

The ONCA Transition Period is over – what comes next?

October 18, 2024

The Ontario Not-for-Profit Corporations Act, 2010 (the ONCA) was enacted on Oct. 19, 2021 and applies to corporations that existed under the Part III of the Ontario Corporations Act (the Corporations). Many Corporations have taken steps to update their governing documents, such as letters patent, by-laws, and special resolutions, to be in compliance with the ONCA. For those Corporations that did not take active steps to comply, there was a three-year transition period (the Transition Period), during which time, governing documents of Corporations that were valid prior to the ONCA continued to be valid and in effect. If there were any gaps in the governing documents, the ONCA filled in those gaps. **The Transition Period ended on October 18, 2024**. What does it mean for your Corporation if you have not taken steps to comply with the ONCA?

The Transition Period is over: Now what?

Now that the Transition Period has ended, most provisions of governing documents that have not been amended to be in conformity with the ONCA are deemed to be amended to the extent necessary to bring the provisions into conformity. Certain specific provisions listed in section 207(3) of the ONCA found in the Corporation's by-laws or special resolutions have a period of extended validity and are not deemed amended after the Transition Period. Those specific provisions relate to things that should be in articles rather than by-laws, such as the number of directors and provisions relating to classes of members or the voting rights of members. If section 207(3) applies to your Corporation, you could be in the situation of having some provisions of your governing documents deemed to remain in place while others are deemed to have been amended.

Relying on some provisions retaining validity while others are deemed to apply automatically may not be satisfactory for many Corporations. This can lead to confusion regarding the interpretation of the governing documents, which can in turn, among other things, result in improperly held meetings, invalid corporate decision making, and a heightened risk of procedural challenges.

There are advantages to amending your Corporation's governing documents to modernize governance practices and utilize the flexibility that the ONCA offers. See our [article here](#) for more information on these changes under the ONCA.

Assistance with transitioning to the ONCA

If you need assistance bringing your Corporation's governing documents into compliance with the ONCA, please contact any of the authors below.

(Please note that this article does not apply to share capital social clubs incorporated under Part II of the Ontario Corporations Act. For more information on share capital social clubs, please see our [article here](#). Also, if you completed your transition prior to changes made to the ONCA in October, 2023, please see our [article here](#), as there may be more for you to do.)

By

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