



## Overview of Saskatchewan's New Non-Profit Legislation



Pro Bono Law  
Saskatchewan

**MLT AIKINS**

WESTERN CANADA'S LAW FIRM

# *The Non-Profit Corporations Act, 2022 (Saskatchewan)*

In 2022, Saskatchewan introduced *The Non-profit Corporations Act, 2022* (the “New Act”) to replace *The Non-profit Corporations Act, 1995* (the “Old Act”). The New Act comes into force on March 12, 2023.

The goal of the New Act is to modernize laws for non-profit corporations to reflect current practices, eliminate archaic language and regulations, streamline administrative processes and promote the use of cutting-edge technologies. Below, we’ve highlighted some of the integral changes in the New Act and offered some practical tips.

## Notable Changes

Some of the key changes in the New Act include:

1. **Qualifications of Directors:** The previous laws requiring 25% of a non-profit's board to have Canadian residency created obstacles for corporations that did not have Canadian directors. Some corporations elected resident Canadians simply to fulfil the residency requirement, while others chose not to operate in Saskatchewan. The New Act removes the Canadian residency provision. Additionally, the New Act removes the requirement that at least one director reside in Saskatchewan and instead allows for the appointment of a power of attorney in lieu of a Saskatchewan director. Other changes include the disqualification of a person to act as director if that person has been convicted of an offence in connection with the promotion, formation or management of a corporation or unincorporated business, or an offence involving fraud (subject to certain exemptions).
2. **Notices and Filings:** The New Act reduces administrative paperwork and red tape by removing certain notice and filing requirements for matters focused solely on a corporation's internal activities. This aims to make operations more streamlined, effective and modernized.

Some examples are:

- *Section 2-3(1)* removes requirements that the Articles of Incorporation must follow a prescribed form. This allows for flexibility and enables corporations to determine the format of their Articles.
- *Section 13-1* provides that financial statements placed before the members at the annual meeting may relate to a period ending up to six months prior to the meeting (previously four).
- *Section 16-4(7)* removes the requirement to publish of a notice of intent to dissolve once a week for four consecutive weeks and contemplates electronic publication on a website or on social media.

3. Audits and Reviews: One notable addition in *Section 13-5* of the New Act is the clear definition of the qualifications of auditors and reviewers. The new regulation adds requirements for financial statements but also allows for increased dollar thresholds for mandatory audits or review requirements as follows:
  - in the case of a membership corporation, the members may resolve not to appoint an auditor or conduct a review, regardless of the corporation's revenues;
  - in the case of a charitable corporation, the members may resolve not to appoint an auditor if their revenues are less than \$500,000 or conduct a review if their revenues are less than \$100,000.
4. Outdated Rules and Language: The New Act removes various old definitions, makes several grammatical changes, updates reference to the New Act's provisions and corrects some English and French inconsistencies (e.g., the New Act uses gender-neutral pronouns).
5. Corporate Registry: The New Act updates the Corporate Registry provisions to reflect the current processes for registering corporations and filing documents. The New Act also allows the Registrar to stop publishing corporate notifications in the Gazette.
6. Names: The New Act recognizes Indigenous laws and regulations by allowing corporations to adopt names in a form that include words in Cree, Dene or any other prescribed Indigenous language (*section 2-7(3)*). The New Act also specifies instances in which the Registrar may refuse to incorporate a corporation or amend the name of the corporation. In particular, *section 2-10* prohibits the use of a name that is misleading or targets sponsorship or control with the Crown or any political parties, or sponsorship, control by or a connection with a post-secondary institution. It also permits refusal on grounds of distinctiveness, descriptions or confusion with similar entities.
7. "Boards of Trade" and "Chambers of Commerce": The New Act revises provisions regarding boards of trade and chambers of commerce.
8. Electronic Communication: The New Act allows for electronic communications such as sending notices of member meetings, sending financial statements, holding electronic meetings and determining the manner of voting at the meeting (see *Sections 9-14(7), 10-3(4), 11-1(3 to 6)* of the New Act).
9. Charitable Activities: The New Act removes the requirement to obtain a court order when amending a restriction on the activities of a charitable corporation.
10. Extra-Provincial Corporations: The New Act includes provisions specific to extra-provincial corporations, including rules for registering these organizations and prohibited names (*section 2-10*).

## What You Can Do to Get Ready

Corporations should speak with their lawyers about reviewing their articles, board composition and bylaws to be compliant with the New Act. Corporations should also take advantage of the flexibility offered by the provisions of the New Act such as considering whether they can resolve not to appoint an auditor or conduct a review under the lower thresholds.

### Valuable Resources

To help ensure a smooth transition to the New Act, the Ministry of Justice and Attorney General has published tables of concordance that compare the [provisions of the Old Act with the provisions of the New Act](#) and the [provisions of the regulations](#). We understand that the Ministry will also update the fact sheets for non-profit corporations to reflect the New Act and regulatory requirements, and implement a communication plan that includes:

- sending direct emails to lawyers and accountants to make them aware of the communications going out to non-profit corporations;
- sending direct communications to non-profit corporations;
- doing demonstrations of the changes directly to top legal groups; and
- posting external web communications to all customers.

For now, the Old Act remains in force in Saskatchewan and will not be repealed until the New Act is brought into force on March 12, 2023.

The lawyers at MLT Aikins have wide-ranging experience advising non-profit corporations on a variety of matters and would be pleased to help you prepare for the changes that will come when the New Act takes effect. To learn more, contact one of the lawyers below.

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*This document was prepared with the assistance of student-at-law Olamide Pedro.*



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