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Charity & NFP Law Update
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Updating Charities and Not-For-Profits on Recent Legal Developments and Risk Management Considerations

March 2025

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Publications & News Releases

1. Government of Canada's Work-Sharing Program Temporarily Extends Support to Non-Profit and Charitable Organizations Experiencing Revenue Decline Due to U.S. Tariffs

By Urshita Grover and Martin U. Wissmath

Non-profit and charitable organizations experiencing a decline in revenues due to the direct or indirect result of U.S. tariffs may be eligible for support through the Government of Canada's Work-Sharing Program.

In response to the threat or potential realization of U.S tariffs, the Government of Canada announced temporary special measures for the Work-Sharing Program to provide additional support for impacted businesses, including non-profit and charitable organizations, to recover and avoid layoffs. The Work-Sharing U.S. tariffs special measures are effective from March 7, 2025, to March 6, 2026.

Overview of the Work-Sharing Program

The Work-Sharing Program helps avoid layoffs when there is a temporary decline in the normal level of business activity that is beyond the employer's control. The Work-Sharing Program operates through a three-party agreement involving employers, employees and Service Canada. Eligible employees on a Work-Sharing agreement must agree to a reduced schedule of work, and to share the available work equally over the term of the agreement.

Under normal circumstances, Work-Sharing agreements must have a minimum duration of 6 weeks and can extend up to 26 weeks, with the possibility of a 12-week extension, bringing the maximum period to 38 weeks. Once the agreement has ended or been terminated, a mandatory cooling-off period must be served, which would be equal to the number of weeks utilized under the previous agreement.

Work-Sharing Special Measures due to U.S. Tariffs

Certain employers experiencing a decline in business activity due to the threat or potential realization of U.S. tariffs during the specified period of time (*i.e.* March 7, 2025, to March 6, 2026) may be eligible for Work-Sharing special measures if they:

- are operating in Canada for a minimum of one year;
- have a minimum of two Employment Insurance eligible employees who agree to a reduction in hours and to share any available work; and
- are new to the Work-Sharing program or have an existing Work-Sharing agreement or are serving a mandatory cooling-off period.

Work-Sharing agreements approved under the U.S. tariffs special measures must have a minimum duration of 6 weeks, and may be extended to a maximum total of 76 weeks. There is no required cooling-off period while the special measures are in place, and businesses can focus their recovery measures on supporting their ability to maintain viability related to the threat or potential realization of U.S. tariffs.

The Work-Sharing U.S. tariffs special measures have expanded the employer eligibility to include, among others, non-profit and charitable organizations experiencing a reduction in revenue levels as a direct or indirect result of the U.S. tariffs. Under normal circumstances, only non-profit organizations (as defined in paragraph 149(1)(l) of the *Income Tax Act* (Canada)) engaging in activities where they retain the profit to support the goals of the organization would be eligible for the Work-Sharing Program. Registered charities would otherwise not be eligible. Also, temporary layoffs in a non-profit organization due to a reduction in revenue levels alone (such as reduced grants, donations,

memberships, investment income or other disruptions in funding streams) would normally not meet the Work-Sharing eligibility criteria if the special measures are not in place.

The employee eligibility has also been expanded under the Work-Sharing U.S. tariffs special measures to include employees who are assisting the employer's recovery efforts, as well as seasonal or cyclical employees.

Questions regarding the Work-Sharing U.S. tariffs special measures can be directed to the Work-Sharing Employer Unit at edsc.dgop.tp.rep-res.ws.pob.esdc@servicecanada.gc.ca.

2. Tax Ombudsperson Releases Report on Bare Trust Reporting

By Terrance S. Carter and Adriel N. Clayton

The Office of the Taxpayers' Ombudsperson released its report on March 5, 2025, titled "Unintended Consequences: Bare Trusts - Lessons learned from the Canada Revenue Agency's administration of burdensome tax" (the "Report") examining the Canada Revenue Agency's (the "CRA") administration of new trust reporting requirements, particularly as it relates to the timing of the announcement by the CRA on March 28, 2024, to exempt bare trusts from reporting requirements for the 2023 tax year. The Report highlights key challenges in tax administration and the unintended consequences for taxpayers and tax professionals that occurred. As well, the Report underscores the underlying confusion concerning what a "bare trust" is. This Report was prepared following the Ombudsperson undertaking an extensive examination of these issues, as reported in *Charity & NFP Law Bulletin No. 528*.

