles of continuance) are to be in the form fixed by the Director and shall set out the following information:

- a) the name of the corporation;
- b) the province where the registered office is to be situated;

⁵ See Industry Canada, *Backgrounder: Government Announces the Introduction of New Legislation Governing Federal Not-for-Profit Corporations and Certain Other Corporations* (June 13, 2008), online: <http://www.ic.gc.ca/cmb/welcomeic.nsf/261ce500dfcd7259852564820068dc6d/85256a5d006b972085257467004b6155!OpenDocument>.

⁶ *Canada Corporations Act*, 1970, c. C-32, s. 154(1).

⁷ *Supra* note 1 s. 9.

⁸ *Ibid.*, s. 12(2).

- c) the classes or regional or other groups of members that the corporation is allowed to establish and the voting rights of each class or group;
- d) the number of directors or the minimum and maximum number of directors;
- e) any restrictions on the activities of the corporation;
- f) a statement of the purpose of the corporation;
- g) a statement concerning the distribution of property remaining on liquidation after the discharge of any liabilities of the corporation.⁹

These requirements are somewhat different than the Letters Patent requirements under the CCA, particularly in relation to the inclusion of membership classes and the number of directors. As well, it is no longer necessary for an articulated list of powers to be included in the articles of incorporation, although corporations will likely wish to set out chosen investment powers, (e.g. the *Trustee Act*¹⁰ of Ontario or another provincial jurisdiction) in order to ensure consistency of investment decision making, particularly where such corporation is engaged in activities in multiple provinces and therefore possibly subject to such provinces' investment regime.

5. Powers of the Corporation

A not-for-profit corporation under the Bill has the capacity, rights, powers and privileges of a natural person,¹¹ including the right to buy and sell property, make investments, borrow funds and issue debt obligations. In addition, under the Act, it will not be necessary for a by-law to be passed in order to confer any particular power on a corporation or its directors.¹² The proposed “incorporation as of right” system will allow not-for-profit corporations to assume the new and broader powers of a corporate legal entity unless such powers are limited by or contrary to their articles. An important change from Bill C-21 should be noted here. Under Bill C-21 there was no requirement to state the objects or corporate purpose in the articles (only a reference to a “mission” which caused much confusion). Bill C-62 specifically requires that the purpose of the corporation be stated in the articles filed upon incorporation.¹³

⁹ *Ibid.*, s. 7.

¹⁰ R.S.O. 1990, c. T.23.

¹¹ *Ibid.*, s. 16(1).

¹² *Ibid.*, s. 17(1).

¹³ *Ibid.*, s. 7(1)(f).

6. Corporate Seal

While all corporations incorporated under the CCA are required to have a corporate seal, the Bill does not make this a requirement. Section 27 provides that a document executed on behalf of the corporation is not invalid merely because there is no corporate seal affixed to it. This position is consistent with requirements under the Saskatchewan *Non-Profit Corporations Act*.¹⁴ All by-laws under the CCA currently make reference to the corporate seal and the Secretary's obligation to have custody of the seal.

7. By-laws

As noted above, the CCA requires that by-laws be submitted to Industry Canada for review with the application for incorporation. Most changes to by-laws during the lifetime of a federal non-profit corporation are similarly required to be submitted to Industry Canada for approval in order to be effective. Unlike Bill C-21 which did not require filing of by-laws with the Director, Section 154 of Bill C-62 requires corporations to send a copy of its by-laws and any amendments to them within a prescribed period. The prescribed period is 12 months after the day on which the members confirm or amend the by-law, amendment or repeal.¹⁵ However, Industry Canada will no longer be involved in reviewing or approving by-laws. As such, by-laws come into effect upon approval by the board of directors. The Bill requires the board to submit the by-law amendments or repeal to the members at the next meeting of members. If the by-law amendment or repeal is confirmed or confirmed as amended by the members, it remains effective in the form in which it was confirmed.¹⁶ However a by-law amendment or repeal ceases to have effect if it is not submitted by the directors to the members as required or if it is rejected by the members.¹⁷

8. Annual and Other Meetings

Under the Bill, corporations will be required to hold annual meetings of members and special meetings can be called, as required, from time to time,¹⁸ including on the requisition of the members.¹⁹ New

¹⁴*The Non-Profit Corporations Act, 1995*, S.S. 1995, c. N-4.2, as am, s. 24.

