

Honorable Chrystia Freeland

Deputy Prime Minister and Minister of Finance
chrystia.freeland@dpmo-cvpm.gc.ca

Honourable Marie-Claude Bibeau

Minister of National Revenue
Marie-Claude.Bibeau@parl.gc.ca

Honourable Diane Lebouthillier

Minister of Fisheries, Oceans and the Canadian Coast
Guard
diane.lebouthillier@parl.gc.ca

Letter re: Charitable Status

October 15, 2024

Dear Hon. Minister Freeland, Hon. Minister Bibeau, and Hon. Minister Lebouthillier,

We understand that the Standing Senate Committee on Fisheries and Oceans, in its May 2024 report [Sealing the Future: A Call to Action](#), recommends that the *Income Tax Act* (ITA) be reviewed and amended to revoke the tax-exempt status of charities and non-profit organizations that “produce or promote misinformation and/or disinformation about the seal harvest or seal products industry.”

The Canadian Centre for Christian Charities (CCCC) believes in a transparent, accountable, and effective charitable sector. We do not and would not support charities that conduct their activities in deliberately deceptive ways, regardless of their charitable purposes or objectives.

The CCCC takes no position and makes no comment on seal harvests or the seal products industry; however, CCCC is concerned about any and all matters that could significantly impact the entire charitable sector, particularly as they relate to charitable status, including the above recommendation to amend the ITA.

In the letter that follows, we outline a few of our key concerns and make a specific recommendation. We note at the outset that our recommendation does not impair or impede the pursuit or implementation of any of the Senate Committee’s other suggested action items.

Concerns

Concern #1: Politicizing charitable status

The recommendation to amend the ITA singles out a subset of charities based on a position toward or beliefs about a particular issue, and therefore could be viewed as informed by political

considerations. As such, it is an unwarranted politicization of charitable status that could put all charities at risk.

Concern #2: Long-term Impact

If an organization's charitable status is at risk simply because its views or beliefs are different than those of the government, all charities are at risk. It means that every time the government adopts a new view or political priority, or any time a new government is elected, charitable status for specific groups could be in jeopardy and charities may be singled out for additional monitoring or audits simply because they hold different views than the government.

Concern #3: Lack of Definition

There must be clarity around terms, specifically defining the meaning of “disinformation” and “misinformation” and identifying how charities' conduct will be measured against these standards.

Concern #4: Jeopardizes A Diverse Charitable Sector

Canada is a diverse and pluralistic nation. Its diversity is represented in many ways, including through its charitable organizations. It is a precarious situation when a government wades into debates over matters of opinion, even those that are strongly held. One only need recall the scrutiny environmental charities endured, both federally and provincially, to see the danger of characterizing an opinion as “disinformation” or “misinformation” simply because a government may disagree.

Concern #5: Charter Infringements

This proposed ITA amendment raises potential *Charter* concerns. Here we highlight just one. Freedom of expression ensures that everyone can express their thoughts, opinions, and beliefs, however unpopular or contrary to the mainstream.¹ Freedom to fully and openly express views on social and political issues is fundamental to democracy and therefore to all other *Charter* rights and freedoms. Restrictions that touch the core of social and political issues raise concerns about the “dangers inherent in state censorship of such debate.”²

Recommendation: Existing Tools Are Sufficient

The Canada Revenue Agency (CRA) has substantial tools at its disposal to address fraudulent actors and dishonest reporting that rightly fall within the parameters of the ITA – we encourage the government to review the robust compliance mechanisms currently available to CRA.

For example, CRA can review whether a charity's activities align with the activities and purposes it identified during the registration process. This is a well-established, education-first, and procedurally fair process. Charities engaging in conduct that falls outside the scope of their approved purposes and activities would rightly merit scrutiny.

¹ [Irwin Toy Ltd. v. Quebec \(Attorney General\)](#), [1989] 1 SCR 927 at 968

² [R. v. Keegstra](#), [1990] 3 SCR 697 at 849

Further, dishonesty is already addressed in the ITA. Charities that make false statements in circumstances that amount to culpable conduct (s 149.1(4.1)(c), 168(1)(d)) can lose charitable registration. Similarly, charities are prohibited from having directors, trustees, officers or like officials who, among other things, have been convicted of crimes involving financial dishonesty (s (149.1(1)).

These are just a few examples of how CRA ensures charities are operating in compliance with legal and regulatory requirements. If CRA's existing tools are inadequate, the government must clearly state how and why these tools are insufficient.

Conclusion

We again emphasize that other recommendations in the report can be readily pursued without making changes to the ITA. The government can create education campaigns, develop and implement more robust research capacity, support greater science and research collaboration, counter positions and opinions expressed by other groups (including registered charities and non-profit organizations), and increase the seal harvest.

Given the concerns about politicizing charitable status shared broadly across the charitable sector, and the existing compliance mechanisms available to the CRA, we trust that the government will give very careful thought before pursuing the Recommendation to amend the ITA.

As always, CCCC remains available for further discussions on this issue.

Yours truly,

Deina Warren
Director of Legal Affairs
The Canadian Centre for Christian Charities

About CCCC

The Canadian Centre for Christian Charities (CCCC) is the largest association of Christian charities in Canada, with over 3,200 members. Over the past 50 years, CCCC has become a national leader in providing expertise and support around all areas of operation for Christian charities, including tax and legislative compliance, fundraising, human resources, financial management, board governance and risk management. Our aim is to help charities become ever more exemplary, healthy, and effective.