

## MEMBER ADVISORY #1-2017

May 12, 2017

**To:** PFC Members  
**From:** Hilary Pearson  
**RE:** **Public Policy, Legal and Regulatory Update**

### 1. Progress on Modernization of the Charitable Regulatory Regime

On May 4, the Canada Revenue Agency made public the [Report](#) of the Consultation Panel on the Political Activities of Charities (“the Panel”). The Report calls for changes to the current administrative and legislative framework governing "political activities" of charities. The Panel made four recommendations to the Minister. The first two relate to interim administrative changes, and the second two focus on more comprehensive and far-reaching legislative changes required to update the regulatory regime that structures the work of charities. PFC has issued a [response](#) to the report and what it means for funders in Canada. We are continuing to work with Imagine Canada and other sector organizations to pursue a dialogue with federal Ministers and parliamentarians about action on these recommendations.

### 2. Federal Budget 2017

The federal government delivered its second budget in March, focusing largely on the economy, skills development and innovation. There was virtually no mention of the charitable sector as a whole, nor any focus on social innovation, which was disappointing for many in the sector.

The Budget did announce some changes to tax incentives for donations, including abolishing the First Time Donor Super Credit. The Budget also introduced a provision to no longer permit private foundations to receive ecogifts, or gifts of ecologically sensitive land or easements, covenants and servitudes on such land. The grounds for this measure relate to the potential for conflicts of interest. For more information on this provision, consult the Miller Thomson [advisory](#).

For other commentaries on the federal Budget as it affected charities, see the following.

#### **Budget 2017: A lost opportunity for a sector-wide vision**

Imagine Canada’s analysis of Budget 2017, expressed disappointment about the lack of focus on the charitable sector and the challenges posed to the sector by the social deficit in financing as demand for services increases while funding declines.

[Read more.](#)

### **2017 Canadian Federal Budget - How will it affect the Canadian charitable sector?**

Mark Blumberg and Kate Robertson lawyers at Blumberg Segal outline how the Federal Budget provides support for areas such as affordable housing and universities, but offers limited initiatives in terms of the charity and non-profit sector as a whole.

[Find out more.](#)

### **Federal Budget 2017: Impact on Charities And Not for Profits**

This is a [detailed summary](#) of Budget provisions from Carters the charity law firm.

#### **3. PFC Public Policy Agenda**

In July 2016, PFC submitted a [pre-budget brief](#) with four recommendations, which are at the core of our policy agenda and which we will continue to work on in 2017:

- Clarify the CRA guidance governing program-related investment by foundations
- Create an advisory panel, involving stakeholders from the public, private, non-profit and charitable sectors, to help define a national strategy on the development of the social finance marketplace in Canada.
- Establish a process with participation from the charitable and nonprofit sector to review the regulatory regime with respect to the definition of charitable purposes and activities, including advocacy.
- Reinstate the collection of key data on the non-profit sector by Statistics Canada that would enable better policy –making on the regulation and capacity-building of the non-profit sector in Canada

We welcome comments and input from PFC members on these policy priorities. Please contact [Hilary Pearson](#).