¹⁵ *Canada Not For Profit Corporations Regulations*, online: Corporations Canada <[http://www.corporationscanada.ic.gc.ca/epic/site/cd-dgc.nsf/vwapi/regulations_consultations_version.pdf/\\$FILE/regulations_consultations_version.pdf](http://www.corporationscanada.ic.gc.ca/epic/site/cd-dgc.nsf/vwapi/regulations_consultations_version.pdf/$FILE/regulations_consultations_version.pdf)> at s. 61.

¹⁶ *Supra* note 1, s. 153(3).

¹⁷ *Ibid.*, s. 153(4).

¹⁸ *Ibid.*, s. 161.

¹⁹ *Ibid.*, s. 168.

provisions are also included in the Act that permit meetings of members to be held by telephone or electronic means,²⁰ written resolutions in lieu of meetings,²¹ absentee voting by members²² and decisions by consensus.²³

9. Office of “Director of Corporations”

Under the Bill, a new office of Director of Corporations is established.²⁴ The Director will exercise administrative as well as regulatory functions and, therefore, will be empowered to issue incorporation, amalgamation or dissolution certificates, as well as to make inquiries related to compliance and to access key corporate documents such as financial statements and membership lists. The Director will have extensive powers to investigate and dissolve a corporation in the case of a complaint by an interested party and, where deemed appropriate, cancel such corporation’s articles.²⁵

10. Directors

The Bill specifically provides that directors shall manage or supervise the management of the activities and affairs of the corporation, subject to the provisions of the Bill, the articles and any unanimous member agreements.²⁶ The number of directors is required to be one or more but, in the case of a soliciting corporation, must not be less than three, two of whom shall not be officers or employees of the corporation.²⁷

The Bill requires members to elect all of the directors of the corporation, whose term of office is to be no longer than the “prescribed period,”²⁸ although the staggering of directors’ terms is possible.²⁹ The prescribed period for directors’ terms is set at four years.³⁰ However, despite this restriction on the length of a director’s term of office, incumbent directors will continue in office until such time as their

²⁰ *Ibid.*, s. 160(4) and (5).

²¹ *Ibid.*, s. 167.

²² *Ibid.*, s. 172.

²³ *Ibid.*, s. 138.

²⁴ *Ibid.*, s. 282.

²⁵ *Ibid.*, s. 290.

²⁶ *Ibid.*, s. 125.

²⁷ *Ibid.*, s. 126.

²⁸ *Ibid.*, s. 129(3).

²⁹ *Ibid.*, s. 129(4).

³⁰ *Supra* note 14, s. 28(1).

successors are elected.³¹ As was the case with Bill C-21, the Bill does not specifically permit *ex officio* directors and allows the members to remove “any” director from office by ordinary resolution at a special meeting.³²

As well, like Bill C-21, the Bill permits the directors to appoint other directors if the articles of the corporation so provide, for a term expiring no later than the next annual meeting of members. However, the total number of appointed directors on the board is not to exceed one third of the number of directors elected at the immediately preceding annual meeting of members.³³

The Bill sets out detailed provisions in relation to conflict of interest issues for directors and officers of not-for-profit corporations.³⁴ There are also other provisions in the Bill affecting directors including, but not limited to, qualifications,³⁵ removal,³⁶ filling of vacancies,³⁷ changing the number of directors,³⁸ meetings of directors,³⁹ decisions by consensus,⁴⁰ written resolutions in lieu of meetings⁴¹ and remuneration.⁴²

11. Director Liability

Bill C-62 provides for an objective standard of care for directors⁴³ which mirrors the objective standard provided under the CBCA.⁴⁴ The Bill also provides increased protection from liability by establishing a due diligence defence and other means of reducing liability.⁴⁵ This is a departure from the current regime under the CCA which is silent regarding a standard of care, resulting in a subjective standard found at common law. As a result, if the Bill becomes law, an early continuance may be attractive to directors of not-for-profit corporations concerned with minimizing liability and may be an incentive for

³¹ *Ibid.*, s. 129(6).

³² *Ibid.*, s. 131(1).

³³ *Ibid.*, s. 129(8).

