

Changes to Ontario's Business Corporations Act Take Effect this Summer

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In what will be welcome news to Ontario corporate law practitioners and many of their clients, long-anticipated amendments to the *Business Corporations Act (Ontario)* (OBCA) will take effect this summer.

Key amendments to the OBCA that were provided for in *Bill 213, Better for People, Smarter for Business Act, 2020* (Bill 213), will come into force on July 5, 2021. See our previous article on the OBCA amendments [here](#).

As we discussed in our prior article, under the OBCA, at least 25 percent of the directors of a corporation must be resident Canadians, a requirement that has often presented challenges to foreign businesses seeking to incorporate in Ontario. Bill 213 will amend the OBCA to eliminate that requirement as of July 5, 2021.

Another key amendment that will come into force on that date is the lowering of the approval threshold for private corporation shareholder resolutions passed in writing in lieu of a meeting, from a requirement for unanimous approval to the approval a majority of voting shares.

For the time being, notwithstanding the elimination of the Canadian residency requirement, Ontario corporations will still be required to include data regarding Canadian resident directors in their articles of incorporation and in mandatory corporate information filings. This ongoing requirement is intended facilitate data collection in connection with the upcoming launch of a new online Ontario Business Registry, slated for later this year.

This publication is a general summary of the law. It does not replace legal advice tailored to your specific circumstances.