

2 ST. CLAIR AVENUE EAST, SUITE 300 | TORONTO ON M4T 2T5 T: 416.597.2293 F: 416.597.2294 | 1.800.263.1178

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February 20, 2025

Hon. Minister Marci Ien, P.C., M.P. Women and Gender Equality Canada and Youth Ottawa, ON K1A 0A6

Re: Protecting reproductive freedom by preventing abuse of charitable status

Dear Minister Ien,

On October 29, 2024, the federal government tabled a Notice of Ways and Means motion outlining certain amendments to the Income Tax Act to address concerns that registered charities offering reproductive health services may be spreading misinformation.

Imagine Canada is the national umbrella for Canada's approximately 176,000 nonprofits and charities. We are writing to express concern that the changes outlined in this notice of legislation, and the accompanying communications set a troubling legislative and political precedent. If passed into law, these reforms will likely have negative, unintended consequences for charities indirectly related to these charitable activities.

The amendments articulated in this motion seek to impose operational constraints on a group of charities loosely identified through government communications as 'crisis pregnancy centres', by legislating that they disclose certain abortion and contraception-related services they do not provide. If implemented by the Charities Directorate, these charities would be difficult to identify through regulation. For instance, "a main activity" is unclear because it is not a legal term and does not align with legal language related to a charitable purpose. It would be unreasonable to expect staff and volunteers to discern this from their governing documents. For those charities operating in the reproductive health space, this change and the associated risk of revocation of charitable status would lead to confusion and operational burden, even if they do not operate a crisis pregnancy centre.

Of even greater concern, if these amendments to the *Income Tax Act* were to be adopted by Parliament, the current government would be introducing a framework for future governments to adapt and apply similar constraints to various groups of charities affecting the operations of organizations they may disagree with, or wish to target for political gain.

Canadian charities operate in a system designed to prevent the abuse of charitable status. The Charities Directorate within the Canada Revenue Agency regulates charities to ensure they are pursuing activities that are deemed charitable by law. The spread of misinformation is not a charitable activity, and the

Income Tax Act currently prohibits charities from misinforming the public where programming involves health care services. The *Income Tax Act* enables the government to intervene where charities are suspected of causing harm to the public. If the government believes that crisis pregnancy centres on the whole are engaging in misleading advertising of services to the public, the Competition Act enables the investigation of those activities for prosecution. If concerns surrounding a charity's conduct arise, the CRA has <u>established reporting mechanisms</u> to address suspected non-compliance.

The government communications on October 29th that accompanied the notice of legislation featured four cabinet ministers at a press conference, providing quotes alleging that a specified list of charities are engaging in activities that are misleading and harmful to the public, specifically women. This event and resulting online publications are striking in their tone and in how they unnecessarily position charitable status at the core of a deeply charged issue for Canadians. What most Canadians cannot be expected to know is that the *Income Tax Act* already allows for the revocation of status of charities that are: a) causing harm to the public, and b) that are pursuing activities that are not classified as charitable (as noted above, dishonest conduct or misleading the public are not charitable activities). We are deeply concerned that the Government of Canada would place the public's perception of this critical sector at risk by linking charitable status to a highly divisive political issue, and also by proactively claiming that a list of identified charities are engaging in conduct that, in actuality, runs afoul of federal law.

The organizations identified through a list of presumed crisis pregnancy centres published on a Government of Canada website total approximately 145 (although they are presented as individual organizations, several rows belong to the same charitable registration number). This is a small group when compared to the breadth and scope of a sector that would be greatly affected by an overall decrease in public trust. As organizations that deliver on numerous federal priorities critical to the government's mandate, it is our hope that the federal government continues, in its communications and its policymaking, to regard the charitable sector as a critical, independent, apolitical pillar of our economy and collective wellbeing.

Relatedly, we are concerned about a similar recommendation in the House of Commons Standing Committee on Finance's report of its 2025 pre-budget consultation: recommendation #429 "no longer provide charitable status to anti-abortion organizations". Charities are not defined in case or statutory law in this manner; 'anti-abortion organization' is rather a pejorative label applied to groups of organizations, sometimes on the basis of their religious affiliation. The targeting of charities for audit and revocation on the basis of the potential views of staff or board members would represent a significant shift in the relationship between the public and charitable sectors. Over time, charities have long engaged in very diverse ethical, ideational, aspirational debates or issues, and as our sector is a key pillar of our democratic society, this needs to continue and be protected. As was the case with anti-tobacco, seatbelts, gay marriage, and even climate change - these ideas were often not popular at the time among voters.

We would be pleased to meet with you or other government representatives to discuss this topic further.

Sincerely,

Bruce MacDonald

President & CEO, Imagine Canada

cc.:

Right Hon. Prime Minister Justin Trudeau, P.C., M.P.

Hon. Minister of Finance Dominic LeBlanc, P.C., M.P.

Hon. Minister of National Revenue Elizabeth Briere, P.C., M.P.