

Three recommendations for Ontario's co-operatives to operate in a 21st century economy



1 Co-operative oversight belongs at MGCS.

The oversight of co-ops must shift from the Financial Services Commission of Ontario (FSCO) to the Ministry of Government and Consumer Services so that all business types are housed and promoted within one Ministry.



2 Utilize Service Ontario for co-op incorporations.

Currently, co-op incorporation involves sending letters by postal mail to/from FSCO and paying by cheque — a manual process which usually takes weeks. Business incorporations and payments through Service Ontario are conducted online and take minutes to complete.



3 Implement sector-recommended changes to co-op legislation.

A full review of the 41-year-old *Co-operative Corporations Act* must be undertaken within five years.



Co-operatives — building a better Ontario

Overview of the Ontario co-operative sector

1,300 co-operative businesses
1,900 locations in **400** communities
\$6 billion annual contribution to the economy
57,000 full-time jobs and **49,000** volunteers



Co-ops are diverse

The co-op sector includes both financial co-operatives (credit unions, caisses populaires and insurance companies) and non-financial co-operatives (including housing, childcare, agriculture, food, brewing, transportation, energy, social, health, funeral, immigration, communication, arts, media and culture).



Co-op legislation

Non-financial co-operatives are incorporated under the *Co-operative Corporations Act*, created in 1974. Credit Unions/caisses populaires are incorporated under the *Credit Union and Caisses Populaires Act*, created in 1994. Co-operatives are also regulated under industry and sector-specific legislation (e.g., energy or funeral).

Learn more about Ontario's co-operatives

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Insurance & Financial Co-ops



Insurance and financial co-ops in Ontario



The *Co-operative Corporations Act* was proclaimed in 1974, and the *Credit Union and Caisses Populaires Act* was proclaimed in 1994.

More than 1.6 million Ontarians belong to a credit union. The total revenue of the credit union and co-operative insurance sectors combined is more than \$4 billion.

The business decisions of financial co-operatives are guided by co-operative principles, so the need for profitability is balanced with the needs of members and their communities. Making people a priority and taking a long-term view of business decisions makes financial co-operatives fundamentally different from most banks and insurance companies.

Financial co-operatives are community-based organizations that care not only about their business' bottom line, but also about their members' needs and the quality of life in their communities.

Co-op Spotlight



The Co-operators is a Canadian-owned co-operative with over 70 years of history. Their members include co-operatives and credit union centrals. From communities across the country, they represent a variety of sectors, including agriculture, finance, service, retail/consumer, health and labour.

The Co-operators' business decisions are guided by their co-operative principles, so the need for profitability is balanced with the needs of their members and their communities. Making people a priority and taking a long-term view of business decisions makes The Co-operators fundamentally different from most insurance companies.



L'Alliance des caisses populaires de l'Ontario includes a network of 12 Caisses populaires, which offer services within 29 branches in Northern Ontario.

Every Caisse populaire is a financial services co-operative that serves and protects the interests of its members. Together, the Caisses offer a full range of financial products and services to their members. Every day, the Caisses help their members take their financial future into their own hands and help change things in their community.

Every Caisse is a financial services co-operative that is owned by its members and operated democratically, with co-operative principles and goals.

Changes needed within government for future co-operative success

A full review of the 41-year-old *Co-operative Corporations Act*

Once the legislation has moved to MGCS, the co-op sector is requesting a full review of the 41-year-old *Co-operative Corporations Act* to be undertaken within five years through consultation with the co-op sector.

This review will allow for red tape reduction in three areas — business rules for co-operatives, offering statement exemptions and audit exemptions.

The review of the *Credit Union and Caisse Populaires Act* was so successful, the Ontario co-operative sector is requesting a similar consultation process.

Success of the *Credit Union and Caisse Populaires Act* review

In February 2016, the provincial government proposed 15 changes to the *Credit Unions and Caisses Populaires Act* to protect consumers, align legislation with international best practices to mitigate risk, and enable credit unions to meet the evolving needs of their members.

The proposed changes were the result of successful consultations with the sector across Ontario, led by MPP Laura Albanese for the Ministry of Finance.

The credit union sector applauded the proposed reforms, saying the proposal will benefit the industry.