

How to Draft Purposes for Charitable Registration

Guidance

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This guidance replaces policy statement CPS-004, *Applicants with Broad Object Clauses*, Summary Policy CSP-C01, *Charitable Purposes*, Summary Policy CSP-O01, *Objects (charitable)*, Summary Policy CSP-O02, *Objects (broad and vague)*, and Summary Policy CSP-O03, *Objects (standard)*.

Summary

The purposes (sometimes referred to as “objects”) of an organization are the objectives that it is created to achieve. Each of an organization’s purposes must be clearly stated in its governing document, such as letters patent, articles of incorporation, trust, or constitution.

To help organizations that are applying for registration, as well as registered charities that want to change existing purposes, the Canada Revenue Agency (CRA) provides examples of charitable purposes on our Web page Model purposes. While these examples can be helpful to many organizations, they may not include purposes that meet all needs. As a result, it is often necessary to draft purposes specific to an organization. This guidance is a resource to support that process.

This guidance provides a recommended approach to drafting purposes for organizations intending to apply for charitable registration under the *Income Tax Act*, and for registered charities that are amending their existing purposes. While the format described in this guidance for drafting purposes is recommended by the Canada Revenue Agency, purposes prepared in a different way may also be acceptable for charitable registration.

To be registered as a charity under the *Income Tax Act*, Canadian law requires that an organization’s purposes be exclusively charitable and define the scope of activities that can be engaged in by the organization. Subject to limited exceptions, all of a registered charity’s resources must be devoted to these activities. The assessment of the purposes and activities of an organization is referred to as a “two-part test.”

An organization’s governing document must contain a clear statement of each of its purposes. If the wording is broad or vague, a purpose is not likely to meet the legal requirements for

registration as a charity. To be eligible for registration under the *Income Tax Act*, a purpose should generally identify three elements either expressly or implicitly through its context:

- the charitable purpose category (relief of poverty, advancement of education, advancement of religion, or certain other purposes beneficial to the community in a way the law regards as charitable);
- the means of providing the charitable benefit; and
- the eligible beneficiary group.

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A. Introduction

1. The CRA assesses applications for charitable registration under the *Income Tax Act*, and ensures that registered charities continue to meet all related legal and administrative requirements.

2. In this guidance, unless otherwise stated, the terms:

- “charity” and “registered charity” include all three types of registered charities as defined under the *Income Tax Act*: [charitable organizations](#), [public foundations](#), and [private foundations](#). [\[Footnote 1\]](#)

- “organization” includes applicants for registration as charitable organizations, public foundations, or private foundations, as well as already registered charities.

3. The CRA assesses eligibility for registration as a charity under the *Income Tax Act* using a “two-part test” to determine whether an organization:

- is constituted for purposes (sometimes referred to as “objects”) that are exclusively charitable and define the scope of activities that can be engaged in by the organization; and
- subject to limited exceptions, devotes its resources to charitable activities that further those purposes.

4. The purposes of an organization are the objectives that it is created to achieve. Each of an organization’s purposes must be clearly stated in its [governing document](#), such as letters patent, articles of incorporation, trust, or constitution.

5. To help organizations that are applying for registration as well as registered charities that want to change existing purposes, [\[Footnote 2\]](#) the CRA provides examples of charitable purposes on our Web page [Model purposes](#). While these examples can be helpful to many organizations, they may not include purposes that meet all needs. As a result, it is often necessary to draft purposes specific to an organization. This guidance is a resource to support that process.

6. Using model purposes, or applying this guidance, will not in itself guarantee that an organization is eligible for registration. However, drafting purposes according to the approach set out in this guidance, or using model purposes, should facilitate the CRA’s assessment of an organization’s eligibility for registration under the *Income Tax Act*. Organizations that describe their purposes in a different way may still be able to show that the purposes meet Canadian registration requirements.

7. In addition to having charitable purposes and devoting its resources to charitable activities that further those purposes, there are other legal requirements that must be met for an organization to be registered under the *Income Tax Act*. For detailed information about registration requirements, go to [Guidance CG-017, General Requirements for Charitable Registration](#).

