



CANADA REVENUE  
AGENCY

AGENCE DU REVENU  
DU CANADA

A&A - 3 2007

**REGISTERED MAIL**

Global Institute  
1500 West Georgia St., Suite 1555 Box 62  
Vancouver, BC  
V6G 2Z6

Attention: Mr. Christopher Richardson Charity Account No: 88913 3575 RR0001

**Subject: Notice of Intent to Revoke  
Global Institute**

Dear Mr. Richardson:

I am writing further to our letter dated February 14, 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 Global Institute (the "Charity") in accordance with subsection 168(1) of the *Income Tax Act* (the "ITA").

In summary, you provided no evidence to refute the arguments of our Administrative Fairness Letter ("AFL") of February 14, 2007. You instead informed the CRA about the change in Directors and that the mandate of the new directors was to attempt to seek repayment of the debenture that was deemed by the previous directors to be uncollectible (as can be demonstrated from their write down of approximately \$4,000,000 to \$0). You had requested a postponement from us in the revocation of the Charity to better enable the directors to obtain this repayment.

In consideration of this request, on March 16, 2007 David Dougherty, Audit Advisor, sent a letter asking some questions to clarify the details of your proposal. You responded in a letter dated April 2, 2007.

Your proposal does not attempt to make amends or remedy the past actions of the Charity. In fact, you have specifically disavowed knowledge of past actions and do not seek to obtain further information in regards to these actions. Further, you have decided not to take any action against the past directors.

The proposal has not alleviated any of the concerns outlined in our AFL. We have therefore decided that even though the plan of action would appear to be well

intentioned, due to the serious nature of the non-compliance of the Charity as outlined in our AFL, we have decided to issue the Notice of Intention to Revoke.

In consideration of the good intentions of your proposal, we agree to delay the publication of the Notice in the Gazette until the earlier of July 31, 2008 and such a date as the Charity is able to recover on the debenture. The Minister reserves the right to publish the Notice at an earlier/later date should the Minister deem it appropriate to do so.

Consequently, for each of the reasons mentioned in our letter dated February 14, 2007, I wish to advise you that, pursuant to the authority granted to the Minister in subsection 149.1(2) 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), and 168(1)(d) of the Income Tax Act, that I propose to revoke the registration of the organization listed below under subsection 149.1(2) of the Income Tax Act and that the revocation of registration is effective on the date of publication of this notice.*

<b>Charity Account Number</b>	<b>Name</b>
88913 3575 RR0001	Global Institute Kelowna, BC

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  
Canada Revenue Agency  
25 Nicholas Street  
Ottawa, ON K1A 0L5

**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 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. 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 February 14, 2007
- Appendix "A", Relevant provisions of the *Income Tax Act*
- Form T2046 – Tax Return Where Registration of a Charity is Revoked
- Guide RC4424E Completing the Tax Return Where Registration of a Charity is Revoked