



MAIN CHANGES Highlights

TRANSITION

A “pre existing” society is one that was incorporated before the new legislation came into effect on April 1, 2021 and is required to transition to new legislation by March 31, 2023..

Step 1 - Submit your "Transition Application" to the registrar. Societies must be in compliance with requirements under the former legislation before submitting this application.

Step 2 - Once your "transitional fiscal year" has been completed, you must submit your last annual report for filing under the rules of the former legislation.

When the annual report for the transitional fiscal year has been submitted and filed with the registrar, you will be “fully transitioned” to the new legislation and will then be regulated solely by the new Societies Act and Regulations.

ANNUAL GENERAL MEETINGS – Timing and Special Resolutions

OLD vs NEW	
FORMER LEGISLATION	NEW LEGISLATION
<ul style="list-style-type: none">• A society shall hold an AGM of its members and file an annual report after its fiscal year end and no later than the last day of its anniversary month.• “Anniversary month” means the fourth month after the month in which a society Fiscal Year End occurs.• Notice of a General Meeting shall be given or sent to each member entitled to vote at the meeting not less than 10 days or more than 60 days before the meeting, and the notice shall specify the place, day and hour of the meeting.• In case of special business, the notice shall specify the general nature of the business and, the notice must be sent not less than 21	<ul style="list-style-type: none">• A society under the new legislation, will have four months after its fiscal year end to hold their annual general meeting.• The annual report must be submitted to the registrar within 30 days <u>after the date of the AGM</u>. If this is not done, the society will be in default of meeting legislative requirements.• A written notice of the date, time and location, of the annual general meeting, including the nature of any special business, must be sent to every member of the society at least 14 days and not more than 60 days, before the meeting.• The requirement of notice regarding any special business, is to permit members to form reasoned judgments concerning that

days or more than 60 days before the meeting.

business. The notice must include the text of any resolution to be proposed at the meeting for which, under the Act or the bylaws, must be passed as a special resolution.

Participation in general meeting by telephone or other communications media may be allowed unless the bylaws of a society provide otherwise.

BYLAWS

Decide on new bylaws that conform to the new societies' legislation. The societies will have 3 options:

1. Customized bylaws; or
2. Sample bylaws incorporating best practices without any change (recommended); or
3. Essential requirements bylaws with options.

If you chose customized bylaws, the burden is on the society to ensure compliance with the new societies' legislation – also keep in mind that bylaws can be altered and refined after a society has filed their transition application, as provided for in the new legislation.

The new bylaws that the society decide to adopt must be approved by a “special resolution” of the members.

FORMER BYLAWS REQUIREMENTS	NEW BYLAWS REQUIREMENTS
<p>7 Bylaws</p> <p>(1) The bylaws prescribed in the regulations shall be the bylaws of a society except to the extent that bylaws providing otherwise have been filed with the registrar at the time of application or in accordance with section 8.</p> <p>(2) The bylaws of a society shall contain provisions about</p> <ul style="list-style-type: none">(a) the terms of admission of members and their rights and	<p>12 Bylaws</p> <p>(1) In this section “delegate voting” means a method of voting whereby a delegate is selected from a group of people to represent the group for voting purposes.</p> <p>(2) A society must have bylaws that contain provisions respecting the internal affairs of the society, including provisions respecting the following:</p> <ul style="list-style-type: none">(a) membership in the society, including<ul style="list-style-type: none">(i) the admission of members and any rights and duties arising from

- obligations;
- (b) the conditions of withdrawal of members and the manner of expulsion, if any, of members;
- (c) the manner and time of calling general and special meetings, the number constituting a quorum at a meeting, and rights of voting;
- (d) the appointment and removal of directors;
- (e) directors' duties, powers, and remuneration;
- (f) the exercise of borrowing powers;
- (g) the appointment of accountants;
- (h) the custody and use of the society's seal, if any;
- (i) the preparation and custody of minutes of meetings and records;
- (j) the time and place where records may be examined by members;
- (k) the manner of making, altering, or rescinding bylaws;
- (l) the arbitration or mediation of disputes;
- (m) the winding up and distribution of assets.

Prescribed default Schedule A bylaws with specifics regarding directors, AGMs, SGMs, etc.

- membership,
- (ii) if there is more than one class of members, a description of each class and the rights and duties that apply to each class, and
- (iii) if members may cease to be in good standing, the conditions under which that occurs;
- (b) the society's directors, including
 - (i) subject to sections 45 and 54, the manner in which directors must or may be elected or appointed,
 - (ii) unless the term of office of directors is to end at the close of the next annual general meeting after their appointment, designation or election, the term of office of the directors, which is not to exceed the period prescribed as the maximum term of office, and
 - (iii) subject to section 43, the number, or the minimum and maximum number, of directors;
- (c) general meetings, including
 - (i) the quorum for general meetings, if greater than three voting members,
 - (ii) whether proxy voting is permitted, and
 - (iii) if the bylaws authorize any of the following methods of voting, the rules respecting how that voting is to occur:
 - (A) delegate voting,
 - (B) voting, by a member not in attendance at a general meeting, by mail or another means of communication, including by facsimile, email or other electronic means;
- (d) any restrictions on
 - (i) the activities that the society may

