

Modernizing the Ontario Business Corporations Act: Amendments Proclaimed

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Further to our [article](#) on March 11, 2021, the Lieutenant Governor of Ontario has proclaimed that certain amendments to the *Business Corporations Act* ("OBCA") will come into effect on July 5, 2021. [\[1\]](#)

Bill 213, or the *Better for People, Smarter for Business Act*, repeals subsection 118(3) of the OBCA, which requires at least one quarter of directors of an OBCA corporation must be resident Canadians, but also amends subsection 104(1) to lower the approval threshold for private corporation shareholder resolutions passed in writing in lieu of a meeting to a simple majority, rather than what was formerly required, which was unanimous approval.[\[2\]](#)

These changes will be welcome news to many OBCA corporations as these amendments provide a more streamlined approach to corporate decision-making and reduce the burden on companies trying to meet OBCA director residency obligations when that may not be possible during COVID-19. Similarly, businesses that are contemplating a new jurisdiction to incorporate a new corporation or continue an existing corporation may benefit from these new amendments to the OBCA.

Although in the meantime those businesses incorporated under the OBCA will still need to include data regarding any resident Canadian directors in their yearly filings, and in their articles of incorporation, in anticipation of a new, online Ontario Business Registry, these changes are welcome steps to reducing the regulatory burden on non-offering corporations.

WeirFoulds' private equity law group is monitoring these developments and will be providing updates as the new legislation takes effect. For more information on how the changes in legislation can impact your business or organization, please contact [Rochelle](#) or Alvin.

[\[1\]](#) Rochelle Perera, Alvin Yau and Dana Kriszenfeld, "[Modernizing the Ontario Business Corporations Act](#)" (11 March 2021); Bill 213, *An Act to reduce burdens on people and businesses by enacting, amending and repealing various Acts and revoking a regulation*, 1st Sess, 42nd Leg, Ontario, 2020 (assented to 8 December 2020), SO 2020, c 34.

[\[2\]](#) *Ibid.*

The information and comments herein are for the general information of the reader and are not intended as advice or opinion to be relied upon in relation to any particular circumstances. For particular application of the law to specific situations, the reader should seek professional advice.

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