Cabinet du président et chef de la direction

April 20, 2012

Mr. K.R. (Bob) Malcolmson CEO and General Manager The Greater Oshawa Chamber of Commerce 44 Richmond Street West, Suite 100 Oshawa ON L1G 1C7

Dear Bob:

Thanks very much for your letter of February 3, 2012. As you know, I also received a similar letter from the Chamber of Commerce Niagara Falls. I am attaching a copy of my response to that letter for your information. Since both letters were widely distributed and touch on issues that are of interest to the network at large, with your agreement, we will inform our member chambers that both letters and my responses will be posted in the members section of our website. We will also post the response received from Minister of Industry Christian Paradis following enquiries about the *Boards of Trade Act* and the new *Canada Not-for-Profits* (CNPCA) legislation last fall.

The Canadian Chamber of Commerce is currently governed by the *Canada Corporations Act - Part II*. In the future, however, we will fall under the new CNCPA. Periodic reviews of our bylaws over the years have ensured that we have been in accordance with good governance. Because of the new act, we have asked one of our member law firms to provide advice and review our existing structure and bylaws, propose any required changes, and ensure the continuity of good governance that has been our practice. Regarding annual filings, I can assure you that the Canadian Chamber is current and compliant and has filed the appropriate documentation to ensure ongoing compliance; we will continue to do so under the new act.

Last summer, knowing that new federal legislation was coming into force, we sought clarification of behalf of our network concerning the new CNPCA and the existing *Boards of Trade Act*. We have shared the minister's response with the network. I should mention that during the early review of both the CNPCA and the *Boards of Trade Act* (BOTA), Industry Canada considered eliminating the *BOTA* and rolling all chambers into the CNPCA. The department was concerned that the *BOTA* gave unfair geographic protection to chambers/ boards of trade. The Canadian Chamber of Commerce successfully lobbied to have the BOTA preserved.

In his letter to the Canadian Chamber, Minister Paradis does not take the position that all chambers in Canada must be under the *Boards of Trade Act*. Instead, the letter states that one entity cannot be registered under two federal acts – it must register under one or the other. In his letter, the minister also assures the Canadian Chamber

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that the BOTA will survive. Had it not, chambers would have lost their right to geographic territories altogether.

Canadian Chamber staff recently met with the Corporations Canada directorate at Industry Canada to further discuss CNPCA and BOTA. We recently received their response to our questions in writing. I have attached that letter to this correspondence.

Most importantly, Industry Canada makes it clear that the BOTA does not restrict the use of "chamber of commerce" or "board of trade" created under other acts like the *Canada Corporations Act* and the CNPCA. Nor does the act give any ability to the Canadian Chamber to prescribe what names chambers can use.

The department's letter points out that the federal government cannot prevent entities incorporating under provincial legislation and using either "chamber" or "board" in their name. As the letter states on page 2: "Corporate law is an area where the federal and provincial governments have concurrent constitutional jurisdictions".

Your letter expresses the view that the Canadian Chamber of Commerce should only recognize and accept as members those chambers incorporated under the BOTA. Since chambers retain the ability to incorporate under a not for profit act as well as the BOTA, chambers will continue to exist whether they have formal recognition from the Canadian Chamber or not. We have member chambers that are incorporated under the BOTA, provincial legislation and special legislative acts of Parliament (e.g. the Montreal Board of Trade). Each of them brings value to the network and to our policy and advocacy initiatives. If we were to expel local chambers that are incorporated under provincial legislation, for example, we would seriously weaken the chamber network as a whole – something that I know is not your intent.

I want assure you that we take our brand very seriously. In our research on trade marking, we were able to register several of our specific names and slogans. However, we were not able to register the designation "chamber of commerce" as it is deemed to be "in the common language." While the generic term "chamber of commerce" cannot be registered, specific names like The Greater Oshawa Chamber of Commerce can be registered. I believe that, through our programs, activities and promotional efforts, members of our chamber network can distinguish ourselves and offer our members a unique value proposition.

I fully agree with Len Crispino's comments regarding creating better value and putting forward a professional image to strengthen the chamber brand. In any competitive environment, each of us has to create and promote this difference that

will elevate and protect our brand, and secure our members. The Canadian Chamber is committed to working with you to achieve that common goal. Chamber accreditation, professional development of chamber staff and joint efforts on policy initiatives are three of the ways we can enhance the brand, and I am convinced that we can also find other avenues to work together to deepen and strengthen our branding.

Finally, you raise the question of joint corporate membership, an issue that is separate from the concerns related to the *Boards of Trade Act* or other governing legislation. The Canadian Chamber always promotes the value of the network at all levels - local, regional, provincial/territorial and national and we welcome any suggestions about how we can work together to encourage companies to join at all three levels. Ultimately, the choice to join any association or organization rests with the company itself, based on the perceived value of membership. My experience has been most if not all companies who are members of the Canadian Chamber are also members of at least one provincial and local chamber.

Bob, I appreciate your interest in maintaining the value of our brand and welcome an ongoing discussion with you and other chambers. The exchange of varied views and opinions can only make our network stronger and better, which remains our common objective.

Sincerely

Perrin Beatty

Cc: Allan O'Dette, President & CEO, Ontario Chamber of Commerce (OCC) Scott McCammon, CCE, Vice President & General Manager, OCC