B. General requirements for a purpose to be eligible for charitable registration

8. To be registered as a charity under the *Income Tax Act*, Canadian law requires that an organization’s stated purposes:

- be exclusively charitable [\[Footnote 3\]](#)—meaning that they fall within one of four broad categories of charity (relief of poverty (first category); advancement of education (second category); advancement of religion (third category); and certain other purposes beneficial to the community in a way the law regards as charitable (fourth category, which includes,

for example, promotion of health and protection of the environment [\[Footnote 4\]](#), and provide a charitable benefit to the public or a sufficient section of the public; [\[Footnote 5\]](#) and

- define the scope of the organization's activities. Subject to limited exceptions, all of the organization's resources must be devoted to activities that further its stated charitable purposes. [\[Footnote 6\]](#)

Referring to a category of charity alone will not satisfy these requirements since this does not ensure that a charitable public benefit is provided, or define the scope of the activities the organization can conduct.

9. To be eligible for charitable registration, a purpose should identify three elements:

- a) the charitable purpose category—to establish that the purpose falls within one of the four broad categories of charity (for example, “to relieve poverty,” “to advance education,” “to advance religion,” or “to promote health”) (see paragraphs [13-14](#));
- b) the means of providing the charitable benefit—to define the scope of the activities that can be conducted to directly further the purpose and ensure the provision of a charitable benefit (for example, “by providing housing,” “by operating a school,” “by conducting prayer services that advance the teachings of Islam,” or “by operating a hospital”) (see paragraphs [15-19](#)); and
- c) the eligible beneficiary group—to ensure the charitable benefit is provided to the public or a sufficient section of the public (for example, “for the poor” or “for the general public”) (see paragraphs [20-23](#)).

10. For example:

- Advancing education (first element) by operating a school (second element) for the general public (third element).
- Promoting health (first element) by operating a public (third element) hospital (second element).

11. An organization's governing document must clearly state its purpose(s), and each stated purpose should identify the three elements either expressly, or implicitly through its [context](#). [\[Footnote 7\]](#)

12. The wording of a purpose is, therefore, very important. A purpose that is worded in language that is too broad or vague may not be eligible for charitable registration (see paragraphs [26-28](#)).

First element – The charitable purpose category

13. For the first three categories of charity (relieving poverty, advancing education, and advancing religion), this element is usually met by including the purpose category in the wording of the purpose.

14. For purposes in the fourth category of charity (other purposes beneficial to the community in a way the law regards as charitable), the specific purpose descriptor within the broad purpose category must be identified (for example, promoting health, or protecting the environment).

Second element – The means of providing the charitable benefit

15. A purpose should identify the means of providing the charitable benefit. The means defines the scope of the activities that can be conducted to directly further the purpose. Subject to limited exceptions, all of the organization's resources must be devoted to activities that fall within the defined scope. [\[Footnote 8\]](#) Including the means also ensures that the purpose, through the defined scope of activities, is capable of providing a charitable benefit.

16. For example, if the means of promoting health is operating a hospital, the following charitable activities would be expected to fall within that scope:

- establishing and maintaining a facility;
- hiring and training medical personnel;
- providing emergency room and diagnostic services; and
- conducting a residency program for physicians.

It would be unlikely that an activity such as teaching auto mechanics would fall within the usual scope of operating a hospital.

17. At common law, a charitable benefit must be recognizable and capable of being proved, and socially useful. To be recognizable and capable of being proved, a benefit must generally be tangible or objectively measurable. [\[Footnote 9\]](#) Benefits that are not tangible or objectively measurable (intangible benefits) must be shown to be approved through objective evidence of common or widespread acceptance by persons who are knowledgeable and informed about the particular subject or issue. [\[Footnote 10\]](#) To be socially useful, a benefit must have public value and a demonstrable impact on the public. [\[Footnote 11\]](#) In all cases, it must be clear that a benefit exists. An “assumed prospect or possibility of gain” that is vague, indescribable or uncertain, or incapable of proof, cannot be said to provide a charitable benefit. [\[Footnote 12\]](#)

18. The benefit must also relate to the organization's purposes, and, as a general rule, be a necessary and reasonably direct result of the purpose and of the activities that will be conducted to further the purpose, and reasonably achievable. [\[Footnote 13\]](#) There is legal authority to support indirect benefits, as long as they are not too remote. [\[Footnote 14\]](#)

19. Sometimes, the means of furthering a purpose in one category of charity is similar to the means of furthering a purpose in another. For example, operating a nursing home can potentially be a means of relieving poverty (first category), advancing religion (third category), or providing charitable benefits to the community in a way the law regards as charitable by relieving conditions associated with the aged (fourth category). However, the third element—the eligible beneficiary group (see paragraphs [20-23](#))—may differ from one category to the other.

