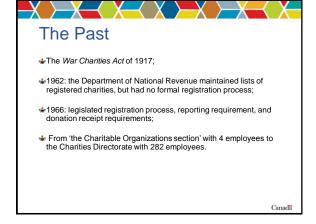


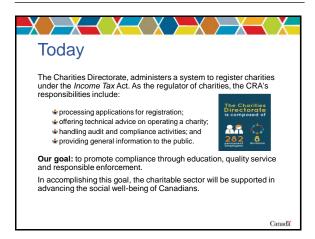
The 2018 Ottawa Region Charity & Not-for-Profit Law Seminar Ottawa – February 15, 2018

CHALLENGES IN REGULATING THE CHARITABLE SECTOR: LOOKING BACK AND GOING FORWARD

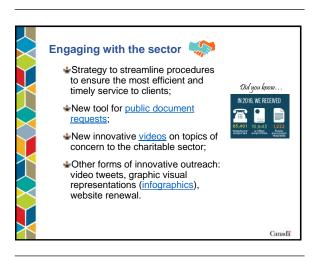
By Tony Manconi, B.A.
Director General of the Charities Directorate
of Canada Revenue Agency

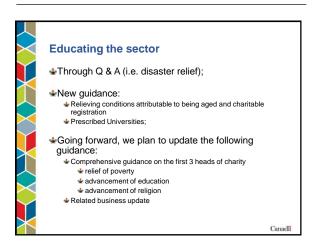












Political Activities

What we did to clarify the rules on political activities:

- ♣In-person and online consultations.
 - We received 19,990 submissions from charities and individuals, and
 - ♣ We met with 167representatives from the charitable sector.

What we did with the feedback:

Feedback was reviewed by the Consultation Panel on Political Activities of Charities

What we did in response to the Panel's Report:

- Suspension of all remaining audits and objections that were part of the Political Activities Audit Program;
- ♣Currently reviewing the report and preparing a response.

Canada

Protecting charities from terrorist abuse

- Focusing on working to combat support for terrorist financing within charities: Participating in the Financial Action Task Force.
- Working to enhance our public outreach regarding the risk of terrorist abuse in the charitable sector.

Canada

Monitoring charities

- New business intelligence and analytics team to better target audits to cases of serious noncompliance;
- ♣Charity Education Program (CEP)
 - Designed to provide in-person support and information to charities;
 - Visits will involve: information sharing, books and records review, and summary of findings and recommendations;
 - **GEP** ≠ audit;
 - ♣CEP will allow us to:

 - * reduce the burden of a full audit on charities where it is not
 - engage with a larger number of charities.

Canada

International Regulators' conference

Ensures we have a pulse on how charities and regulators abroad are functioning – allows us to remain current and responsive.



Canadi

Challenges

Constitutional framework

- The responsibility for managing the operations of charities falls to provinces and territories;
- Provinces have limited their involvement in regulating charities:
- ♣The federal government deals with aspects of the regulatory regime for charities through its powers of taxation;
- ◆CRA has become the de facto regulator.

Canada

Challenges cont'd

Continuous environmental changes

- The charitable sector is evolving and we as a Regulator need to keep pace with the changing environment;
- ♣Three themes stand out:
 - Charities have had to evolve and be more innovative in generating income;
 - Charities have had to be more strategic in how they deliver their programs to meet demands and maximize resources;
 - There is a need for more clarity to help charities understand and comply with the rules of registration.

Canada













