

Strengthening Canada's Charitable Sector

Regulatory Reform

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Initiative between the
Government of Canada and
the Voluntary Sector

Initiative entre le gouvernement
du Canada et le secteur
bénévole et communautaire

March 2003

The Honourable John Manley
Minister of Finance
House of Commons

The Honourable Elinor Caplan
Minister of National Revenue
House of Commons

c.c. The Honourable Sheila Copps
Minister of Canadian Heritage
and Minister Responsible for the Voluntary Sector
House of Commons

We are pleased to present this report for your consideration.

The report was prepared by the Joint Regulatory Table, a working group which was convened in November 2000 under the Voluntary Sector Initiative to study and make recommendations for improving the legislative and regulatory environment in which the voluntary sector operates.

Table members were drawn in equal numbers from the government and voluntary sector. Members were chosen on the basis of their expertise, experience and willingness to work collaboratively rather than as representatives of organizations. The views presented, therefore, are those of the participants, not those of their respective organizations.

The report examines the federal regulation of charities and looks at options for change in four key areas:

- accessibility and transparency of the federal regulator, including making information it holds about charities available to the public;
- better access to appeals for organizations that disagree with decisions made by the regulator;
- compliance reforms, such as the possibility of introducing new sanctions to ensure charities meet their legal obligations; and
- institutional models.

In addition to the four regulatory areas discussed in this report, the Table was also active in two other areas. It worked with the Canada Customs and Revenue Agency in developing a shorter annual reporting form for charities, and drafting guidelines on the type and degree of business activity charities can legally engage in.

As the Table pursued its work, it realized that its proposals in the various subject areas were, in fact, interdependent. For example, recommended changes related to sanctions implied change in the appeals process. Members also realized that the recommendations are dependent on the institutional context in which they might be implemented. For these reasons, many of the recommendations are interwoven and form an integrated framework. This will need to be considered in future discussions on implementation.

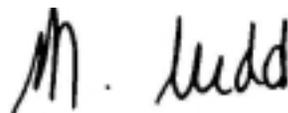
To ensure that the implications of any regulatory changes were fully considered, the Table held consultations on an interim report during the Fall of 2002. People from a wide range of voluntary sector organizations, their advisors, provincial government departments and the general public offered their views on the interim recommendations.

The interim report was largely supported in the consultation process, and has given us confidence we are on the right track. We wish to thank the more than 500 Canadians who participated in the consultations, as well as the 24 organizations that submitted formal briefs, for sharing their insights and expertise with us.

Given the support expressed during consultations, we are proud to commend this report to the Government of Canada. We also believe the views presented in the report will be of interest to a wider audience of Canadians, including those in the voluntary sector, their advisors, government officials, donors, the general public and many in the business, academic and labour communities. To this wider audience, whose support is vital to the health and development of Canada's charitable sector, we also commend the report.



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