OVERVIEW OF SELECTED TOPICS

A. 2013 Federal Budget Highlights
   • Introduction of Temporary Donation Tax Credit for “First-Time Donors”
   • Early Collection of Amounts Owing from Donation Tax Shelters
   • Extension of Reassessment Period for Donors to Registered Tax Shelters
   • New Rules Concerning Collection of GST/HST on Paid Parking Affecting Charities
   • Amalgamation of the Department of Foreign Affairs and International Trade with CIDA
B. OTHER FEDERAL INITIATIVES

- Bill C-48, *Technical Tax Amendments Act, 2012*
- Split receipting rules
- Definition of charitable organization and public foundation
- Revocation for gift to non-qualified donee
- Determination of fair market value of gifted property
- Bill S-7, *Combating Terrorism Act*
- Bill S-14, *Fighting Foreign Corruption Act*

C. HIGHLIGHTS OF RECENT CRA PUBLICATIONS

- CRA Guidance on How to Draft Purposes for Charitable Registration
- CRA Guidance on Purposes and Activities Benefiting Youth
- CRA Guidance on Foreign Activities Changes Rules on Capital Property in a Foreign Country
- CRA Resources for Charities Concerning Political Activities
- Modifications Made to CRA Policy Statement on Political Activities
- Registration Requirements for Qualified Donors

D. CORPORATE UPDATE

- *Canada Not-for-profit Corporations Act* (CNCA) Update
  - Only 2,100 of 17,000 federal corporations continued as of October 31, 2013
  - May possibly need to collapse multiple membership structure as part of continuance process
- *Ontario Not-for-profit Corporations Act* (ONCA) Update
  - Timing of proclamation
  - Amendments proposed by Bill 85
Ontario Social Enterprise Strategy Announced
– No legislation introduced as of yet

BC Approves Regulation for Community Contribution Companies
– Regulation came into force on July 29, 2013

Nova Scotia Passes Community Interest Companies Act
– Act not yet proclaimed

E. OTHER PROVINCIAL INITIATIVES
• Proposed Employer Health Tax Act Amendments May Impact Charities
• Proposed Payday Lending Amendments in Ontario
  – Amendments might have caught charities that engage in microfinance lending, but the amendments are now expected to exempt charities

F. SELECTED CASE LAW (IN CHRONOLOGICAL ORDER)
• Court Upholds Termination for Misapplying Charitable Funds
  – English v. Travel Centres Canada
• Court Intervenes in Membership Dispute to Remove Directors
  – Pal et al v. Chaterjee et al
• Court Intervenes in Church Dispute to Ensure Fairness in Membership Admission
  – Diaferia et al v. Elliott
• Federal Court of Appeal Decision in Prescient
  – Prescient Foundation v. Minister of National Revenue
• Appeal in Guindon v The Queen
  – Third party penalty (s. 163.2 of the Income Tax Act)
    against lawyer for charity
• Ontario Human Rights Tribunal Rules that Atheism is a
  Creed/Religion
  – R.C. v. District School Board of Niagara
• Applications to Delay Revocation of Charitable Property
  – Chabad v. Minister of National Revenue