

ONTARIO REMOVES RESIDENT CANADIAN DIRECTOR REQUIREMENT

As of July 5, 2021, corporations governed by Ontario's *Business Corporations Act (OBCA)* are no longer required to maintain a minimum number of resident Canadians on their corporate boards. All the directors of an OBCA corporation can now be non-residents of Canada.

This long-awaited reform will allow multinational and foreign businesses looking to establish subsidiaries in Canada to incorporate in Ontario without needing to find a resident Canadian to serve on the board or to incorporate under the laws of another province. Incorporation in Ontario currently offers a somewhat reduced administrative burden for the maintenance of privately held OBCA corporations when compared to the corporate compliance requirements of some other provinces.

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