



News release

The Canada Revenue Agency revokes the charitable status of Tamil (Sri Lanka) Refugee-Aid Society of Ottawa

Ottawa, Ontario, July 19, 2010... The Canada Revenue Agency (CRA) has revoked the charitable registration of Tamil (Sri Lanka) Refugee-Aid Society of Ottawa (the Society), an Ottawa-area charity effective July 17, 2010.

On June 15, 2010, the CRA issued a notice of intention to revoke the charitable registration of Tamil (Sri Lanka) Refugee-Aid Society of Ottawa, in accordance with subsection 168(1) of the *Income Tax Act* (the Act). The letter stated, in part, that:

On the basis of the Canada Revenue Agency (CRA) audit, we have concluded that the Society has ceased to comply with the requirements of the Act for its continued registration in that it: failed to maintain adequate control and direction over the use of its funds; improperly issued tax receipts on behalf of third parties; and provided funding to non-qualified donees outside Canada.

This funding included \$713,000 provided to an organization which, on the basis of publicly available information detailed in our letter of February 22, 2010, the CRA believes was operating as part of the support network for the Liberation Tigers of Tamil Eelam (the LTTE), a listed entity under the *United Nations Suppression of Terrorism Regulations* and the *Criminal Code of Canada*. The CRA audit also indicates that fundraising conducted under the Society's auspices involved an individual who has been convicted in the United States of conspiring to provide material support to the LTTE. In addition, the Society's liaison officer for Sri Lanka was named in documents filed with the Federal Court of Canada as a contact for area sales coordinators with the World Tamil Movement, also a listed entity under the *Criminal Code of Canada* because of its ties to the LTTE.

The notice of intention 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 and is no longer a qualified donee under the *Income Tax Act*. The organization 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 *Income Tax Act*.

The Government of Canada has made it very clear that it will not tolerate the abuse of the registration system for charities to provide any means of support to terrorism, and that the tax advantages of charitable registration should



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not be extended to an organization where its resources may, directly or indirectly, provide any means of support for, or benefit to, an organization listed under the *United Nations Suppression of Terrorism Regulations* or the *Criminal Code of Canada*, or to any other body engaged in terrorism. For more information, see the Checklist for Charities on Avoiding Terrorist Abuse at **www.cra.gc.ca/checklists**.

For more information about the registration of Canadian charities, go to the CRA's Charities and Giving Web page at **www.cra.gc.ca/charities**.

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