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Over the past few years, there have been significant developments in both legislation and case law which have had an impact on corporate governance and the obligations and liabilities of directors and officers in Canada. In Canada, directors' and officers' statutory liability arises generally from two principal sources: the applicable Canadian and provincial corporate statutes and the provincial securities statutes. Directors and officers may also incur liability arising from various other statutes which impose specific liabilities to ensure compliance with their dispositions. It is important to note that the federal Canadian crown, the ten provinces and the three territories each have their own set of statutes by which corporate entities can be created and regulated. Each of these is slightly different, although most of the provinces have based their statutes in large measure on the federal statute, the Canada Business Corporations Act (R.S.C. 1985, c. C-44, 'the CBCA').

Securities statutes have been enacted by the provincial legislatures and securities matters are governed by these statutes which are enforced by provincial regulators. There is no central Canadian regulator and while many believe having one would be preferable, the issue has been hotly debated for some time without resolution. Other federal and provincial statutes provide for specific liabilities for directors and officers. Some of the more significant examples are found in tax and excise legislation, employment standards legislation and environmental protection legislation. This chapter is a summary of the significant recent developments in legislation and case law that have an impact on corporate governance and the duties, obligations and liabilities of directors and officers in Canada.

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