

Fighting Against Forced Labour and Child Labour in Supply Chains (Bill S-211): Updated Guidance from the Minister

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On January 1, 2024, the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act) officially came into force. On March 7, 2024, the Minister of Public Safety and Emergency Preparedness (the Minister) published updated guidance (the [Updated Guidance](#)) to revise the original guidance (the Guidance) issued in December 2023.

What you need to know

- **Parents and subsidiaries must make separate entity determinations:** Companies should utilize consolidated financial statements, including the revenue, assets and employees of any controlled subsidiaries, to evaluate whether they meet the size, asset and revenue thresholds in the Act. Subsidiaries must independently assess their reporting obligations with reference to their standalone financial statements and should not rely on the consolidated statements of any controlling parent company.
- **New uncertainty regarding reporting triggers:** The Updated Guidance introduces uncertainty by removing references to “distributing” and “selling” as reporting triggers. The Act has not been amended to remove corresponding references from the legislation. Although the Updated Guidance does not state this, the deleted references may provide an indication that “distributing” and “selling” are not going to be initial areas of compliance focus for the Minister.
- **Format and length:** The Updated Guidance clarifies that the 10-page limit previously noted in the Guidance is merely a recommendation, not a requirement. However, the 100MB file size limit remains.
- **FAQs:** Concurrent with the Updated Guidance, the Minister also [published answers](#) to several commonly asked questions.

What's next?

Entities with a reporting obligation must file their inaugural report with the Minister in the manner specified in the guidance by May 31, 2024, and then subsequently by May 31 in each year that follows. The same requirement applies to federal government institutions as well. Corporations that are federally incorporated (including corporations

incorporated pursuant to the *Canada Business Corporations Act*) must provide the report or revised report to each shareholder, along with its annual financial statements, which may effectively accelerate the May 31 deadline to such an earlier date that such entity provides its annual financial statements to shareholders.

What can you do to prepare?

Please refer to [our bulletin](#) from September 2023 for specific recommendations on how you can prepare your entity to comply with the Act. For [more information on the Guidance](#), please refer to our January 2024 bulletin. In addition, organizations may want to familiarize themselves with the questionnaire, which is available on the Minister's [website](#), and the report submission process in advance of the filing deadline.

To discuss these issues, please contact the author(s).

This publication is a general discussion of certain legal and related developments and should not be relied upon as legal advice. If you require legal advice, we would be pleased to discuss the issues in this publication with you, in the context of your particular circumstances.

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