Third element – The eligible beneficiary group

20. Appropriately defining the eligible beneficiary group (the members of the public who can potentially benefit from a purpose or from the activities carried out to further a purpose) is necessary to ensure that a charitable benefit is provided to the public or a sufficient section of the public.

21. Different charitable purposes have different requirements about what is considered to be the public, or a sufficient section of the public, and how eligible beneficiaries may be defined.

[\[Footnote 15\]](#) Sometimes, restricting eligible beneficiaries is justified, or even required, based on the nature of the purpose. Other times, benefits must be available to the public as a whole. For example, poverty relief purposes must be restricted to the poor; a women’s shelter may justify restricting its eligible beneficiaries to women; and health organizations addressing a particular disease may restrict eligible beneficiaries to people afflicted with that disease. On the other hand, general hospitals and community centres should usually be available to the public as a whole. Similarly, a purpose that advances a religion may limit its eligible beneficiaries to adherents of that particular faith, but that same limitation may not be acceptable for a fourth category purpose that help persons with conditions associated with a disability.

22. In addition, a purpose, and the activities conducted to further a purpose, must not deliver an unacceptable private benefit. Generally, a private benefit is a benefit or advantage (charitable or non-charitable) provided to a person, entity or organization that is not a charitable beneficiary, or a benefit provided to a charitable beneficiary that goes beyond what is considered to be charitable. An acceptable private benefit is typically one that is incidental to achieving a charitable purpose (necessary, reasonable, and proportionate to the resulting public benefit).

23. For more information about public benefit and private benefit, go to [Policy Statement CPS-024, Guidelines for Registering a Charity: Meeting the Public Benefit Test](#).

Based on its context, an element may be inferred

24. In some cases, an element may be inferred based on the context. [\[Footnote 16\]](#) For example, “to operate a soup kitchen for the poor” does not specify the charitable purpose category “relieving poverty,” but the element is inferred from the context. [\[Footnote 17\]](#)

25. However, when drafting charitable purposes, the recommended approach is to err on the side of precision. Including all three elements in a stated purpose will help to avoid potential problems associated with uncertainty.

A charitable purpose should not be broad or vague

26. If the wording is too broad or vague, it will not be clear that a purpose is charitable (falls within a charitable purpose category and provides a public benefit) and defines the scope of the organization's activities. **Broad** means the purpose may allow for both charitable and non-charitable activities and/or the delivery of unacceptable private benefits. **Vague** means the wording may be interpreted in different ways. A purpose that is too broad or vague may not be eligible for registration. [\[Footnote 18\]](#) On the other hand, purposes that are overly narrow or inaccurate may cause problems for an organization as it tries to carry out its mandate.

27. For example, below are six pairs of purposes. Purpose **A** in each pair is broad and vague because it fails to identify one or more of the three required elements. Purpose **B** in each pair is charitable and eligible for registration since it identifies the three required elements.

1A Relieving poverty through charitable means

1B Relieving poverty by operating a food bank for the poor

2A Providing scholarships

2B Advancing education by providing scholarships based on academic achievement to university students

3A Advancing religion in third-world countries

3B Advancing (specify faith or religion) to adherents of the faith or the general public (specify the location) by establishing and maintaining a school of religious instruction for children, youths, and adults

4A Building strong communities through social enterprise

4B Improving socio-economic conditions in (specify location) by operating social businesses for people with disabilities

5A Promoting health for Canadians

5B Promoting health by operating a public healthy-heart program to slow the progression of heart disease

6A Empowering youth to achieve their maximum potential

6B Addressing youth unemployment by providing employment-related skills programs, conferences, and workshops to unemployed youth

28. A purpose will also be broad or vague if the words used include concepts that go beyond the scope of charity, because it is not clear that the purpose falls within one of the four charitable

purpose categories, and provides the required public benefit. For example, a stated purpose of “promoting philanthropy by helping the deserving” is broad and vague. The courts have found that philanthropy can encompass purposes and activities that go beyond the realm of charity. [\[Footnote 19\]](#) In addition, the deserving are not necessarily an eligible beneficiary group.

