

**First Session – Forty-Second Legislature**  
**of the**  
**Legislative Assembly of Manitoba**  
**Standing Committee**  
**on**  
**Social and Economic Development**

*Chairperson*  
*Mr. Dennis Smook*  
*Constituency of La Vérendrye*

**Vol. LXXIII No. 1 - 6:30 p.m., Monday, October 7, 2019**

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Forty-Second Legislature**

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**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**THE STANDING COMMITTEE ON SOCIAL AND ECONOMIC DEVELOPMENT**

**Monday, October 7, 2019**

**TIME – 6:30 p.m.**

**LOCATION – Winnipeg, Manitoba**

**CHAIRPERSON – Mr. Dennis Smook**  
*(La Vérendrye)*

**VICE-CHAIRPERSON – Mr. Doyle Piwniuk**  
*(Turtle Mountain)*

**ATTENDANCE – 11 QUORUM – 6**

*Members of the Committee present:*

*Hon. Messrs. Eichler, Pedersen*

*Mses. Adams, Gordon, Messrs. Guenter, Isleifson, Lindsey, Moses, Piwniuk, Smook, Wasyliv*

**MATTERS UNDER CONSIDERATION:**

*Bill 22–The Business Registration, Supervision and Ownership Transparency Act (Various Acts Amended)*

\* \* \*

**Clerk Assistant (Mr. Andrea Signorelli):** Good evening. Will the Standing Committee on Social and Economic Development please come to order.

Before the committee can proceed with the business before it, it must elect a new Chairperson.

Are there any nominations for this position?

**Mr. Len Isleifson (Brandon East):** I nominate Mr. Smook.

**Clerk Assistant:** Mr. Smook has been nominated.

Are there any other nominations?

Hearing no other nominations, Mr. Smook, will you please take the Chair.

**Mr. Chairperson:** Our next item of business is the election of a Vice-Chairperson.

Are there any nominations?

**Ms. Audrey Gordon (Southdale):** I'd like to nominate Mr. Piwniuk.

**Mr. Chairperson:** Mr. Piwniuk has been nominated.

Are there any other nominations?

Hearing no other nominations, Mr. Piwniuk is elected Vice-Chairperson.

This meeting has been called to consider Bill 22, The Business Registration, Supervision and Ownership Transparency Act (Various Acts Amended). We have one presenter registered to speak tonight, as noted on the list of presenters before you.

Public presentation guide—oh, before we continue, I'd just like to inform the committee that, as part of ongoing efforts to update the Legislative Assembly educational video series, the proceedings of the committee will be filmed from the gallery this evening. Thank you.

Before we proceed with presentations, we do have a number of other items and points of information to consider.

First of all, if there is anyone else in the audience who would like to make a presentation this evening, please register with staff at the entrance of the room.

Also, for the information of all presenters, while written versions of presentations are not required, if you are going to accompany your presentation with written materials, we ask that you provide 20 copies. If you need help with photocopying, please speak with our staff.

As well, in accordance with our rules, a time limit of 10 minutes has been allotted for presentations, with another 5 minutes allowed for questions from committee members.

If a presenter is not in attendance, their name will be—their name is called—when their name is called, they will be dropped to the bottom of the list. If the presenter is not in attendance when their name is called a second time, they will be removed from the presenters list.

Prior to proceeding with public presentations, I would like to advise members of the public regarding the process of speaking in committee. The proceedings of our meetings are recorded in order to provide a verbatim transcript. Each time someone wishes to speak, whether it be an MLA or a presenter, I first have to say the person's name. This is the signal for the Hansard recorder to turn the mics on and off.

Thank you for your patience. We will now proceed with public presentations.

**Bill 22—The Business Registration, Supervision and Ownership Transparency Act (Various Acts Amended)**

**Mr. Chairperson:** I will now call on Galen–Gaile Whalen Enns. Gaile Whalen Enns?

It appears that our presenter is not here. She will be moved to the bottom of the list and I will call her again since she's the only one presenter.

Gaile Whalen Enns. Gaile Whalen Enns?

I'm—she will be now dropped from the list.

That concludes the list of presenters I have before me.

Are there any other persons in attendance who wish to make a presentation?

Seeing none, that concludes public presentations.

\* \* \*

**Mr. Chairperson:** We will now proceed with clause by clause of Bill 22.

Does the minister responsible for Bill 22 have an opening statement?

**Hon. Blaine Pedersen (Minister of Growth, Enterprise and Trade):** Just a very short statement; general background on Bill 22.

The bill amends four different acts, including The Corporations Act, The Business Names Registration Act, The Partnership Act and The Cooperatives Act.