As detailed in Charity & NFP Law Bulletin No. 528, the Government of Canada introduced extensive new trust reporting requirements, including the filing of a T3 Income Tax and Information Return and Schedule 15 for bare trusts, which also have application to charities and not-for-profits. However, on March 28, 2024, the last business day before the filing deadline, the CRA announced that bare trusts would not be required to file for the 2023 tax year unless specifically requested to do so by the CRA. The Report references in its Chronology of Key Events that on October 29, 2024, the CRA subsequently announced that it would also not require bare trusts to file a T3 return, including Schedule 15, for the 2024 tax year unless directly requested by the CRA.

The Report indicates that the March 28, 2024, announcement by the CRA was generally welcomed but also raised concerns, particularly regarding:

- The lack of clear communication about filing requirements;
- Increased compliance costs for taxpayers and professionals; and
- The late exemption announcement and its impact.

The Ombudsperson's Report found that while the CRA took steps to provide guidance, the timing of its exemption decision caused unintended confusion and compliance burdens. Ultimately, the Report concludes that:

- "The CRA was tasked with administering legislation that was burdensome"; and
- "The [CRA] did not provide clear and timely information when it could have".

In particular, with regard to bare trusts, the Report raises the questions of "what is a bare trust, who are the parties to a bare trust arrangement, and whether they are required to file a T3 return", and concludes that "there are no clear answers". Further to this, the Report states that the Income Tax Act does not define what a bare trust is, nor does the new trust reporting legislation. While the CRA provided one example to illustrate what a bare trust might be, the Report states that the example is "not […] relatable".

As well, it is worth noting that the Report indicates that:

> […] it is up to the CRA, in its administration of tax legislation, to provide guidance about the legislation. That being said, it is ultimately the taxpayer's responsibility to understand or be informed of the law and take reasonable steps to comply with it.
>
> However, it appears in this case there was additional complexity: Taxpayers had to first establish if the arrangement they were involved with was a trust and then determine if the reporting requirements applied.

In response to the Ombudsperson's Report, the Department of Finance Canada has committed to reviewing and clarifying the bare trust reporting rules to ease the administrative burden. The Report also includes five recommendations for improving CRA service, particularly when legislative changes create new compliance costs.

3. Ontario Court Validates NFP's Corporate Documents Despite Procedural Errors Under the CNCA

By Esther S.J. Oh and Jacqueline M. Demczur

In the *College of Family Physicians of Canada v Resident Doctors of Canada* decision, issued on March 5, 2025, the Ontario Superior Court of Justice exercised, for the first time, its powers under subsection 288(4) of the *Canada Not-for-Profit Corporations Act* ("CNCA") to "make any other order that the court thinks fit" under paragraph 288(4)(c), ordered the correction of articles under paragraph 288(4)(a), as well as determined the rights of members of the subject corporation under paragraph 288(4)(b).

The College of Family Physicians of Canada ("CFPC"), is a not-for-profit professional organization ("NFP") that represents over 43,000 members practicing family medicine in Canada. The applicable background facts and requirements under the CNCA are complex and beyond the scope of this brief article. However, by way of an overview, the CFPC unknowingly failed to comply with key requirements of the CNCA when approving changes to its membership classes as reflected in articles of continuance and by-laws obtained in 2013, as well as additional amendments to the member classes set out in articles of amendments and by-laws made in both 2014 and 2022.

In this regard, section 199 of the CNCA requires that any changes to the voting rights of a membership class (including where there is the granting of superior rights to one membership class as compared to another membership class) the impacted membership class(es) must have the right to vote separately to approve the proposed change by a two-thirds majority of that specific class. Based on legal advice (which was later determined to be erroneous) the amendments to CFPC's articles and bylaw were only approved by a majority vote of the voting members of the CFPC rather than by a two-thirds majority of each affected membership classes voting separately as required under the CNCA.

As was explained in the applicant's factum:

> Therefore, unbeknownst to the CFPC, the articles of continuance and by-laws approved by the members at the 2013 annual meeting, and submitted to Corporations Canada, as part of the continuance process under the CNCA were not approved in conformity with the CNCA. Corporations Canada subsequently issued a certificate of continuance, which evidenced the continuance of the CFPC under the CNCA and enclosed the articles of continuance, on June 1, 2014.

