

**AUG 20 2007****BY REGISTERED MAIL**

Africa Disaster Relief Initiative
301-310 Niska Road
Toronto, Ontario M3N 2S3

Attention: Henry Oshingbeme

Charity Account Number:
863169231RR0001

**SUBJECT: Notice of Intention to Revoke
Africa Disaster Relief Initiative**

Dear Mr. Oshingbeme:

I am writing further to our letter dated May 3, 2007 (copy enclosed), in which you were invited to submit representations to us as to why the Minister of National Revenue should not revoke the registration of Africa Disaster Relief Initiative (the "Charity") in accordance with subsection 168(1) of the *Income Tax Act* (the "ITA").

As we have not received a response to our letter, I wish to advise you that for each of the reasons outlined in our letter of May 3, 2007 and pursuant to the authority granted to the Minister in subsection 149.1(2) and 149.1(4.1) of the ITA, and delegated to me, I propose to revoke the registration of the Charity. By virtue of subsection 168(2) of the ITA, the revocation will be effective on the date of publication in the *Canada Gazette* of the following notice:

Notice is hereby given, pursuant to paragraphs 168(1)(b), 168(1)(d) and 168(1)(e) of the Income Tax Act, that I propose to revoke the registration of the organization listed below under subsection 149.1(2), and paragraph 149.1(4.1) of the Income Tax Act and that the revocation of registration is effective on the date of publication of this notice.

Account Number	Name
86316 9231 RR 0001	Africa Disaster Relief Initiative Toronto, Ontario

.../2

In accordance with subsection 168(2) of the ITA, you can suspend this process (i.e., seek an extended period before revocation) by applying to the Federal Court of Appeal or a judge of that court for a stay. The Court will acknowledge your application and provide you with an action number. We require a copy of the Court acknowledgement of your request for a stay to stop the revocation process.

Should you wish to appeal this Notice of Intention to Revoke the Charity's registration in accordance with subsection 168(4) of the ITA, you are advised to file a Notice of Objection within 90 days from the mailing of this letter. This notice is a written statement that sets out the reasons for the objection and all the relevant facts. The Notice of Objection should be sent to:

Tax and Charities Appeals Directorate
Appeals Branch
25 Nicholas Street
Ottawa, ON K1A 0L5

Please note that, notwithstanding the filing of a Notice of Objection, the Charity must seek the above-noted stay to prevent revocation from occurring. Unless the Canada Revenue Agency receives notice that an application for a stay has been filed to the Federal Court of Appeal or judge of that court regarding this revocation, we intend to proceed with the publication of the above notice in the **Canada Gazette** in 30 days thereby affecting the revocation of the organization's registration.

Consequences of a Revocation

As of the date of revocation of the registration of the Charity, which is the date upon which the above-noted notice is published in the **Canada Gazette**, the Charity will no longer be exempt from Part I Tax as a registered charity and **will no longer be permitted to issue official donation receipts**.

Additionally, by virtue of section 188 of the ITA, the Charity will be required to pay a tax within one year from the date of the Notice of Intention to Revoke the Charity's registration. This revocation tax is calculated on prescribed form T-2046 "*Tax Return Where Registration of a Charity is Revoked*". The return must be filed and the tax must be paid on or before the day that is one year from the date of the Notice of Intention to Revoke a charity's registration. For your reference, I have attached a copy of the relevant provisions of the ITA in Appendix "A" concerning revocation of registration and the tax applicable to revoked charities as well as appeals against revocation. Form T-2046, along with the related Guide RC-4424, "*Completing the Tax Return Where Registration of a Charity is Revoked*", are also attached for your information.

Also, the Charity will no longer qualify as a charity for purposes of subsection 123(1) of the *Excise Tax Act* (the "ETA"), effective on the date of revocation. As a result it may be subject to obligations and entitlements under the ETA that apply to organizations other than charities. The relevant ETA provisions are attached in Appendix "B". If you have any questions about your GST/HST obligations and entitlements, please call GST/HST Rulings at 1-800-959-8287.

Furthermore, I wish to advise you that pursuant to subsection 150(1) of the ITA, a return of income for each taxation year in the case of a corporation (other than a corporation that was a registered charity throughout the year) shall without notice or demand therefore, be filed with the Minister in prescribed form containing prescribed information.

Yours sincerely,



Terry de March
A/Director General
Charities Directorate

Attachments

- Our letter dated May 3, 2007;
- Appendix "A", Relevant Provisions of the *Income Tax Act*;
- Appendix "B", Relevant Provisions of the *Excise Tax Act*;
- Guide RC-4424, *Completing the Tax Return Where Registration of a Charity is Revoked*;
- Form T-2046, *Tax Return Where Registration of a Charity is Revoked*.