The amendments can be divided into three categories: amendments to reconcile business registration and reporting requirements with those in other Canadian jurisdictions. Secondly, amendments to introduce beneficial ownership requirements. These are requirements for corporations to maintain a register of individuals with significant control of the corporation. And thirdly, amendments to transfer administrative responsibilities related to business registration for co-operatives from the Financial Institutions Regulation Branch to the Companies Office and the establishment of a new superintendent of co-operatives.

Thank you, Mr. Chair.

**Mr. Chairperson:** We thank the minister for his statement.

Does the critic from the official opposition have an opening statement?

**Mr. Jamie Moses (St. Vital):** Thank you, Mr. Chairperson, for having us here together today and thank you to the minister.

Reading through the changes to the bill, just wanted to highlight a few areas of concern were around the changes of the registrar to the superintendent role; worried about some of the concerns that it might not be able to provide as much support to co-operatives that are being formed and therefore, you know, might leave some people disadvantaged when they're looking to set up their co-operatives. Worried about that aspect of it.

The second part is a little bit about the transparency when it comes to corporate–corporations; worried that that 25 per cent shareholder for being–transparency in terms of voting rights. Maybe that threshold might be a little bit higher, maybe it should–be too low to provide additional transparency for corporations.

But overall, looking at the bill, we will—I look forward to a good discussion as we go line by line through the bill and, you know, keeping in mind that we want to have the best interests of all Manitobans as we go through it.

Thank you.

**Mr. Chairperson:** We thank the member.

During the consideration of a bill, the preamble, the enacting clause and the title are postponed until all other clauses have been considered in their proper order. Also if there is agreement from the committee, the Chair will call clauses in blocks that conform to pages, with the understanding that we will stop at any particular clause or clauses where members may have comments, questions or amendments to propose. Is that agreed? *[Agreed]*

\* (18:40)

Clause 1 and 2–pass; clause 3–pass; clause 4 and 5–pass; clauses 6 and 7–pass; clauses 8 and 9–pass; clauses 10 through 13–pass; clause 14–pass; clauses 15 through 17–pass; clauses 18 through 21–pass; clauses 22 through 27–pass; clauses 28 through 33–pass; clauses 34 and 35–pass; clauses 36 through 38–pass; clauses 39 through 41–pass; clauses 42 through 44–pass; clauses 45 and 46–pass.

Shall clause 47–

**An Honourable Member:** No.

**Mr. Chairperson:** No? I hear a no.

We have an amendment in—[interjection]

**Mr. Pedersen:** I move

*THAT Clause 47 of the Bill be amended in the proposed subsection 21.1(7) of **The Corporations Act** by striking out "or" at the end of clause (d) and adding the following after clause (d):*

(d.1) a corporation without share capital; or

**Mr. Chairperson:** It is moved by the honourable Minister of Growth, Enterprise and Trade (Mr. Pedersen)

That the business—no, no, no, no—*THAT Clause 47 of the Bill be amended in the proposed—*

**An Honourable Member:** Dispense.

**Mr. Chairperson:** Dispense?

**Some Honourable Members:** Dispense.

**Mr. Chairperson:** Okay. The amendment is in order. The floor is open for questions.

**Mr. Moses:** Just wanted to ask the minister for a description of the change and why it's so important to come in now.

**Mr. Pedersen:** Because this is for non-profit companies. They don't have shareholders that have value in the company, and this was missed in the original version of the bill and it should have been there in the original—in the version that was brought in June—in May—in June. So this is just correcting that. There's no need for non-profit companies because they don't have shareholders, per se, that have value.

**Mr. Moses:** And this is for any registered and non-profits or charities in Manitoba registered, is that correct?

**Mr. Pedersen:** Yes.

**Mr. Moses:** And when did you realize the change was coming; what needed to be added and amended to this bill? This was introduced in the spring and it's coming in now. Just wanted to know of the timeline of how that occurred.

**Mr. Pedersen:** Sometime over the—just hold on.

So during the summer, upon review, the staff realized that this should've been in the original bill and this—the Canada Business Corporations Act, the federal act does not include non-profits, so it excludes non-profits. So this is in line with what the federal bill is.

**Mr. Chairperson:** Is the committee ready for the question?

**Some Honourable Members:** Question.

**Mr. Chairperson:** The question before the committee is as follows.

Amendment—pass; clause 47 as amended—pass; clauses 48 and 49—pass; clauses 50 and 51—pass; clauses 52 through 54—pass; clauses 55 through 58—pass; clauses 59 and 60—pass; clause 61—pass; clauses 62 and 63—pass.