After becoming aware that the amendments made to its previous articles and by-laws were not in compliance with the CNCA as a result of an inquiry from one of its members, the CFPC filed an

application with the court for an order validating its articles and by-laws, particularly those adopted in 2013 and 2022 (collectively "Constating Documents"), under subsection 288(4) of the CNCA or through the court's inherent jurisdiction. While a number of member classes were significantly changed in the by-law amendments, only the respondent, the Resident Doctors of Canada, while generally supporting the application, sought to modify the relief by restoring a distinct voting class for family medicine resident doctor's membership class with the CFPC.

A central issue in this case was the interpretation of section 288 of the CNCA. Notably, to date, section 288 had not previously been judicially considered. The CFPC argued that its non-compliance with sections 199 and 212, which stemmed from procedural errors based on erroneous advice from former corporate counsel, amounted to an "error" that could be rectified under subsection 288(4). This provision allows courts to order the correction of corporate documents, determine the rights of members and make any other order deemed fit.

The court adopted a broad and remedial interpretation of this provision, consistent with the principles of statutory interpretation outlined by the Supreme Court of Canada in *Rizzo & Rizzo Shoes Ltd.* and section 12 of the *Interpretation Act* (Canada). The court emphasized that as the CNCA is remedial legislation, it should be interpreted liberally to ensure its objectives are met. The term "error" was interpreted broadly to allow the court "to exercise a discretion to validate corporate documents not properly enacted as a result of procedural error", thus, validating the CFPC's Constating Documents.

This court decision also addressed the voting rights of family medicine resident doctors raised by the respondent, Resident Doctors of Canada. Previously, this group had had their own voting class of members but, in 2022, were reclassified into a non-voting "Learner Class" without any voting rights. The Resident Doctors of Canada argued this change made to the family medicine resident doctors membership class was disempowering and prevented them from having a voice in decisions affecting their interests at the CFPC.

Although the Resident Doctors of Canada initially opposed the CFPC's application in part, seeking restoration of voting rights for resident members, the parties subsequently reached an agreement to reclassify family medicine resident doctors as part of the "Practising" membership class which has voting rights. The court approved this resolution, finding it reasonable and consistent with the remedial relief granted under subsection 288(4) of the CNCA.

This case sets a precedent for charities and NFPs, clarifying that courts can validate governing documents with procedural errors pursuant to subsection 288(4) of the CNCA. However, in its decision, the court noted that CFPC had acted in good faith to correct the errors made as a result of the deficient advice provided by its former legal counsel, with proper notice of all of the proposed changes having been sent by the CFPC to the members who later voted in favour of them.

In addition, the court stated that CFPC's proposed relief, being an order validating the CFPC's Constating Documents with retroactive effect, was a fair, proportional, efficient and practical approach to remedy the situation and preferable to embarking on a process of validating by-laws retroactively on an annual basis or returning the CFPC wholesale to its 2012 status. As such, while it continues to be essential to comply with the membership voting requirements set out in the CNCA, where procedural errors have occurred due to deficient professional advice or otherwise, and where the proposed relief is determined to be fair and practical, the courts may be willing to exercise its powers under subsection 288(4) of the CNCA.

4. Alberta Court Rules on Fiduciary Breach, Volunteer Protections, and Unfair Membership Termination

By Ryan M. Prendergast

The Court of King's Bench of Alberta's recent decision in *Edmonton (Hakka Tsung Tsin Association) v Demei* *("Demei")* (decided on March 5, 2025), serves as an important case study for charities and

not-for-profits, particularly regarding fiduciary duties of directors, and procedural fairness in membership terminations. The case provides a reminder that governance failures can have serious legal consequences and reinforces the responsibilities of those in leadership roles within not-for-profits.

This case regarded a dispute over leadership and governance within the Hakka Tsung Tsin Association of Edmonton, a society governed by Alberta's *Societies Act*. The issue arose when the Association's former president, Liao Demei, was accused of improperly conducting an election in 2020 and subsequently using organizational funds to pay legal fees in defending that election. In that decision, the Court of King's Bench of Alberta determined that the 2020 election was invalid. Liao retained counsel to defend the Association and herself concurrently, leading to the dispute in *Demei.*

In *Demei*, the court found that Liao breached her fiduciary duty by retaining legal counsel on behalf of both herself and the Association, despite a clear conflict of interest. The court noted that Liao's interests were in preserving her position as president, while the Association's interests were in ensuring the election was conducted in accordance with its bylaws. By failing to recognize this conflict and using Association funds for her legal defense, Liao placed her own interests above those of the organization, violating her duty of loyalty. As a result, the court held her personally liable for $10,000 in damages.

