

May 10, 2017

PFC Statement on the Report of the Consultation Panel on Political Activities

On May 4, the Canada Revenue Agency made public the [Report](#) of the Consultation Panel on the Political Activities of Charities ("the Panel"), which was appointed by the Minister of National Revenue in September 2016. This Consultation Panel of five experienced sector leaders and regulatory experts has called for changes to the federal administrative and legislative framework governing the charitable sector. **PFC strongly supports all four of the recommendations made to the Minister of National Revenue.**

The first two relate to **interim administrative changes**, and the second two focus on the **longer-term legislative changes** required:

1. Revise the CRA's administrative position and policy (including its policy guidance, CPS -022 Political Activities) to enable charities to fully engage in public policy dialogue and development.
2. Implement changes to the CRA's administration of the ITA in the following areas: compliance and appeals, audits, and communication and collaboration to enhance clarity and consistency.
3. Amend the ITA by deleting any reference to non-partisan "political activities" to explicitly allow charities to fully engage, without limitation, in non-partisan public policy dialogue and development, provided that it is subordinate to and furthers their charitable purposes.
4. Modernize the legislative framework governing the charitable sector (ITA) to ensure a focus on charitable purposes rather than activities, and adopt an inclusive list of acceptable charitable purposes to reflect current social and environmental issues and approaches.

All of these recommendations are important, but particularly significant is the fact that the Panel is proposing a modernization of the legislative framework governing charities. This is a key step. PFC has joined with other sector organizations in calling for the federal government to fulfill its commitment made after the election to consider legislative modernization for the charitable sector.

PFC supports the call made by Imagine Canada in [response](#) to the release of the Panel Report: *"The Prime Minister's mandate letters to a number of ministers, including National Revenue, Finance, and Justice, made clear the government's commitment to legislative change. Charities participating in the consultation were overwhelmingly in favour of such change. The Expert Panel has provided the federal government with a road map to meeting its commitments. We look forward to working with the Minister of National Revenue and her colleagues to achieve real change."*

We were very pleased to read the Minister of National Revenue's [initial response](#) to the Panel Report, in which she confirmed that she has asked the CRA to suspend all action in relation to the remaining audits and objections that were part of the Political Activities Audit Program, initiated in 2012.

PFC is working closely with other sector organizations to advocate for further action by the federal government. We expect a response from the federal government to the Panel Report and to the many submissions made by sector organizations ([see here for PFC submission](#)) during the consultations last winter. We will be pressing for a federal response to this Report that accepts and acts on all four recommendations as soon as possible.