

July 22, 2025

The Honourable François-Philippe Champagne
Minister of Finance
House of Commons
Parliament Buildings
Ottawa, ON K1A 0A6

Via email: francois-philippe.champagne@parl.gc.ca

Dear Sir or Madam:

Re: Improving the Charitable Sector in Canada in 2025 and Beyond

1. Introduction

We are writing on behalf of the Canadian Association of Gift Planners (“**CAGP**”) to share with you our current list of ideas and priorities for improving the charitable sector in Canada. CAGP as an organization is particularly focused on ideas and priorities that facilitate the growth and development of the charitable sector in Canada through philanthropy and gift planning. As you know, philanthropy and gift planning are essential to the financial health and well-being of the charitable sector in Canada. Charities rely on the generosity of Canadians, often facilitated through legislative and policy measures, in order to be able to deliver much needed programs and services on a daily basis.

2. More About CAGP

CAGP is a Canadian national, non-profit organization established in 1993. CAGP offers advanced education on philanthropy and gift planning to its 1,500 fundraiser and professional advisor members located in 16 chapters across Canada.

CAGP also promotes philanthropy by contributing technical expertise on topics related to Canada’s legislative and policy environment. Many of the positive tax incentives related to charitable giving, such as the elimination of the capital gains tax on gifts of publicly listed securities in May 2006, were achieved with the help of key stakeholders, including CAGP.¹ This change had an enormous impact on the charitable sector. As of 2019 publicly listed shares accounted for nearly \$1 billion in donations each year.²

¹ For more information about CAGP and our areas of expertise, please visit our website at <https://www.cagp-acpdp.org/>.

² The Impact of Elimination of Capitals Gains and What’s Next (November 7, 2019), online *Association of Fundraising Professionals* <https://afpglobal.org/impact-elimination-capital-gains-and-whats-next>.

3. Improving the Charitable Sector in Canada

Our current list of ideas and priorities for improving the charitable sector in Canada are as follows:

(a) Embrace the Sector's Expertise Through Consultation

The charitable sector in Canada contains a breadth of information and expertise about the needs of the sector and its financial health and well-being. Consulting with the sector before proposing or implementing legislative and policy changes ensures that issues are properly identified and that the legal and regulatory framework is conducive to solving them. We would like to reiterate our desire to work in cooperation with Government to identify and address any and all challenges related to the charitable sector and its financial viability through philanthropy and planned giving.

In relation to such consultation we support the creation of a designated Charities and Not-for-Profit unit or ambassador in the Government to represent the interests of the sector. We understand that this has been suggested by Imagine Canada and other organizations in the sector.

(b) Eliminate Red Tape in Order to Make Charitable Giving Easier

In 2023, one in five Canadians reported needing to rely on charitable services to fulfill their basic needs.³ However, charities are struggling to meet the demand for services as charitable giving decreases.⁴ In other words, many charities lack sufficient funding to adequately deliver programming. In order to promote an increase in charitable giving from a broader segment of Canadians, we recommend removing legislative and policy barriers that donors encounter when making charitable gifts, including potentially all or a combination of the following:

- Amend the Income Tax Act (Canada) to no longer require withholding tax on registered fund withdrawals paid directly to registered charities. This would support charities at no immediate cost to government, and it would reduce the administrative burden on government as it would no longer require CRA to approve T1213 Requests to Reduce Tax Deductions at Source;
- Removal of the components of the alternative minimum tax calculation that have, since their implementation on June 20, 2024, reduced major gifts to charities;
- Clarification of the anti-directed giving rules that are preventing registered charities from making grants to non-qualified donees out of fear that CRA may consider them to be a conduit;
- Removal of the capital gains tax on gifts of private company shares; and
- Removal of the capital gains tax on gifts of real estate.

³ The Giving Report 2024: From Disconnection to Collective Action (2024), online *CanadaHelps*, page 24 <https://www.canadahelps.org/en/the-giving-report/>.

⁴ *Ibid.*

Should you require any background information about these barriers to charitable giving and how they are affecting the charitable sector in Canada, we would be pleased to provide you with any background information you may need.

(c) Advancement of Religion as a Charitable Purpose is Essential

In the December 2024 Report of the House of Commons Standing Committee on Finance, the Committee recommended the elimination of “advancement of religion” as a charitable purpose.⁵ This suggests that religious organizations in Canada are not charitable and would lose their registered charity status and/or no longer qualify going forward.

We wish to convey our position that adopting such a recommendation would be catastrophic to the charitable sector in Canada and those Canadians serviced by charities. Beyond addressing whether such a policy decision would be compliant with Canadian law, ethical, or socially desirable or responsible, the potential decision fails to appreciate the reality of what is happening on the ground in the charitable sector in Canada. The reality is that religious congregations and other faith-based organizations, and the individuals and families who support them through charitable giving, assist Canada’s most marginalized communities and at-risk persons. For example, faith-based charities have founded and operate many public hospitals. They provide significant aid and support to individuals living in poverty. They help settle new immigrants. And so much more. No longer recognizing advancement of religion as a charitable purpose in Canada unnecessarily risks our core infrastructure as a country.

We strongly encourage Government to provide certainty to the sector that this recommendation is NOT under consideration.

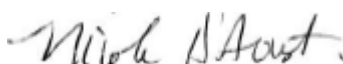
4. Conclusion

Should you wish to know more about CAGP, our ideas and priorities for improving the charitable sector in Canada, or our technical expertise, please do not hesitate to contact our CEO, Ruth MacKenzie at RMacKenzie@cagp-acdp.org directly. We would be pleased to discuss with you.

Sincerely,



Serena Hak
Chair of the Board



Nicole D'Aoust
Chair, Government Relations
Committee



Ruth MacKenzie
President & CEO

⁵ Pre-Budget Consultations in Advance of the 2025 Budget, Report of the Standing Committee on Finance (December 2024), online *Government of Canada*, page 136
<https://www.ourcommons.ca/Content/Committee/441/FINA/Reports/RP13466781/finarp21/finarp21-e.pdf>.