The case also considered the Alberta *Freedom to Care Act*, which offers legal protection to volunteers in not-for-profits. Liao argued it shielded her from liability, claiming she acted within her role as president and was not grossly negligent. The court disagreed, finding that breaching fiduciary duty – putting personal interests ahead of the organization's – is incompatible with acting within one's responsibilities. Even if she had been acting within her role, the court found her conduct reckless, disqualifying her from protection, and clarified that the Act does not grant blanket immunity to volunteers who neglect their legal and fiduciary duties.

Another significant aspect of *Demei* was the termination of Liao's membership in the Association. In April 2022, following the resolution of the 2020 election dispute, the newly elected Executive Board revoked the memberships of Liao and her husband, citing their violations of the organization's bylaws. However, the court found that this decision lacked procedural fairness, as Liao was not given advance notice that her membership was under review, nor was she afforded an opportunity to respond before the decision was made. The court emphasized that while not-for-profits have the authority to set and enforce membership rules, they must still follow principles of fair process. In this instance, the failure to provide notice and a hearing rendered the termination invalid, leading to Liao's reinstatement as a member, contingent on her payment of outstanding membership dues.

Demei underscores the importance of ensuring that membership decisions are made transparently and in accordance with both organizational bylaws and common law principles of fairness. While courts generally defer to the internal governance of voluntary associations, they will intervene where procedural fairness is lacking. For charities and not-for-profits, this means that any decision to revoke membership should be made through a documented process that allows for notice, an opportunity to respond, and a clear rationale for the decision.

By proactively addressing these governance issues, charities and not-for-profits can mitigate risks, maintain the integrity of their leadership, and foster greater trust among their members and stakeholders.

5. The Case of the Property Trust: A Cautionary Tale for Charities in Trust Management

By Nancy E. Claridge

In a decision dated February 25, 2025, involving the Estate of Qasem Hasan Mahmud, the Superior Court of Justice in Ontario addressed the complexities of charitable trust creation, focusing on a

condominium once owned by Mr. Mahmud. The core issue was whether Mr. Mahmud had held the property in trust for the Arabic and Islamic Education Foundation of Ottawa (the "Foundation").

The Foundation argued that Mr. Mahmud had declared the property to be held "in trust" for the Islamic School of Ottawa (later renamed the Foundation). However, there was no formal declaration of trust regarding the Foundation, and the legal documents surrounding the property were insufficiently clear. A declaration made by Mr. Mahmud in 1988 stated he would hold the property for the School, but the trust failed to meet the necessary legal requirements. Specifically, Mr. Mahmud had not owned the property at the time of the declaration, and the beneficiary (the Foundation or its predecessor) was not adequately identified in the documents.

The case highlights a crucial point for charities: the importance of formal, well-documented agreements when creating trusts. A casual reference to "trust" in documents, such as tax notices or mortgage agreements, does not establish a valid legal trust without the proper formalities. The court found that while Mr. Mahmud may have intended to hold the property in trust, the lack of clarity and formal documentation meant that the Foundation had no legal claim to the property.

Furthermore, the case delves into the concept of a purchase money resulting trust, which can arise when someone contributes to the purchase price of a property but does not hold legal title. The court determined that the Foundation's sporadic mortgage payments over the years did not constitute a valid resulting trust because these payments occurred after the property was purchased and did not directly contribute to the property's initial acquisition.

The ruling underscores a fundamental lesson for charities involved in property or trust matters: clear, formal documentation is essential. Without a properly executed declaration of trust, and with unclear evidence of financial contributions, even well-intentioned trust arrangements can fall short in court. This case serves as a warning to charities to ensure all trusts are fully documented to avoid legal uncertainties and potential disputes in the future.

6. CRA Releases Report on Charities Program 2023 to 2024

By Terrance S. Carter and Urshita Grover

The Charities Directorate of the Canada Revenue Agency (the "CRA") released its Report on the Charities Program 2023 to 2024 (the "Report") on March 20, 2025. The Report covers the period between April 1, 2023, to March 31, 2024, and according to the Director General of the Charities Directorate, "features the work that the CRA does to not only support registered charities and other qualified donees, but also maintain public trust in the Canadian charitable sector." What follows is a brief summary of the CRA's activities as highlighted in the Report.

The Charitable Sector by the Numbers

Based on the Charities Directorate's administrative data for 2023, the Report notes that there were 85,518 registered charities in Canada, of which 73,966 were charitable organizations, 6,775 were private foundations, and 4,777 were public foundations.

