

Fact Sheet

Charities Regulatory Reform: Improving the Charities Appeals Process

April 2004... The 2004 federal budget announced that \$12 million annually has been allocated to improve the way charities are regulated. Some of this funding will go towards improving the current appeals process for registered charities. These activities are part of a larger 5-year charities regulatory reform initiative.

Internal Reconsideration of CRA Decisions

There is currently no formal process for the internal review of initial decisions on charities made by the Canada Revenue Agency (CRA). To ensure fairness, consistency and openness in regulatory decision-making, an independent unit will be established within the CRA's Appeal Branch to provide internal reconsideration of:

- applications for charitable status that have been denied;
- revocations or annulments of charitable registration; and
- sanctions the CRA proposes to impose.

This will provide a means of redress for organizations that is impartial, fast, efficient and inexpensive. The results of the reconsideration will be communicated to the organization in writing and to the public on the CRA's Web site.

External Appeals

One of the major changes to come out of the charities reform initiative is the introduction of sanctions. Under the initiative, appeals of taxes and penalties the CRA proposes to impose may be directed to the Tax Court of Canada. Appeals of decisions on registration and revocation of charitable status will continue to be directed to the Federal Court of Appeal. Appeals of decisions to annul the registration of a charity will also be directed to the Federal Court of Appeal. This system will allow disputed sanctions to be handled quickly, while ensuring that Federal Court of Appeal continues to deal with questions about what constitutes a charitable purpose or activity. Information about the decisions of the Courts will be posted on the CRA's Web site.

Additional Information

For further information about charities regulatory reform, please see www.cra.gc.ca/charities.