C. Specific requirements for each of the four categories of charity

Purposes that relieve poverty (first category)

29. Purposes that [relieve poverty](#) may be charitable under the first category. Relieving poverty in the charitable sense means providing relief to the poor. The poor are not only the destitute, but anyone lacking essential amenities available to the general public. [\[Footnote 20\]](#)

30. Purposes that relieve poverty should be stated in a way that ensures benefits are provided only to eligible beneficiaries.

31. Examples of purposes that relieve poverty include:

- relieving poverty of persons of low income by providing food and basic healthcare;
- relieving poverty of persons who are poor by operating a micro lending program for start-up businesses; or
- relieving poverty of persons who are in need by providing tuition subsidies directly to learning institutions.

Purposes that advance education (second category)

32. Purposes that [advance education](#) may be charitable under the second category. Advancing education in the charitable sense means formally training the mind, advancing the knowledge or abilities of the recipient, or improving a useful branch of human knowledge. [\[Footnote 21\]](#)

33. Examples of purposes that advance education include:

- advancing education by operating a public secondary school in the geographic location of (specify location);
- advancing education by conducting research into (specify topic) and making the results publicly available; or
- advancing education by providing scholarships based on academic merit to allow high school graduates to attend first-year university.

Purposes that advance religion (third category)

34. Purposes that advance religion may be charitable under the third category. Advancing religion in the charitable sense means manifesting, promoting, sustaining, or increasing belief in a religion's three key attributes, which are: faith in a higher unseen power such as a God, Supreme Being, or Entity; worship or reverence; and a particular and comprehensive system of doctrines and observances. [\[Footnote 22\]](#)

35. Examples of purposes that advance religion include:

- advancing religion to adherents of the faith or the public by preaching and advancing the teachings of the (specify faith or religion) faith;
- advancing religion to adherents of the faith or the public by establishing, maintaining, and supporting a house of worship with services held in accordance with the tenets and doctrines of the (specify faith or religion) faith; or
- advancing religion to adherents of the faith or the public by supporting and maintaining missions and missionaries to propagate the (specify faith or religion) faith.

Certain other purposes beneficial to the community in a way the law regards as charitable (fourth category)

36. Common law courts have identified various purposes that are beneficial to the community in a way the law regards as charitable under the broad fourth category.

37. Examples of purposes that are beneficial to the community in a way the law regards as charitable include:

- Promoting health by providing the public with:
 - medical diagnostic services, or
 - in-patient or out-patient medical care and nursing services;
- Relieving conditions associated with aging to individuals affected by these conditions by providing:
 - personal care,
 - shopping assistance, and
 - transportation to medical appointments; or
- Advancing the public's appreciation of the arts by providing the public with:
 - high-quality performances of classical choral works, or
 - free, high-quality theatrical performances.

D. Other issues

Activities that further unstated purposes

38. When deciding eligibility for initial or ongoing registration, the CRA must examine both purposes and activities. [\[Footnote 23\]](#)

39. In some cases, an analysis of the activities and operations of an organization will reveal that it is furthering an unstated purpose. [\[Footnote 24\]](#)

40. If an organization's activities further an unstated charitable purpose, the organization may amend its governing document so that its activities support a stated charitable purpose. [\[Footnote 25\]](#)

41. For example:

- An organization may have the stated purpose of relieving poverty by operating a hospital when, in fact, the hospital provides health care services to the public and does not limit its beneficiaries to the poor. The organization's activities further the unstated charitable purpose of promoting health by operating a public hospital. The organization may be able to amend its stated purpose in its governing document accordingly.
- An organization may have the stated purpose of advancing education for the public by offering scholarships to allow high school students to pursue post-secondary education in theatre arts. In addition to providing scholarships, it produces and provides high-quality, classical, theatrical performances for public viewing. This latter activity does not meet the legal requirements for educational advancement, but does further the unstated fourth category charitable purpose of advancing the public's appreciation of the arts. The organization may be able to amend its governing document by adding a new charitable purpose.

