Bill C-19: Disclosing Corporate Beneficial Ownership to Federal Government

Bill C-19, *Budget Implementation Act*, 2022, received royal assent on June 23, 2022. Among many other changes, Bill C-19 implements new mandatory reporting requirements regarding beneficial ownership for private federal corporations governed by the *Canada Business Corporations Act* ("**CBCA**").

CBCA corporations are currently required to prepare and maintain a register of "individuals with significant control" ("**ISC Register**") that must be kept at the corporation's registered office or any other place in Canada designated by the board, and to make the ISC Register accessible to police, tax and certain regulatory authorities, shareholders and creditors under certain conditions.

Corporations Canada defines an individual with significant control as someone who: (i) owns, controls, or directs a significant number of shares; (ii) has significant influence over the corporation without owning any shares; or (iii) has a combination of any of these factors. A significant number of shares is 25% of the voting shares or 25% of all the shares based on the fair market value of the shares. The ISC Register must contain the following information for each individual with significant control:

- Name
- Date of birth
- Address
- Jurisdiction of residence for tax purposes
- The date when control started
- The date when control ended
- A description of how the individual with significant control has significant control

Based on the amendments to the CBCA under Bill C-19, CBCA corporations will soon be required to report the information contained in the ISC Register to Corporations Canada annually and within 15 days of any changes to such information. Corporations Canada will also have the authority disclose this information to an investigative body, the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), or other prescribed entities. CBCA corporations that have any of their securities listed and posted for trading on a "designated stock exchange" are not required comply with the ISC Register requirement.

As the details of how this will be implemented have not yet been announced, Aird & Berlis will continue to monitor any further developments. If you have any questions, we encourage you to reach out to your regular contacts at Aird & Berlis or to the authors of this article.

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Fiona has extensive experience advising international businesses entering the Canadian market. To date, she has advised more than 100 companies expanding into Canada. Fiona advises clients in this space all day, every day. She has been practising for more than a decade and is a regular speaker and writer on market expansion matters. Fiona is proud to have been recognized by *The Best Lawyers in Canada, The Canadian Legal Lexpert Directory* and *Benchmark Canada.*

A proactive and comprehensive approach is required to succeed in a new market. Fiona manages teams of other lawyers and patent agents to provide her clients with a full range of legal services to help their businesses grow. She acts as project manager to ensure her clients receive seamless legal services in all relevant areas.

Fiona takes great care to understand her clients' businesses and deliver advice that is tailored to meeting their specific needs. Her responsiveness, dedication to clear communication and hands-on approach show that she is personally invested in the success of her clients.



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Andrew is a member of the firm's Capital Markets Group. He has experience in mergers and acquisitions, corporate finance and securities law. His practice spans a variety of industry sectors where he has participated in a variety of transactions, including public and private equity financing, debt financing, share and asset purchase transactions, corporate reorganizations and ongoing general corporate and commercial activities. Andrew frequently advises international clients on doing business in Canada.



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Felix is a member of the firm's Corporate/Commercial Group. His practice focuses on M&A transactions and advising international clients on expanding their businesses into Canada. Felix represents clients in a range of industries, including pharma, e-commerce, transportation, agriculture, food and beverage and construction.

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