

The Advisory Committee on the Charitable Sector

We advance emerging issues relating to charities and provide recommendations to the Minister of National Revenue and the CRA.

Definition of charity and charitable purpose working group

What we heard	What we recommend
<ul style="list-style-type: none"> » Concerns with Canada's approach to defining charity and charitable purposes, given the reliance on common law » Need for reconciliation-focused policy reviews and consultations » Consideration of a independent regulator 	<ol style="list-style-type: none"> 1. Amend the <i>Income Tax Act</i> to include certain objects as charitable purposes (e.g., prevention of poverty and advancing amateur sport and recreation) 2. Review policies that impact reconciliation (e.g., <i>CPS-012</i>) related to Indigenous peoples 3. Develop outreach and support with Indigenous communities to build trust and address tax-related issues regarding reconciliation 4. Consult the charitable sector to explore the benefits of establishing an independent charities regulator to modernize charity law and regulation

National Inherent Risk Assessment working group

What we heard	What we recommend
<ul style="list-style-type: none"> » Charities supporting humanitarian aid and development work in regions at higher risk for terrorism financing have expressed concern with the fairness and effectiveness of regulatory measures relating to anti-money laundering and anti-terrorism financing (AML/ATF) regime 	<ol style="list-style-type: none"> 1. Adopt a more comprehensive risk assessment approach to more accurately represent the charitable sector's vulnerabilities 2. Urge the development and dissemination of <i>Charter</i> compliance guidance for anti-money laundering/anti-terrorist financing regulatory bodies 3. Include Gender-based Analysis Plus (GBA Plus) in future <i>NIRA</i> iterations 4. Seek clarification and clear guidance from the Department of Public Safety Canada on the implications of recent <i>Criminal Code</i> amendments related to the charitable sector 5. Establish an advisory group of key ministries and humanitarian bodies to review and advise on policy related to the <i>Bill C-41</i> legislative regime

Transparency and data related to other qualified donees and non-profit organizations working group

What we heard	What we recommend
<ul style="list-style-type: none"> » Need for improved data quality and transparency to make data-informed program and policy decisions » More real-time data » Less administrative burden for charities reporting their information 	<ol style="list-style-type: none"> 1. Improve disbursement quota reporting and transparency <ol style="list-style-type: none"> a. Create a publicly available tracking tool using the <i>T3010</i> data to enhance compliance transparency b. Enhance public reporting features in relation to disbursement quota on the Charities and Giving website's "Quick-View" section 2. Report data on granting to non-qualified donees <ol style="list-style-type: none"> a. Develop a transparent tracking tool for non-qualified donee grants b. Use artificial intelligence for data analysis from the <i>T1441</i> 3. Boost electronic filing with the CRA <ol style="list-style-type: none"> a. Improve data quality by training the sector on how to complete the <i>T3010</i> b. Encourage electronic filing to reduce errors and improve efficiency of data

Relationship between the CRA and the charitable sector working group

What we heard	What we recommend
<ul style="list-style-type: none"> » Charities find the registration and reporting processes, including navigating CRA's electronic application and online filing systems, to be complex » Need for improved outreach and communication between charities and the CRA, including a more engaging and supportive environment for charities 	<ol style="list-style-type: none"> 1. Streamline online processes for easier data entry and retrieval, improve the <i>T3010</i> process functionality, and address My Business Account functionality challenges 2. Simplify the registration process and procedures to reduce the need for legal representation 3. Enhance educational initiatives, offer guidance and training to support compliance in reporting 4. Improve charity engagement and support by using digital innovations, interactive websites, outreach campaigns, and mentorship programs 5. Facilitate access and communication by expanding communication channels 6. Create partnerships to better understand and support sector-specific needs and challenges

For more information visit <https://www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/corporate-reports-information/advisory-committee-charitable-sector.html>