



Canadian Association of Professional Immigration Consultants  
L'Association Canadienne des Conseillers Professionnels en Immigration

## *From the Bottom Up*

*A Newsletter for CSIC members about their issues.*

**Issue #236  
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**JUNE 21,**

*Welcome to our Newsletter **From the Bottom Up**. Our articles and postings will cover immigration matters that affect your business and lives.*

*In this issue:*

# **The Legal Situation of CSIC Members**

## **The Legal Situation of CSIC Members**

Dear CSIC Members:

Ever since the Minister announced his intention to replace CSIC with a new Regulator for immigration consultants, we have been hearing from members with questions about our status.

- Do we have to pay the instalment on July 1<sup>st</sup>?
- What happens to those who prepaid their fees? Are they entitled to refunds?
- What happens to the assets members have in CSIC if it were to be dissolved? Would they be divided among us?
- Would we be responsible to the creditors for the contracts, the liabilities and litigation of CSIC?
- How can we preserve assets, ensure they are not spent improperly during the transition period?

CAPIC has sought legal counsel from the notable corporate law firm, Miller Thomson, on such questions to determine the basic legal situation of CSIC members under the *Canada Corporations Act*.

Here are the answers that we have received:

1. The Letters Patent of CSIC addresses several of these questions. Part IX says:

The Corporation is to carry on its operations without pecuniary gain to its members and any profits or other accretions to the Corporation are to be used in promoting its objects. No part of any income of the Corporation will be available for the personal benefit of any member of the Corporation. In the event of the dissolution, wind-up, liquidation or other termination of the Corporation or the protection fund maintained by it, the property of the Corporation shall be distributed at such time or times as the directors may determine to any organization which (a) is established or operates for not-for-profit purposes and on a basis which qualifies it as being not subject to tax in accordance with the Income Tax Act (Canada), and (b) carries on activities similar to those of the Corporation.

2. It is clear that CSIC members would not benefit personally by any refunds or distribution of any assets remaining in CSIC were a dissolution to occur.

3. Should dissolution happen, any assets remaining would be turned over to another non-profit organization with similar activities to those of CSIC. A successor corporation appointed as the new regulator would be the obvious choice, but it is the decision of the directors of CSIC as to what not-for-profit receives any remaining assets.

4. Because CSIC members will not be receiving any assets, they are also not personally responsible for the debts and liabilities of CSIC. Only the directors are potentially liable to any creditors, and only then in accordance with numerous legalities around this.

5. There is no practical legal way at this point for CSIC members to prevent the Board from spending money as it sees fit.

6. Nor is there a legal way to place members' fees in trust. As long as CSIC retains the legal mandate, it has the legal right to compel payments. So members must continue to pay their fees to CSIC at this time.

It is clear that any assets purchased by CSIC with members' funds belong to CSIC. We recently heard that \$29 million dollars has been paid by members. Surely, this is a major investment to protect. It is critical that assets be preserved **and** spending on non-essential items be halted until the Minister's full plan is known.

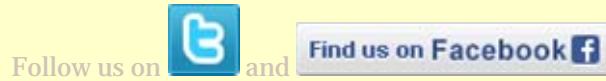
If CSIC is dissolved, it is solely up to the Directors to decide what to do with the assets. The Board has much leeway in that regard. If the Board wished, it could make a smooth transfer of assets to a new regulatory body. If members are concerned about the assets, they should elect **directors they can trust to act in accordance with the wishes of the membership.**

There is an opportunity this week to elect two new directors. Ask the candidates where they stand: Would they fight to keep the old CSIC? Or

would they support a Better Regulator and the passing on of any assets to the new regulator? Then vote!

**Renew YOUR CAPIC MEMBERSHIP OR JOIN TODAY**

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