CANADA REVENUE
AGENCY

AGENCE DU REVENU
DU CANADA

REGISTERED MAIL

AFRICA DISASTER RELIEF INITIATIVE
301-310 NISKA ROAD
TORONTO ON M3N 2S3

Attention: Mr. Henry Oshingbeme

BN: 863169231RR0001
File #: 3028345

May 3, 2007

Subject: Audit of Africa Disaster Relief Initiative

Dear

This letter is further to the audit of the books and records of Africa Disaster Relief Initiative (the "Charity") by the Canada Revenue Agency (the "CRA"). The audit related to the operations of the registered charity for the period from January 1, 2005 to December 31, 2005.

In our telephone conversation of March 1, 2007, you were advised that the CRA has identified specific areas of non-compliance with the provisions of the *Income Tax Act* (the "ITA") or its *Regulations* in the following areas:

AREAS OF NON-COMPLIANCE:	
Issue	Reference
1. Did not provide duplicates of donation receipts	Regulations 3500 and 3501, and paragraphs 230(2)(b)&(c) of the ITA and paragraphs 168(1)(b)&(d) of the ITA
2. Did not provide books and records in regards to activity	Paragraph 230(2)(a) and paragraphs 168(1)(b)&(e) of the ITA
3. Did not file information return (T3010) for 2005	Subsection 149.1(14) and paragraph 168(1)(c) of the ITA

The purpose of this letter is to describe the areas of non-compliance identified by the CRA during the course of our audit as they relate to the legislative provisions applicable to registered charities and to provide the Charity with the opportunity to address our concerns. In order for a registered charity to retain its registration, it is required to comply with the provisions of the ITA and Common Law applicable to registered charities. If these provisions are not complied with, the Minister of National Revenue may revoke the Charity's registration in the manner prescribed in section 168 of the ITA.

The balance of this letter describes the areas of non-compliance in further detail.

Identified Areas of Non-Compliance:

1. Official Donation Receipts

- a) In our telephone conversation with you on February 22, 2007, you stated that you issued a few donations receipts in the year, and when asked about the exact amount you said you would get back to us. You did not follow through with your promise.
- b) You also stated that the books and records of the Charity were kept in your Charity's office in Lagos, in Nigeria (outside Canada). When we asked the reason for not keeping the records in Canada you said that you were not aware of the requirement to keep records in Canada. Your decision to keep records outside Canada is in contravention to subsection 230(2) of the ITA, which requires every registered charity to keep books and records of an account at an address in Canada recorded minister or designed by the minister.
- c) You further stated that the building in which the office of the Charity was located collapsed, and even one of your colleagues perished in the accident, and hence no books and records were available regarding Charity's activity during the period. We requested you to provide the supporting documents/evidence relating to the incident. You asked for time up to the end of March to be allowed to provide information. Unfortunately, you have not responded to subsequent messages we left regarding this matter. Your failure to provide evidence in regards to the incident is proof that you did not comply with paragraphs 230 (2)(b) and (c) that require the Charity to keep a duplicate of each receipt containing prescribed information for a donation received by it and other information in such form as will enable the Minister to verify donations to it for which a deduction or credit is available under the ITA

Under paragraphs 168(1)(b) and 168(1)(d) of the ITA, the Minister may by registered mail, give notice to the registered Charity that he proposes to revoke its registration because it issues a receipt otherwise than in accordance with the ITA and the Regulations.

2. Books and Records

- a) As noted above in 1 (b) the Charity did not keep its records in Canada at an address recorded with the Minister in contravention to 232 (2) (b) of the ITA
- b) Further to that, the incident in Lagos noted in 1 (c) and your failure to respond to our messages are indications of your failure to comply with paragraph 230 (2) (a) of the ITA that requires every registered charity to keep records and books of account containing information in such form as will enable the Minister to determine whether there are any grounds for the revocation of its registration under this Act;

3. Information Return (T3010)

The Charity did not file its information return (T3010) for the fiscal year 2005 as per subsection 149.1(14) of the ITA which requires every registered charity, within 6 months from the end of each taxation year of the charity, to file with the Minister both an information return and a public information return for the year, each in prescribed form and containing prescribed information, without notice or demand there of.

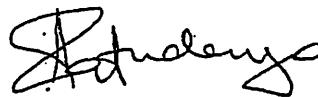
Conclusion:

Please provide your written representations and any additional information regarding the findings outlined above **within 30 days from the date of this letter**. After considering the representations submitted by the Charity, the Director General of the Charities Directorate will decide on the appropriate course of action, which may include the issuance of a Notice of Intention to Revoke the registration of the Charity in the manner described in subsection 168(1) of the ITA. Should you choose not to respond, the Director General of the Charities Directorate may proceed with the issuance of a Notice of Intention to Revoke the registration of the Charity in the manner described in subsection 168(1) of the ITA.

If you appoint a third party to represent you in this matter, please send us a written authorization naming the individual and explicitly authorizing that individual to discuss your file with us.

If you have any questions or require further information or clarification, please do not hesitate to call me at the numbers indicated below.

Yours sincerely,



Patrick Mudenyo
Audit Division
Tax Services Office: 13 - Toronto Centre

Telephone: 416-410-9842
Facsimile: 416-954-6015
Address: 1 Front Street West, Suite 100
Toronto, ON M5J 2X6
Internet: www.cra.gc.ca