

Explanatory Note
Part 2 – Corporate Names and Section 72.1
Canada Business Corporations Regulations, 2001

Objective

The objective of the proposed changes to Part 2 – Corporate Names and the new section 72.1 is to clarify the rules for the granting of corporate names. The proposed regulations should be clearer and easier to read while resolving any concerns with the drafting language used. This includes a new section 72.1 to resolve concerns about the name of a corporation resulting from a short-form amalgamation.

Description

The Standing Joint Committee on the Scrutiny of Regulations (SJC) reviews matters of legality and the procedural aspects of federal regulations. The SJC has raised issues about certain sections of the *Canada Business Corporations Regulations, 2001* (CBCR). In response, the proposed changes to the regulations include changes in the wording of some sections to clarify the intent of the section and to resolve drafting concerns. In addition, section 20 is to be removed. These proposed changes do not make a substantive change to the name granting regulations.

One proposed amendment creates a new section 72.1. This section will permit a corporation resulting from a short-form amalgamation to have any approved corporate name and not be restricted to the corporate name of the amalgamating corporation whose shares are not cancelled, for horizontal short-form amalgamations, or the holding corporation, for vertical short-form amalgamations.

Finally, the sections in Part 2 will be rearranged to provide a more logical approach to the provisions. The new approach is to first provide the provisions related to the interpretation of Part 2. The next set of provisions set out the concept of “confusing” and related provisions, including the exceptions to that concept. The following set of provisions is related to general prohibitions for corporate names (e.g., prohibition on the phrase “Parliament Hill” and on names connoting royal patronage). The final set of provisions concern non-distinctive and deceptively misdescriptive names. The following table sets out the correspondence between the sections numbers of the proposed regulations and the current regulations:

Proposed Section Numbers	Current Section Numbers
17	17, 19 & 31(1)
18	18
19	25
22	27 & 28
23	29
24	30
24.1	31(2)
24.2	31(3) & (4)
25	21
26	22
27	23
28	26
29	33
32	24
33	32
34	34

Submission of Comments

Comments on this proposal would be welcome before June 26, 2009. If you would like further information, please contact:

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