



News Release

CRA revokes charitable status of the Francis Jude Wilson Foundation

Ottawa, Ontario, March 5, 2008... The Canada Revenue Agency (CRA) has revoked the registered charity status of the Francis Jude Wilson Foundation, a Montreal-area charity. This revocation was effective February 23, 2008, and follows a letter dated August 27, 2007, that was sent to the Foundation.

As stated in the letter:

“The result of these arrangements is that, in essence, the Charity received in actual cash returns from the tax shelters a mere \$23,716 in fiscal 2005 and \$81,951 in fiscal 2006 yet issued receipts totaling \$10,560,650. From the actual cash returns, the Charity incurred professional fees of \$105,129 and \$129,726 in 2005 and 2006 respectively.

Based on this, it appears that the preponderance of the Charity’s funds are directed primarily to the benefit of the tax shelter promoters and to the promotion of the tax shelter arrangement while a scant percentage reverts back to the Charity. In our view, the arrangement described above, particularly the insignificant returns realized by the Charity and its lack of control over its own “investments”, demonstrates a willingness of the Charity to lend its receipting privileges for the inappropriate private benefit of the tax planning donation arrangement and its promoters, which is not charitable at law.”

....

“Given the manner in which the Charity has structured its financial affairs for the private benefit of the tax shelter and its promoters, its proportionally minimal levels of involvement in these financial arrangements, its failure to act in the best interests of the Charity by choosing prudent investments in favour of those pre-selected and pre-arranged by the tax shelter, it is our view that a collateral purpose, if not primary purpose of the organization is, in fact, to support and promote the tax shelter arrangement.”

The notice of intent to revoke and other letters relating to the grounds for revocation are available to the public on request by calling 1-800-267-2384.

A charity that has had its charitable status revoked can no longer issue donation receipts for income tax purposes. The charity is no longer exempt from income tax, unless it qualifies as a non-profit organization, and it may be subject to a tax equal to the full value of its remaining assets.

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 *Income Tax Act* 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 Act.

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



Canada Revenue
Agency

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every participating charity, promoter, and investor. For more information about tax shelters, visit the CRA's Tax Alert Web page at **cra.gc.ca/alert**.

Did you know that the Canada Revenue Agency Web site now offers RSS feeds for news releases and certain other content streams? Visit **cra.gc.ca/rssfeeds** for more information.

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