According to the CRA and based on Form T3010, *Registered Charity Information Return*, as submitted by registered charities for the 2022 calendar year (self-reported information) ("Form T3010"), government funding remained the main source of revenue for charities, accounting for 70% of all revenue. Regarding expenditures, also based on Form T3010, out of the total reported expenditures by type in 2022 of $334 billion, 73% of reported expenditures were allocated to charitable activities, 4% on gifts to qualified donees, and 23% to "other" expenditures such as professional and consulting fees, management and administration, and travel and vehicle expenses. Charities reported spending approximately $4.6 billion on activities outside Canada in 2022.

The Regulatory Process

The CRA regulates registered charities and is responsible for protecting the integrity of the tax system and the charitable sector by ensuring that all registered charities follow applicable rules.

Registration

The Report indicates that during the 2023 to 2024 fiscal year, 88.2% of applicants used online services provided by the CRA to submit applications, documents and correspondence during the registration process. The CRA received 2,333 applications for registration as a charity and 38 applications for other qualified donee categories. The CRA made 2,014 decisions on applications.

The Report notes the CRA's continued efforts to improve internal efficiencies in the application process to shorten processing times and enhance consistency in treatment and final outcomes for all applications. The CRA adapted a people-centric approach to communicate with potential registrants, and promoted an education first strategy in communications with the sector.

For the 2023 to 2024 fiscal year, the most common application outcome for both charities and other qualified donees was approval of registration (77.9% and 77.4%, respectively), with denial being the least common. The denial of applications for charities was only 1.6%, as compared to 8% of applications for other qualified donees. The Report states that the most common reasons that applicants were not granted charitable status included a lack of information provided on proposed activities, carrying on non-charitable activities, acting as a conduit, lack of direction and control over the use of resources, and private benefit.

Promoting Compliance

The CRA states that it continued to employ a risk-based approach to promote and address compliance within the charitable sector, by balancing its interactions with charities for voluntary compliance and taking remedial action to address serious non-compliance.

Non-audit interventions, such as education letters, requests for information, and telephone calls, are an efficient way to address low-risk to medium-risk compliance issues, with the CRA conducting between 8,000 and 12,000 such interventions annually to promote education and voluntary compliance for charities that want to comply, but may need some help to stay on track. For situations where risk of potential non-compliance is high and a closer look at the books and records and operations of an organization is necessary to identify and address any serious concerns, the CRA uses audits through its compliance program, which includes the work of the Review and Analysis Division ("RAD"). Audits can lead to different compliance outcomes ranging from education letters to revocation of charitable registration.

In the 2023 to 2024 fiscal year, the CRA completed 196 audits and 6,556 non-audit interventions. Common non-compliance findings from audits included incomplete or incorrect T3010 returns (64%), incomplete or inaccurate donation receipts (56%), and inadequate books and records (48%). Almost 70% of audits resulted in less severe outcomes, such as education letters. More severe non-compliance measures included compliance agreements and Notices of Intention to Revoke. The most common reason for revocation was a registered charity or other qualified donee's failure to file its annual return as required under the *Income Tax Act*.

Program Policy

The CRA establishes policy priorities based on changes in law, Government priorities, and developments in the charitable sector. Notably, in 2023 to 2024, the CRA:

- announced that it will not require registered charities to file the T3, *Trust Income Tax and Information Return*, for internal trusts held by them;
- published Guidance CG-032, *Registered charities making grants to non-qualified donees*, which reflects legislative changes on qualifying disbursements; and,

- released version 24 of Form T3010, *Registered Charity Information Return*, which incorporated new reporting requirements and a new schedule for calculating the disbursement quota.

Stakeholder Engagement

The Report summarizes how the CRA engages with the charitable sector through various forums, including:

- The Advisory Committee on the Charitable Sector ("ACCS"), which serves as a consultative forum for dialogue between the Government and the charitable sector, providing recommendations on policy and guidance development to the CRA.
- The Technical Issues Working Group ("TIWG"), which discusses trends and technical issues, exploring workable administrative solutions and expand the CRA's understanding of the charitable sector.
- The Federal/Provincial/Territorial Network of Charity Regulators ("FPT Network"), which facilitates discussion and collaboration on issues related to regulating charities across Canada.

