

# New, simplified continuance process for social companies

December 21, 2023

On Dec. 4, 2023, the Less Red Tape, More Common Sense Act, 2023 received Royal Assent, bringing an important amendment to the Corporations Act (Ontario) into force.

As set out in a previous BLG Insight: [Not-for-Profit Corporations Act, 2010 \(ONCA\): Understanding share capital social clubs](#), social companies governed by the Corporations Act (Ontario) have until Oct. 19, 2026 to decide whether to continue under the new Not-for-Profit Corporations Act, 2010 (Ontario), the Business Corporations Act (Ontario) or the Co-operative Corporations Act (Ontario) or they will be dissolved.

Section 2.1(4) of the Corporations Act (Ontario) previously provided that each class of shareholders needed to approve the continuance, but, as of Dec. 4, 2023, that section is repealed, and the continuance will only need to be approved by shareholders who hold shares that have the right to vote. This should greatly simplify the continuance process for clubs with legacy non-voting shareholders who are largely uninvolved in the club.

If you have any questions about the continuance process, please email any of the authors or key contacts listed below, or any other member of our [Charities & Not-For-Profit group](#).

By

[Victoria Prince](#), [Ryma Nasrallah](#), [Katherine Carre](#), [Nick G. Pasquino](#), [Sylvie Lalonde](#)

Expertise

[Corporate Commercial](#), [Charities & Not-For-Profit](#)

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### BLG Offices

#### Calgary

Centennial Place, East Tower  
520 3rd Avenue S.W.  
Calgary, AB, Canada  
T2P 0R3

T 403.232.9500  
F 403.266.1395

#### Ottawa

World Exchange Plaza  
100 Queen Street  
Ottawa, ON, Canada  
K1P 1J9

T 613.237.5160  
F 613.230.8842

#### Vancouver

1200 Waterfront Centre  
200 Burrard Street  
Vancouver, BC, Canada  
V7X 1T2

T 604.687.5744  
F 604.687.1415

#### Montréal

1000 De La Gauchetière Street West  
Suite 900  
Montréal, QC, Canada  
H3B 5H4

T 514.954.2555  
F 514.879.9015

#### Toronto

Bay Adelaide Centre, East Tower  
22 Adelaide Street West  
Toronto, ON, Canada  
M5H 4E3

T 416.367.6000  
F 416.367.6749

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