³⁴ *Ibid.*, s. 142.

³⁵ *Ibid.*, s. 127(1).

³⁶ *Ibid.*, s. 131.

³⁷ *Ibid.*, s. 133.

³⁸ *Ibid.*, s. 134.

³⁹ *Ibid.*, s. 137.

⁴⁰ *Ibid.*, s. 138.

⁴¹ *Ibid.*, ss. 128(5) and 141.

⁴² *Ibid.*, s. 144.

⁴³ *Ibid.*, s. 149(1).

⁴⁴ *Supra* note 2, s. 122(1).

⁴⁵ *Supra* note 1, s. 150.

directors to join the boards of non-profits that have taken this step. There is no limitation of liability provision in the new Bill and directors continue to be liable to employees of the corporation for all debts not exceeding six months wages payable to each employee for services performed for the corporation while they are directors (subject to various requirements including that the corporation must have first been sued for the debt).⁴⁶

12. Is the Corporation a “Soliciting Corporation”?

As was the case with the previous Bill, one of the initial determinations that will have to be made by a CCA corporation continuing under the new statute is whether it is a “soliciting corporation”. This is an important determination to be made because it impacts on some of the corporation’s obligations and some corporate actions that may be taken under the Bill. Not surprisingly, soliciting corporations are regulated more closely than non-soliciting corporation. There are some important changes to the definition of soliciting corporation in Bill C-62. In particular, unlike Bill C-21, mere solicitations to the public will not automatically result in the corporation being a soliciting corporation and a monetary threshold of \$10,000 has been added as the “prescribed amount” with the “prescribed period” being 3 years.⁴⁷

The new definition of “soliciting corporation” in Bill C-62 is:

“...a corporation that has in the prescribed period, received income in excess of the prescribed amount in the form of:

- (a) donations or gifts, or in Quebec gifts or legacies, of money or other property from any person who is not
 - (i) a member, director, officer or employee of the corporation at the time of the request,
 - (ii) a spouse of a person referred to in subparagraph (i) or an individual who is cohabiting with that person in a conjugal relationship, having so cohabited for a period of at least one year, or
 - (iii) a child, parent, brother, sister, grand-parent, uncle, aunt, nephew or niece of a person referred to in subparagraph (i) or a spouse or individual referred to in subparagraph (ii);
- (b) grants or similar financial assistances received from the federal government or a provincial or municipal government or an agency of such a government; or
- (c) donations or gifts, or in Quebec gifts or legacies, of money or other property from a corporation or other entity that has, in the prescribed period, received income in excess of the prescribed amount in the

⁴⁶ *Ibid.*, s. 147.

⁴⁷ *Supra* note 4, s. 16.

form of donations, gifts or legacies referred to in paragraph (a) or grants or similar financial assistance referred to in paragraph (b).⁴⁸

The distinction between soliciting and the residual category of non-soliciting corporations in the Bill is of note with regard to the following:

a) Numbers of Directors

Under the Bill, a corporation is permitted to have a minimum of one director unless the corporation meets the definition of “soliciting corporation” in which case it must have a minimum of three directors.⁴⁹

b) Non-Management Directors

Soliciting corporations must have a minimum of 2 directors who are not officers or employees whereas there is no such restriction on non-soliciting corporations.⁵⁰

c) Unanimous Member Agreement

Section 171(1) of the Bill provides for unanimous member agreements but only a non-soliciting corporation may take advantage of this option. A unanimous member agreement may be used in a variety of situations but most commonly with a relatively small membership which plays an enhanced role with regard to control and direction over the not-for-profit corporation.

d) Financial Statements to Director

Under the Bill, a soliciting corporation must provide its annual financial statements prepared in accordance with Section 173(1) to the Director.⁵¹ This is on the theory that the directors must account not only to the members but also to a public agency on the theory that the public agency is acting as a proxy for the soliciting corporation’s public purposes. There is no continuing obligation for non-soliciting corporations although the new Bill provides that a corporation must, at the

⁴⁸ *Supra* note 1, s. 2(1).

⁴⁹ *Ibid.*, s. 126.

⁵⁰ *Ibid.*, s. 126.