42. An organization that undertakes activities that further an unstated non-charitable purpose is not eligible for registration as a charity under the *Income Tax Act*.

43. For example:

- A registered charity with the stated charitable purpose of relieving poverty devotes the majority of its resources to political activities. As a result, it is furthering an unstated non-charitable purpose (a political purpose) and is ineligible for charitable registration.
- A registered charity with the stated charitable purpose of protecting the environment by preserving wildlife devotes the majority of its resources to fundraising. As a result, it is furthering an unstated non-charitable purpose (of fundraising) and is ineligible for charitable registration.

Power clauses

44. Power clauses generally specify the authority or powers of an organization, and the boundaries within which it must operate to further its purposes. Power clauses often follow an organization's stated purposes in its governing document, but may also be contained in an organization's bylaws.

45. Examples of power clauses include the authority or power to:

- buy, hold, and sell property;
- employ and pay staff, and appoint agents;
- make investments;
- borrow money; or
- enter into contracts.

46. As a general rule, the CRA will not be concerned with the wording of power clauses, except where a power clause:

- allows the organization to further a non-charitable purpose; [\[Footnote 26\]](#) or
- requires the organization to conduct its affairs in ways that do not comply with common law or the *Income Tax Act* (for example, requiring the organization to provide unacceptable private benefits).

Review of proposed purposes and activities by the CRA's Charities Directorate

47. On request, the CRA's Charities Directorate will conduct a one-time review of proposed purposes contained in draft governing documents when submitted with a complete application for registration which includes a detailed description of activities. The opinion provided, which will normally identify issues and include possible revisions for consideration by the organization, provides guidance only. A final decision as to the eligibility of a purpose for registration can only be made based on an organization's certified governing documents.

48. A registered charity may want to amend its governing document to adopt new purposes. The proposed purposes, together with a detailed activity statement, may be provided to the Charities Directorate's Client Service Section for review prior to the governing document being amended. [\[Footnote 27\]](#)

49. If a registered charity wants to pursue a new activity that was not described at the point of registration, it is recommended that the Charities Directorate review the charity's governing document to ensure the new activity directly furthers one or more of its stated charitable purposes. A detailed description of the proposed activity may also be provided to the Charities Directorate, Client Service Section, for review before the activity is started.

Provincial and territorial requirements relating to charitable purposes

50. Provincial or territorial requirements relating to incorporation or registration as a charity may differ from the federal requirements for registration under the *Income Tax Act*. The fact that a provincial or territorial government accepts a purpose for provincial or territorial incorporation or charitable status does not mean the CRA will accept it for charitable registration under the *Income Tax Act*.

51. In addition, provincial and territorial governments may have standard charitable purpose clauses that are accepted for provincial or territorial incorporation. These purpose clauses may or may not meet federal *Income Tax Act* charitable registration requirements. However, the government of Ontario has established model purpose clauses for organizations incorporating as charities under the *Corporations Act* of Ontario or the *Ontario Not-for-Profit Corporations Act*. Generally, the CRA will accept for charitable registration Ontario's model purposes as long as the organization's activities directly further the model purposes and it also meets all of the other requirements for registration.

52. All organizations applying for federal charitable registration must meet the requirements of the *Income Tax Act* and must continue to satisfy those requirements after registration, regardless of their status in any province or territory.

Footnotes

[Footnote 1]

For more information, go to [Summary Policy CSP-D02, Designation.](#)

[Footnote 2]

Trust law principles and provincial requirements may mandate that charitable property raised for the benefit of a particular charitable purpose cannot be unilaterally applied for a different charitable purpose by simply amending the organization's purposes. See, for example, *Victoria Order of Nurses for Canada v. Greater Hamilton Wellness Foundation*, [2011] O.J. No. 4938, 2011 ONSC 5684. An organization that wishes to add to or change its purposes must comply with all related legal requirements. Therefore, it may be necessary for a charity that wishes to make a marked departure from its original purposes to seek approval of the relevant provincial authority.