	<p>carry on, or (ii) the powers that the society may exercise.</p> <p>(3) Without limiting subsection (2), if any provisions are prescribed as “model bylaws”, a society may adopt all or any of those provisions in its bylaws, with or without alteration.</p> <p>(4) Subject to subsection (5), if a provision of the bylaws is inconsistent with this Act, the regulations or any other enactment of Yukon or Canada, the provision has no effect.</p> <p>(5) Subject to subsection (6), if the bylaws of a society require a higher voting threshold than that required by this Act to effect any action, the provisions of the bylaws prevail.</p> <p>(6) A society must not have bylaws that require a higher voting threshold to remove a director from office under subsection 53(1) than the threshold required to pass a special</p> <p>No prescribed bylaws – Sample and essential requirements bylaws as just provided as examples of bylaws that comply with new legislative requirements.</p>
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FINANCIAL THRESHOLDS

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BEFORE BEING “FULLY TRANSITIONED”	AFTER BEING “FULLY TRANSITIONED”
<p>3 categories of societies</p> <ul style="list-style-type: none"> CATEGORY A societies are those societies that, during their fiscal year had revenues, including grants and donations, of \$150,000 or more, or had assets of \$300,000 or more. 	<p>3 classes of societies</p> <ul style="list-style-type: none"> CLASS A society – Means a society that is not member-funded society and that had gross revenues, including grants and public donations of \$120,000 or more, or had

- **CATEGORY B** societies are those societies that, during their fiscal year had revenues, including grants and donations, of \$40,000 or more but less than \$150,000, or had assets of \$100,000 or more but less than \$300,000.
- **CATEGORY C** societies are those societies that are not Category A or Category B societies.

assets of \$250,000 or more.

- **CLASS B** society – Means a society that is not a Class A society or a member-funded society.
- **MEMBER-FUNDED** society – Means a society funded primarily by its members to carry on activities for the only benefit of its members and cannot receive public donations or government funding.

NEW ACCOUNTANT AND FINANCIAL STATEMENTS REQUIREMENTS FOR NEW FIINANCIAL CLASSES

<u>CLASS</u>	<u>THRESHOLDS</u>	<u>LEGISLATION</u>	<u>OPTIONS FOR MEMBERS</u>
CLASS A	Revenues \$120,000 and more <u>Or</u> Assets \$250,000 and more <u>And</u> is not a member-funded society	Class A societies <u>must</u> appoint an accountant to conduct one of the following engagement reports in respect of the financial statements for each reporting period (fiscal year): <ul style="list-style-type: none"> • Compilation engagement • Review engagement • Audit engagement 	<ul style="list-style-type: none"> • A compilation engagement is the least expensive type of engagement report. This will cost societies a lot less than they were used to spend for a review engagement or audited financial statements. • Members can specify, in the society’s bylaws, any of the 3 level of engagement reports level they want to be conducted by the accountant. • If bylaws permit, members can waive, by special resolution at an annual general meeting, the requirement to have an accountant for the fiscal year for which financial statements will be presented at the next year's annual general meeting. • The society may not waive the requirement to have an accountant for more than two consecutive fiscal years. (one

			special resolution per fiscal year)
CLASS B	Means a society that is not a Class A society or a member-funded society	Class B societies are not required to appoint an accountant or to conduct a compilation engagement.	<ul style="list-style-type: none"> Members may specify higher financial statements requirements to be added to their customized bylaws.

DIRECTORS

- Societies must have no fewer than three, and no more than 12 directors.
- At least one of the directors must be ordinarily resident of Yukon.
- Director's address in the Yukon Corporate Online Registry will not be hidden anymore and will be viewable by the public.

Under the new legislation, only one address is required for a director and that address could be any of the following:

- Residential address
- Mailing address
- Another address at which records can usually be delivered to the director between the hours of 9 a.m. and 4 p.m. from Monday to Friday.

A person must not be a director of a society if the person is not qualified under section 47 of the act or the bylaws to be director. The society is responsible to put in place a process to verify that directors are qualified.

ANNUAL REPORTS

ANNUAL REPORTING REQUIREMENTS	
BEFORE BEING "FULLY TRANSITIONED"	AFTER BEING "FULLY TRANSITIONED"
<ul style="list-style-type: none"> • A society incorporated under the former legislation and not yet "fully transitioned" to the new legislation must submit paper annual reports and notices on the old forms but with the current prescribed fee. • The financial categories A, B and C still apply for this final annual reporting, including the requirement around the financial statements, the level of review. 	<ul style="list-style-type: none"> • Once fully transitioned, a society will be able to submit annual reports and change notices online on YCOR or on the new paper forms. • Under the new legislation, if there is a change in the society's registered address or directors at the annual general meeting, the change can be made directly on the annual report. No notice of such

<ul style="list-style-type: none"> You still have to include your financial statements with your annual report as you are still reporting under the former legislation. The annual report must be submitted to Corporate Affairs before the end of your anniversary month (4 months after your fiscal year end). 	<p>change needs to be attached to the annual report anymore.</p> <ul style="list-style-type: none"> If there is a change in the society's registered address or directors between AGMs, societies will have to file a notice of such change with the registrar in a timely manner. Either on YCOR or on the new paper forms. Once “fully transitioned” to the new legislation, you do not have to attach to your annual return your financial statements. You will have to certify on the annual report that the financial statements have been presented at the AGM in the prescribed manner. The AGM has to be held within four months after the end of your fiscal year and the annual report must be submitted within 30 days of your AGM.
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MEETINGS BY TELEPHONE OR OTHER COMMUNICATION MEDIUM

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FORMER LEGISLATION	NEW LEGISLATION
<ul style="list-style-type: none"> If your bylaws specifically authorize it, you can hold meetings by telephone or other communication medium 	<ul style="list-style-type: none"> Unless your bylaws provide otherwise; societies that have fully transitioned or incorporated, continued in or amalgamated after April 1, 2021, can hold meetings by telephone or other communication medium.