

MEMBER ADVISORY #2-2016

October 11, 2016

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

1. CRA Consultation on Political Activities

As announced in Budget 2016, the Canada Revenue Agency (CRA) will collaborate with the Department of Finance to engage with charities to clarify the rules governing political activities. As part of this engagement process, the CRA is collecting feedback from charities and the public. This feedback will be considered in the development of new guidance or educational resources for charities on the rules governing political activities.

This online consultation will be part of a series of discussions between the government and the charitable sector on this issue. Online consultations open to all charities and the public, will begin immediately and continue through the fall.

In-person consultations with a panel of representatives from the charitable sector will then take place in Halifax, Montreal, Toronto, Winnipeg, Calgary and Vancouver later in December and January. The panel includes chairwoman Marlene Deboisbriand, vice-president of the Boys and Girls of Canada; Peter Robinson, CEO of the David Suzuki Foundation; Kevin McCort, president and CEO of the Vancouver Foundation; Susan Manwaring, partner at Miller Thomson; and Shari Austin, principal consultant at Shari Austin & Company. The panel will compile a report for the Minister of CRA in January 2017

Review the CRA media release on Sept. 27 announcing this [consultation process](#).

For the online consultation, the CRA has listed a [series of questions](#) on its website.

All online comments are requested by November 25, 2016.

If you have comments you wish us to make on your behalf on the subject of political activities or other broader issues related to the monitoring and regulation of the activities of charitable foundations, PFC would be glad to compile them. We intend to make a submission on the topic of the political activities guidance and would value your thoughts and input. Please contact [Hilary Pearson](#).

2. Federal Change to the Limited Partnership Rule and CRA Reporting Requirement

The law has now been changed to enable the **acquisition or holding of limited partnership interests by registered charities**. Details on the Limited Partnership change can be found on the [CRA web site](#).

The CRA requires registered charities to annually report their partnership holdings. To fulfil the reporting requirement for this year, charities must answer the question [Did the charity have direct partnership holdings at any time during the fiscal period?](#) and attach it to the charity's T3010.