

Did Canada Soccer violate Canada's Not-for-profit Corporations Act?

Brief submitted on March 28, 2023 to the Standing Committee on Canadian Heritage, for their work on Safe Sport in Canada.

By Jay Fitzsimmons. Independent citizen (also a recreational soccer coach, ref, player, and writer).

Note: this brief is based on a post I wrote for the Canadian soccer blog Polar SC¹.

¹ <https://www.polarsc.ca/articles/CanadaSoccerCorpStatus/>

Summary

Canada Soccer seems to have violated Canada's Not-for-profit Corporations Act (CNCA) in two distinct ways in recent years.

1. They mis-characterized their corporate status in two annual returns filed with Corporations Canada.
2. It seems they failed to file financial statements with Corporations Canada, as required for soliciting corporations such as themselves.

These violations of existing financial requirements suggest Canada Soccer has low regard for legal compliance. More broadly it highlights the need for greater enforcement of existing requirements of National Sporting Organizations, as they seem to violate existing requirements frequently without repercussion.

What is a soliciting corporation?

If a Canadian non-profit corporation receives more than \$10,000 in a year from public sources then it's a soliciting corporation.

Soliciting corporations have extra reporting requirements. They must file financial statements with Corporations Canada, which are publicly posted.

Is Canada Soccer a soliciting corporation?

They receive more than \$10,000/yr from public sources, such as government grants². Thus they're a soliciting corporation.

Do they claim to be a soliciting corporation?

Sometimes yes, sometimes no. And that's weird.

² Canada Soccer financial information compiled by [Project #GrowTheGame](#).

For 2015-2022 annual returns submitted to Corporations Canada, they classified themselves as “soliciting” for six years, and “not soliciting” for two (2018 and 2021). Yet in each of these years they received way more than \$10,000 from government grants. **It seems clear they should have classified themselves as soliciting in all of these years, so those two years represent false filings.**

1	Corporate name Dénomination de l'organisation THE CANADIAN SOCCER ASSOCIATION INCORPORATED L'ASSOCIATION CANADIENNE DE SOCCER INCORPOREE	1	Corporate name Dénomination de l'organisation THE CANADIAN SOCCER ASSOCIATION INCORPORATED L'ASSOCIATION CANADIENNE DE SOCCER INCORPOREE
2	Corporation number Numéro de l'organisation 035054-1	2	Corporation number Numéro de l'organisation 035054-1
3	Year of filing Année de dépôt 2020	3	Year of filing Année de dépôt 2021
4	Date of last annual meeting of members (YYYY-MM-DD) Date de la dernière assemblée annuelle des membres (AAAA-MM-JJ) 2019-05-04	4	Date of last annual meeting of members (YYYY-MM-DD) Date de la dernière assemblée annuelle des membres (AAAA-MM-JJ) 2021-05-01
5	Is the corporation a soliciting corporation? Est-ce qu'il s'agit d'une organisation ayant recours à la sollicitation ? Yes Oui	5	Is the corporation a soliciting corporation? Est-ce qu'il s'agit d'une organisation ayant recours à la sollicitation ? No Non

Where are Canada Soccer's financial reports?

As a soliciting non-profit corporation, Canada Soccer must file financial reports³, posted online via Corporations Canada.

But the reports aren't there. From years when they classified themselves as soliciting or non-soliciting. On the Corporations Canada page for Canada Soccer⁴, the “Order Documents” section shows annual returns, but curiously no financial statements. Maybe Canada Soccer submitted financial reports and for some reason Corporations Canada didn't post them online. But the simplest explanation is that Canada Soccer didn't file their required financial reports. This apparent violation has been noted by others too, such as Canadian charity lawyer Mark Blumberg⁵.

Hockey Canada had a similar situation. Like Canada Soccer, Hockey Canada is a soliciting non-profit corporation. And like Canada Soccer, their financial reports weren't

³ <https://www.canadiancharitylaw.ca/blog/canadian-federal-non-profit-corporations-under-the-canada-not-for-profit-corporations-act-cnca-need-to-ensure-that-they-do-their-filings/>

⁴ https://ised-isde.canada.ca/cc/lqcy/fdr/CrpDtIs.html?corpId=350541&V_TOKEN=null&crpNm=canadian%20soccer%20association&crpNmbr=&bsNmbr=

⁵ <https://www.canadiancharitylaw.ca/blog/canadian-soccer-association-not-filing-financial-statements-with-corporations-canada-as-required-by-the-canada-not-for-profit-corporations-act-cnca/>

posted on Corporations Canada. Until Hockey Canada came under scrutiny (by your committee – thank you!), and suddenly nine years of financial reports were uploaded at once in October 2022⁶.

Could we see a similar mass-upload of financial reports by Canada Soccer once they're under scrutiny by your committee? Maybe they'll even post a report to their perpetually-empty webpage Canada Soccer Audited Financial Statements⁷?

Is Canada Soccer violating the federal Not-For-Profit Corporation Act?

It seems that Canada Soccer has violated the Act in two ways, repeatedly.

1. Misrepresenting their corporate status in two years of annual reports.
2. Failing to submit annual financial reports to Corporations Canada for many years.

Are these violations a big deal?

I'm not an expert, so I don't know. I'm not a lawyer or accountant (I'm a biologist for my day job). I'm a recreational soccer player, coach, referee, and writer. The fact that a non-expert like me can find multiple reporting violations so easily makes me wonder what actual experts could discover.

This is further evidence suggesting Canada Soccer can't be trusted financially. The annual report requirement of the Act is just five simple questions. To mess that up (twice!) does not inspire confidence in Canada Soccer's financial competence.

And to also fail to file financial reports repeatedly seems like more than an oopsie – it seems like deliberate financial secrecy.

Financial transparency for National Sporting Organizations

Canada's National Sporting Organizations (NSOs) do not have as stringent financial reporting requirements as those in other countries. Publicly-funded organizations ought to publicly report what they do with those funds, in detail. What secrets are hidden in the

⁶ <https://www.canadiancharitylaw.ca/blog/hockey-canada-finally-uploads-their-financial-statements-to-corporations-canada-website/>

⁷ https://canadasoccer.com/about_resources/audited-financial-statements/

financial murkiness, from frivolous expenses (e.g., new suits for Canada Soccer executives) to more dangerous things (e.g., the nebulous financial relationship between Vancouver Whitecaps and Canada Soccer and its role in past cover-ups of a sexual abuser coach)? **I hope your committee will recommend legislative changes to require more stringent, transparent financial reporting by National Sporting Organizations.**

But some NSOs are already violating Canada's meagre financial reporting requirements, seemingly without ramification. What's the use of stronger reporting requirements if NSOs can just ignore those too? **I hope your committee will also recommend greater compliance oversight and enforcement for NSO reporting.**

Greater financial transparency won't fix everything, but it will bring some accountability for fiscal conduct. This means transparency about unequal investment between men's and women's programs. It means transparency about money changing hands among people wearing multiple hats. And it means people can say "what the hell?" when they see Board members buying themselves new suits while cutting soccer funding.

I love soccer. That's why I'm being critical here. I want Canada Soccer to be open and fair. And they won't do that unless you make them, committee members.