⁵¹ *Ibid.*, s. 177.

request of the Director, furnish the Director with a copy of the documents referred to in subsection 173(1).⁵²

e) Appointment of Public Accountant and level of Financial Review

As with its predecessor, the audit regime in the Bill divides corporations into two categories: those that are “designated corporations” and those that are not designated corporations. This classification is made in order to determine the obligation under Part 12 of the Bill to appoint a public accountant and the corresponding level of financial review required.⁵³ Under the Bill, a “designated corporation” means:

- (i) a soliciting corporation that has gross annual revenues for its last completed financial year that are equal to or less than \$50,000 or that is deemed to have such revenues under paragraph 191(a); and
- (ii) a non-soliciting corporations that has gross annual revenues for its last completed financial year that are equal to or less than \$1,000,000.⁵⁴

Bill C-62 has added the concept of the Director deeming corporations to have certain revenues (at the instance of a soliciting corporation) under Section 191 which provides:

“On the application of a soliciting corporation, the Director may, on any terms that the Director thinks fit, and if the Director is satisfied that doing so would not be prejudicial to the public interest, deem the corporation to have

(a) revenues referred to in paragraph 180 (a); or

(b) revenues referred to in paragraph 190(2)(a), if the corporation is not a designated corporation.”

Industry Canada’s Explanatory Note issued on June 13, 2008 summarizes the permissible levels of financial scrutiny under the Bill and the draft regulations as follows:

- “For non-soliciting corporations with gross annual revenues less than \$1 million, the members can choose: not to appoint a public accountant; leave the level of review at the default of a review engagement; or raise the level of review to an audit engagement.

⁵² *Ibid.*, s. 178.

⁵³ *Ibid.*, s. 179.

⁵⁴ *Ibid.*, s. 180 and *supra* note 4, s. 81.

- For a non-soliciting corporation with gross annual revenues of \$1 million or more, the members have no choice other than an audit engagement.
- For soliciting corporations with gross annual revenues less than \$50,000, members can choose: not to appoint a public accountant; leave the level of review at the default of a review engagement; or raise the level of review to an audit engagement.
- For soliciting corporations with gross annual revenues between \$50,000 and \$250,000, the members can leave the level of review at the default of an audit engagement or lower the level of review to a review engagement;
- For soliciting corporations with gross annual revenues of more than \$250,000, the members have no choice other than an audit engagement.”⁵⁵

f) Dissolution

As was the case under Bill C-21, Section 236 of the Bill requires that the articles of a corporation that is a soliciting corporation (and certain other corporations including registered charities under the *Income Tax Act* (Canada) (“ITA”)) must provide that any property remaining on liquidation after the discharge of liabilities of the corporation, other than property referred to in Section 235, shall be distributed to one or more qualified donees within the meaning of the ITA. Section 235 specifically provides that if a person has transferred property to a corporation subject to the condition that it be returned on the dissolution of the corporation, the liquidator shall transfer the property to that person.

13. Members:

The Bill introduces new rules that will provide members will access to membership lists⁵⁶ unless otherwise exempted,⁵⁷ the right to seek an oppression remedy against the corporation⁵⁸ or to seek a court order to commence derivative actions,⁵⁹ the ability to submit proposals to amend by-laws⁶⁰ or nominate directors⁶¹ or require any matter to be discussed at annual meetings,⁶² the right to access

⁵⁵ Industry Canada, *Regulations under Canada Not-for-profit Corporations Act: Explanatory Note*. (June 13, 2008) online: <<http://www.corporationscanada.ic.gc.ca/epic/site/cd-dgc.nsf/en/cs03833e.html>>.

⁵⁶ *Ibid.*, s. 23.

⁵⁷ *Ibid.*, s. 174.

⁵⁸ *Ibid.*, s. 254(1).

⁵⁹ *Ibid.*, s. 252.

⁶⁰ *Ibid.*, s. 153(6).

⁶¹ *Ibid.*, s. 164(5).

corporate records,⁶³ the ability to participate in members' meetings by electronic means,⁶⁴ the ability to enter into a unanimous member agreement⁶⁵. In some membership driven organizations, the availability of increased rights and protections for members will be sufficient reason to continue under the new statute at the earliest opportunity.

