



News Release

CRA Issues Notice of Suspension to International Charity Association Network

Ottawa, Ontario, November 29, 2007...The Canada Revenue Agency (CRA) has issued a Notice of Suspension to International Charity Association Network (ICAN), a registered charity under the *Income Tax Act* (ITA), stating that it has been suspended for one year beginning on November 28, 2007.

As stated in the Notice of Suspension:

“It continues to be the Canada Revenue Agency's (the “CRA”) view that the International Charity Association Network (ICAN) is in contravention of subsections 230(2), 231.1(1) and 231.2(1) of the *Income Tax Act* (the “ITA”) by failing to maintain and/or provide, and failing to provide access to, books and records relating to its involvement with tax shelter arrangements.

...

The Charity has failed to maintain sufficient documentation to support payments and expenditures including \$26,372,685 in fundraising payments and \$244,323,422 in charitable program expenditures. Further, the Charity has failed to provide required documentation to the CRA. It is the CRA's position, that these are serious contraventions of the *Income Tax Act* and warrant the immediate suspension of the Charity.”

A charity that has been suspended has no authority to issue donation receipts for income tax purposes for gifts it may receive during its suspension. Also, during the suspension, the charity is deemed not to be a qualified donee, prohibiting other registered charities from making gifts to it during that period. It should be noted that this Notice of Suspension applies only to ICAN.

Registered charities in Canada perform valuable work in our communities, and Canadians support this work in many ways. The CRA regulates registered charities through the ITA and is committed to ensuring that charities operate in compliance with the law. Where a registered charity is found not to comply with its legal requirements, the CRA may apply monetary penalties or may suspend or revoke the charity's status under the ITA.

The CRA is reviewing all tax shelter-related donation arrangements (for example schemes that typically promise donors tax receipts worth more than the actual amount of the donation), and it plans to audit every participating charity, promoter, and investor. For more information about tax shelters, visit the CRA's Tax Alert section at www.cra.gc.ca/alert.

For additional details about the specific circumstances of this suspension, please consult the attached **backgrounder**.

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