[Footnote 3]

The only qualification relates to other purposes which are merely incidental to charitable purposes - better construed as activities in direct furtherance of a charitable purpose. The organization will not fail to qualify as charitable because it described such an activity as a purpose. See *Vancouver Society of Immigrant & Visible Minority Women v. Minister of National Revenue*, [1999] 1 S.C.R. 10 (Vancouver Society) per Iacobucci J. for the majority at para. 158 and, generally, at paras. 155-159.

[Footnote 4]

The *Income Tax Act* does not define what is charitable. See subsection 248(1) "registered charity"; subsection 149.1(1) "charitable foundation," "charitable organization," "private foundation," and "public foundation." These definitions use the term "charitable" but do not define it (for example, charitable foundations are to be "constituted and operated exclusively for charitable purposes" and charitable organizations' resources must be "devoted to charitable

activities”). The single exception is subsection 149.1(1) which defines charitable purposes as including “the disbursement of funds to qualified donees.” The CRA must therefore rely on the common law (case law, or court decisions) definition, which sets out the four broad categories (also called “heads”) of charity. The four broad charitable purposes categories were outlined by Lord Macnaghten in *Commissioners for Special Purposes of the Income Tax v. Pemsel*, [1891] A.C. 531 (P.C.) (*Pemsel*). The classification approach was first explicitly approved of by the Supreme Court of Canada in *Guaranty Trust Co. of Canada v. Minister of National Revenue*, [1967] S.C.R. 133, and confirmed in the more recent Supreme Court of Canada decision in *Vancouver Society*, *supra* note 3.

[Footnote 5]

See, for example, *McGovern v. A.G.*, [1982] 3 All E.R. 439; and *Vancouver Society*, *supra* note 3 per Iacobucci J. at para. 147: “This public character is a requirement that attaches to all the heads of charity, although sometimes the requirement is attenuated under the head of poverty...”

[Footnote 6]

See *Vancouver Society*, *supra* note 3 per Iacobucci J. at para. 159. The activities of an organization are the ways in which it furthers its purposes. A charitable activity is one that directly furthers a charitable purpose (see *Vancouver Society*, *supra* note 3 per Iacobucci J. at para. 154). The limited exceptions relate primarily to certain political activities that falls within the specific exemptions of s. 149.1(6.1) or (6.2) of the *Income Tax Act*. In addition, a charity may devote resources to incidental activities that, while not themselves charitable, are undertaken to accomplish its charitable purposes (for example, expenditures on fundraising and administration). However, any resources devoted to non-charitable activities must be within acceptable legal parameters, and must not themselves become purposes.

[Footnote 7]

While an element may appear to be implicit based on the context of a purpose, the CRA will examine the activities and how the organization operates to ensure the organization is, in fact, restricting itself to activities that further that purpose.

[Footnote 8]

See *supra* note 6.

[Footnote 9]

See *Vancouver Society*, *supra* note 3 per Gonthier J. (dissenting in the result) at para. 41; In *Re Coats' Trusts Coats v. Gilmour*, [1948] Ch. 340 (CA) (*In Re Coats' Trusts*) per Lord Greene M.R. at p. 347; *Gilmour v. Coats et al.*, [1949] A.C. 426 (HL) (*Gilmour*); *Scottish Burial Reform and Cremation Society Ltd v. Glasgow Corporation*, [1968] A.C. 138 per Lord Reid at para. 146E; and M. Chesterman, *Charities, Trusts and Social Welfare* (London: Weidenfeld and Nicolson, 1979) at p. 136.

[Footnote 10]

See *National Anti-Vivisection Society v. I.R.C.*, [1947] 2 All ER 217, [1948] A.C. 31 (HL) (*National Anti-Vivisection Society*) per Lord Wright at p. 49. See also *Everywoman's Health Centre Society (1988) v. The Queen*, [1992] 2 FC 52 (*Everywoman's Health*) per Decary J. at para. 16; Decision of the Charity Commissioners for England and Wales (17 November 1999) *Application for Registration as a Charity by the Church of Scientology* (England and Wales) at p. 38 and p. 45; and *Decision of the Charity Commission for England and Wales* (August 15, 2000), *Application for Registration of National Federation of Spiritual Healers (NFSH) Charitable Trust Limited*, at para. 7.3.