Under the Bill, there are various corporate actions, including proposed amendments to membership classes, rights and conditions,⁶⁶ the sale of assets,⁶⁷ amalgamation of corporations⁶⁸ and dissolution⁶⁹ which require the approval of all members, whether specified to be voting or not. Many CCA non-profit corporations have one or more classes of non-voting members (i.e. honorary members). Should the Bill become law, corporations may consider removing all non-voting membership classes from the by-laws to avoid being caught by this provision.

Of interest, Section 198(1) of Bill C-62 lists additional amendments that must be approved by special resolution of the members, namely:

- (l) change the manner of giving notice to members entitled to vote at a meeting of members;
- (m) change the method of voting by members not in attendance at a meeting of members;

It should be noted that like Bill C-21, a corporation's articles or by-laws may provide that the directors, members or any committee of directors or members shall have the power to discipline a member or terminate a member's interest. If they do, the circumstances and manner in which this power is to be exercised is required to be included in the by-laws or articles.⁷⁰

14. Financial Statements to Members:

Section 176 of the Bill which requires a corporation to send its financial statements to all of its members, allows a corporation to send a summary of those documents or a publication (such as an

⁶² *Ibid.*, s. 164(1)(a).

⁶³ *Ibid.*, s. 22(1).

⁶⁴ *Ibid.*, s. 159(4).

⁶⁵ *Ibid.*, s. 171.

⁶⁶ *Ibid.*, ss. 198 and 200.

⁶⁷ *Ibid.*, s. 215.

⁶⁸ *Ibid.*, s. 207(1).

⁶⁹ *Ibid.*, s. 222.

⁷⁰ *Ibid.*, s. 159.

annual report) reproducing the required information or summary of that information. Section 176(2) allows corporations to give members notice that the required documents are available at the registered office and provides:

“A corporation, instead of sending the documentation referred to in subsection (1), may, if the by-laws so provide, give members notice in the manner referred to in section 163 that the documents referred to in subsection 173(1) are available at the registered office of the corporation and that any member may, on request, obtain a copy free of charge at the office or by prepaid mail.”

Note, however, that s. 176(2) has been revised, and unlike Bill C-21, does not allow a corporation to satisfy the requirement of s. 176(1) by publishing “a notice that includes the information required to be set out in the documents referred to in subsection [173(1)]”.

C. CONTINUING UNDER THE NEW STATUTE

As noted above, corporations will have to file articles of continuance in order to fall under the new statute within three years of the new statute being proclaimed in force. There is no government fee for this process as long as articles are filed within three years.

Like the CBCA, the form for articles of continuance will likely closely resemble the form for articles of incorporation under the new statute. As such, articles of continuance will be required to contain the information provided under Subsection 7(1) of the new statute for articles of incorporation. In addition, a corporation continuing under the new statute will be required to file a Notice of Registered Office and a Notice of Directors.⁷¹

While corporations making use of the continuance provisions will typically transport much of the current information contained in their letters patent and by-laws into the articles, it is also possible to effect by those articles, any amendment to the letters patent or charter that a corporation incorporated under the new statute can make to its articles.⁷² As a result, corporations filing for articles of continuance may wish to take advantage of the opportunity to make any other needed corporate governance changes at the same time.

⁷¹ *Ibid.*, ss. 20, 129.

⁷² *Ibid.*, s. 212(2).

The directors listed in the Notice of Directors will hold office immediately upon issuance of the certificate of continuance or certificate of incorporation. The certificate of incorporation or certificate of continuance will issue “as of right”.

With regard to by-laws, while some provisions do not strictly need to be included in by-laws (since the “rules” are already provided in the new statute), to the extent that the statutory rules relate to matters of corporate governance, the by-laws should repeat those rules in order to provide a complete governance system for directors and members to follow.

D. CONCLUSION

Bill C-62 comes as a welcome relief to most people involved with federal non-profit corporations and their advisors. While a detailed review of Bill C-62 is beyond the scope of this *Bulletin*, overall the Bill appears to be on the right track in providing a “modern corporate governance framework” for regulating federally incorporated not-for-profit corporations.

The coming months will likely see some further changes in the Bill as it proceeds through Parliament. Not-for-profit corporations in the process of undertaking by-law amendments should become knowledgeable about the changes contemplated by Bill C-62 should it become law and consider whether any existing by-law provisions should be amended to take these new requirements into account (to the extent possible under the existing law).