Shall class 64 pass?

**An Honourable Member:** No.

**Mr. Chairperson:** I hear a no.

**Mr. Pedersen:** I move

*THAT Clause 64 of the Bill be replaced with the following:*

*Coming into force—proclamation*

*64(1) Subject to subsection (2), this Act comes into force on a day to be fixed by proclamation.*

*Coming into force—in force—April 8, 2020*

*64(2) Sections 10, 19, 21, 23, 45 to 50, 52 and 53 come into force on a day to be fixed by proclamation or on April 8, 2020, whichever occurs first.*

**Mr. Chairperson:** It has been moved by the Honourable Mr. Pedersen

*THAT—the—THAT Clause 64 of—*

**Some Honourable Members:** Dispense.

**Mr. Chairperson:** Dispense? Dispense.

The amendment is in order. The floor is open for questions.

**Mr. Moses:** I wanted to ask the minister why the date changed from January to April, why to extend it? Why the rush to pass it now if it's going to be delayed 'til April?

**Mr. Pedersen:** When this bill was introduced, it was drafted on the basis that it would likely receive royal assent in June of 2019—pardon me.

The coming into force provision provided for the whole bill to come into force on January 1st, 2020. This would've provided corporations with over six months of notice to prepare for the new requirements to maintain a register of individuals with significant control.

The January 1 date also would have brought the business registration changes into force on the same date by which Manitoba is obliged—is obligated to reconcile business registration requirements with its New West trade partners.

As this bill is now expected to receive royal assent on October 11th, in accordance with the Sessional Order, we are proposing to change the coming into force date for the beneficial ownership changes to April 8, 2020 which will maintain a roughly six-month notice period.

\* (18:50)

We are proposing to change the coming into force date for the remainder of the act to be set by proclamation as there is some uncertainty as to whether or not all jurisdictions will be able to make the necessary IT upgrades to facilitate reconciliation of business registration and reporting processes by January 1st.

Once Manitoba and its New West trade partners have determined a final date and proclamation will be issued to set the coming into force date, then we will—we are hopeful that this will happen early in the new year.

So, in layman's terms on—we need to give corporations six months advance notice so that they can begin to register their share—major shareholders and also there is some IT issues apparently in Alberta that they're not sure they can make the January 1st.

We were concerned that we were going to not make January 1st, but we believe we'll be ready to do the common registration portion of this bill by April 8th, and as soon as the other three provinces within the New West Partnership are ready to go then we can proclaim that part.

**Mr. Moses:** So, just to clarify in terms of a New West trade deal portion of it, how certain are we that the other jurisdictions are going to be ready for that date? Like, how do we know April is the correct time frame?

Like, what if they need more time or is this something that we will need to look at delaying again, or is that the right time frame for moving forward with this bill?

**Mr. Pedersen:** We believe it's a adequate time frame. In fact, we are somewhat confident we can do it before then. Staff from GET has been in conversation with

the other departments from across the west, the other three provinces.

And to date, it's only been Alberta that has expressed concerns about needing some extra time. Saskatchewan and British Columbia are ready to go now. And so we feel that this will be ready to go then. And as it comes into force from proclamation, it could be extended if necessary, but this allows us to set the proclamation date.

**Mr. Moses:** And then, just, again, to clarify, just to go over that, six months is about the time frame, October to April. It's not quite—I mean, do we want to give businesses additional time, like, would May make more sense, for—to give us a full six months?

Or is this even pushing them to not be prepared for when this comes into—in force in April, even—because it is still under six months right now.

**Mr. Pedersen:** Because the bill was originally intended to pass in last June, 2019, companies have already had lots of adequate notice about this. And so they were prepared for it to pass in June 9—of June of 2019, so they've already had time to do this, and this—there's more than adequate time for them to register.

**Mr. Moses:** One last follow-up.

And I understand that, and then it leads me to the next question. Is—if they have adequate time, well, then why not just stick with the January 1st?

**Mr. Pedersen:** It's just—it makes it easier as the bill—to pass the bill.

**Mr. Chairperson:** Is the committee ready for the question?

**Some Honourable Members:** Question.

**Mr. Chairperson:** Question. The question before the committee is as follows.

Amendment—pass; clause 64 as amended—pass; enacting clause—pass; title—pass. Bill as amended be reported.

The hour being 6:54, what is the will of the committee?

**Some Honourable Members:** Rise.

**Mr. Chairperson:** Committee rise.

**COMMITTEE ROSE AT:** 6:55 p.m.

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