[Footnote 11]

See, for example, *In Re Coats' Trusts*, supra note 9 per Lord Greene; *Gilmour*, supra note 9 per Lord Reid at p. 462; *Re Pinion (deceased)*; *Westminster Bank v. Pinion and another*, [1964] 1 All ER 890 (*Re Pinion*) per Harmon L.J at pp. 893-894; *National Anti-Vivisection Society*, supra note 10 per Lord Wright at p. 42; *In re Shaw decd*, [1957] 1 All ER 745 (*In re Shaw decd*) per Harman J. at pp. 754-755; *In re Price, Midland Bank Executor and Trustee Company, Limited v. Harwood*, [1943] Ch. 422 (Ch.D.) (Re Price) per Cohen J. at pp. 430-431; and *Attorney-General v. Charity Commission (The Poverty Reference)*, FTC/84/2011 20th February 2012 at paras. 32 and 66-67.

[Footnote 12]

See, for example, *National Anti-Vivisection Society*, supra note 10 per Lord Wright at p. 49: “The law may well say that quite apart from any question of balancing values, an assumed prospect, or possibility of gain so vague, intangible and remote cannot justly be treated as a benefit to humanity, and that the appellant cannot get into the class of charities at all unless it can establish that benefit.” See also, for example, *In re Shaw decd*, supra note 11 (the promotion of a new alphabet); *Gilmour*, supra note 9 per Lord Simonds at p. 446-447 (where the court noted that it could not define precisely what the content of a benefit must be, but it did not include something “so indirect, remote, imponderable or ...controversial...” as that which could be derived by others from the example of pious lives); *McGovern v. AG*, supra note 5 (where the court held it could not assess the benefit “of a change to the law or government policy”, which thus failed to demonstrate benefit.); and *Re Co-operative College of Canada v. Saskatchewan Human Rights Commission*, (1976) 64 D.L.R. (3d) 531 (Re Co-operative College) per Bayda J. at paras. 19-20.

[Footnote 13]

See, for example, *In re Grove-Grady, Plowden v. Lawrence*, [1929] 1 Ch. 557 per Russell L.J. at p. 588: “In my opinion, the Court must determine in each case whether the trusts are such that benefit to the community must necessarily result from their execution.” See also *National Anti-Vivisection Society*, supra note 10; *I.R.C. v. Oldham Training and Enterprise Council*, [1996] B.T.C. 539 (*Oldham Training*); *Gilmour*, supra note 9 per Lord Simonds at p. 446-447; *Re Pinion*, supra note 11.

[Footnote 14]

See, for example, *Pemsel*, supra note 4 at p. 583; *Oldham Training*, supra note 13; *Gilmour*, supra note 9 per Lord Simonds at pp. 446-447; *Hadaway v. Hadaway*, [1954] 1 W.L.R. 16 (P.C.); *Re Co-operative College*, supra note 11; *In Re Resch's Will Trusts And Others v. Perpetual Trustee Co. Ltd.*, [1969] 1 A.C. 514 (P.C.) (*In Re Resch*) at p. 544; *Canterbury Development Corporation v. Charities Commission*; *Canterbury Development Corporation Trust v. Charities Commission*; *CEDF Trustee Limited as Trustee of the Canterbury Economic Development Fund v. Charities Commission*, [2010] NZHC 331 (*Canterbury Development Corporation*).

[Footnote 15]

See, for example, *Davies v. Perpetual Trustee Company*, [1959] A.C. 439 at p. 456; *IRC v. Baddeley*, [1955] A.C. 572 at p. 615; *Vancouver Society*, supra note 3 per Iacobucci, J. at para. 147; *Dingle v. Turner*, [1972] A.C. 601 at pp. 623-624; and *Gilmour*, supra note 9 at p. 449.

[Footnote 16]

When an element in a stated purpose is set out in broad or vague terms, or lacks certainty, the courts can look at the context to infer that the element in fact meets the requirements of charity law. See, for example, *Re Gillespie*, [1965] VR 402 (S. Ct. of Victoria) per Little J.: "Poverty need not be expressly mentioned in the terms of the gift for an unexpressed intention to relieve poverty may be inferred from the nature of the gift: see Halsbury, 3rd ed., vol.4, para. 495, and cases there cited. *In Re Lucas*, [1922] 2 Ch 52, at p. 59; [1922] All ER Rep 317, Russell, J, after an examination of the authorities said: "If you can construe the gift in such a way as to hold the testator meant that the persons to be benefited should be in necessitous circumstances then that introduces the ingredient of poverty." The description of the persons to be benefited may point to poverty: see, for instance, the emphasis placed in *Re Coulthurst*, [1951] Ch 661, [1951] 1 All ER 774, on the fact that the income was to be used for the benefit of "widows and orphaned children of officers of the bank."

[Footnote 17]

While an element may appear to be implicit based on the context of a purpose, the CRA will examine the activities and how the organization operates to ensure that the organization is in fact restricting itself to activities that further that purpose.

[Footnote 18]

Vancouver Society, supra note 3 per Iacobucci J at para. 158; *Travel Just v. Canada Revenue Agency*, 2006 FCA 343, [2007] 1 C.T.C. 294.

[Footnote 19]

Re Tetley, [1941] Ch. 308.

[Footnote 20]

Re Gardom, [1914] 1 Ch 662. See also *Re Central Employment Bureau for Women and Students' Careers Association Incorporated*, [1942] 1 All ER 232; and *Re Gillespie*, *supra* note 16.

[Footnote 21]

See, for example, *Vancouver Society*, *supra* note 3. As a result of the Supreme Court of Canada decision in *Vancouver Society*, purposes that advance the public's appreciation of the arts will generally be considered by the CRA under the fourth category, certain other purposes beneficial to the community in a way the law regards as charitable. For more information, go to [Guidance CG-018, Arts Activities and Charitable Registration](#), or [Policy Statement CPS-029, Research as a Charitable Activity](#).

[Footnote 22]

This position represents the culmination of the direction provided by the common law courts as reflected in the numerous decisions, including, *Segerdal Regina v. Registrar General, Ex parte Segerdal and Another*, [1970] 2 QB 697 (CA); *In re South Place Ethical Society, Barralet and Others v. Attorney-General and Others*, [1980] 3 All ER 918, [1980] 1 WLR 1565; *Syndicat Northcrest v. Amselem*, [2004] 2 S.C.R. 551 (S.C.C.) per Iacobucci J. at para. 39 (Note: Amselem is not a charity law case, involving the individual's freedom to practice and express religious beliefs. In both contexts, however, the first step is to determine whether there is a religion, as distinct from some other belief system.); *Keren Kayemeth Le Jisroel Ltd. v. Inland Revenue Commissioner*, (1931) 298 Vol X ATC (K.B.), affirmed [1931] 2 KB 465 (C.A.), affirmed [1932] AC 650 (H.L.); *United Grand Lodge v. Holborn BC*, [1957] 3 All ER 281; *National Deposit Friendly Society Trustees v. Skegness UDC*, [1959] AC 293 (H.L.); *Fuaran Foundation v. C.C.R.A.*, 2004 FCA 181.

[Footnote 23]

See, for example, *Vancouver Society*, *supra* note 3 per Iacobucci J. at paras. 152-160 and 194; *AYSA Amateur Soccer Association v. Canada (Revenue Agency)*, [2007] 3 S.C.R. 217 per Rothstein J. at para. 42; *Earth Fund/Fonds Pour La Terre v. MNR*, (2002) FCA 498 per Sharlow J.A. at para. 20.

[Footnote 24]

See, for example, *Action by Christians for the Abolition of Torture v. Canada*, (2002) FCA 499.

[Footnote 25]

However, see *supra* note 2.

[Footnote 26]

For example, a clause permitting an organization to do "all such things that are incidental or conducive to the attainment of" its other purposes has been determined to be unacceptable. An action may be "conducive to" a stated purpose while constituting an end in itself. It need not be merely a means to the fulfilment of a charitable object. See *Vancouver Society*, supra note 3 per Iacobucci J. at para. 193.

[Footnote 27]

However, see supra note 2.