Serving the Sector and Canadians

The CRA states that takes an education-first approach to compliance, offering a range of services to clients, including a call centre, written enquiries service, information request, webinars, various outreach opportunities and the Charities and Giving web pages. In the 2023 to 2024 fiscal year, account updates continued to be the most common type of written enquiries made by charities. The most common telephone enquiries related to filing an annual information return, applying for registration, account changes, and receipting. The Report includes data for its service standards.

In the 2023 to 2024 fiscal year, the Charities Directorate processed 1,569 public information requests for documents and 189 from reporters. The most common types of information requests are for Form T3010, *Registered Charity Information Return* and financial statements for registered charities or other qualified donees, as well as governing documents and application forms. The CRA also held three interactive webinars on topics like books and records and completing the T3010 return online. The CRA states that it is working on web optimization for its existing content to make it easier for the sector and the general public to find the information they search for and to understand it. The Charities Directorate also uses other activities to raise awareness among the charitable sector of its regulatory obligations, and the electronic mailing list is a tool that shares helpful information with subscribers, including for upcoming events, new and updated web pages, as well as regulatory and legislative changes and updates.

External Reviews

The CRA Report explains that the Financial Action Task Force ("FATF") sets international standards to combat money laundering and terrorist financing. In November 2023, FATF revised Recommendation 8 to better protect Non-Profit Organizations ("NPOs") from terrorist financing risks while minimizing disruption to legitimate activities. FATF also released updated Best Practices Paper on Combatting the Abuse of Non-Profit Organizations, supported by the CRA, to educate stakeholders.

Canada will be subject to a mutual evaluation review by the FATF between 2024 and 2026 to assess compliance with its Recommendations. The CRA participated in Canada's Anti-Money Laundering and Anti-Terrorist Financing ("AML/ATF") Regime and supported the publication of various key Regime initiatives led by the Department of Finance, including the Updated Assessment of Inherent Risks of Money Laundering and Terrorist Financing in Canada and Canada's AML/ATF Regime Strategy 2023-2026.

The CRA Report states that Charities Directorate was subject to an external review, for the first time, by Canada's National Security Intelligence Review Agency ("NSIRA"), which is ongoing, focusing on the CRA's national security activities and decision-making related to charities, to assess their reasonableness, necessity, and compliance with the law. The Office of the Taxpayers' Ombudsperson ("OTO") also conducted a review, releasing a report in March 2023 that included a recommendation for mandatory unconscious bias training for CRA employees involved in the audit process. The CRA states that it agreed with this recommendation and implemented measures that go beyond the OTO's recommendation, including mandatory training courses and updated training materials.

Conclusion

The Report provides a helpful snapshot of the activities that the Charities Directorate undertook in its 2023 to 2024 fiscal period. Charities are encouraged to review the Report and its findings in more detail as a means of better understanding the administrative landscape in which they operate.

7. Employment Update – Labour Relations Board Awards $10K to Employee Misclassified as Contractor

By Barry W. Kwasniewski and Martin U. Wissmath

The Ontario Labour Relations Board (the "Board") has ruled that a chef working at a restaurant was an employee under the *Employment Standards Act, 2000* ("ESA") and entitled to termination pay, vacation pay, and public holiday pay, despite the restaurant's claim that he was an independent contractor. The January 13, 2025 decision in *11541722 Canada Inc. v. Jcyk Josefsberg*, highlights the legal and financial risks of worker misclassification, an issue of particular relevance to Ontario charities and not-for-profits that rely on flexible staffing arrangements.

The applicant, 11541722 Canada Inc. (the "Employer"), operated a restaurant where Jcyk Josefsberg (the "Employee") worked as a chef. Following his termination on July 17, 2023, the Employee filed a complaint under the ESA, claiming that he was entitled to termination pay and other statutory payments. The Employer argued that the Employee was an independent contractor, pointing to the lack of a written employment contract and the fact that he was paid by e-transfer without statutory deductions.

The Board applied the established test for distinguishing between employees and independent contractors, focusing on factors, such as control, financial risk, and economic dependence. The Employee testified that he never considered himself an independent contractor, did not invoice the Employer, did not have an HST number, and was under the Employer's direct supervision. The Board found that the Employee did not exhibit the "hallmarks of being in business of his own account," noting that he had no financial risk, no control over business operations, and no ability to subcontract his work.

While the Employee played a role in menu development, promotions, and staff training, the Board found that these activities were consistent with a managerial employee rather than an independent contractor. It stated as the owner, the Employer "clearly had ultimate authority respecting the operations of the Company and relied upon [the Employee's] input as one would rely upon an employee who occupied the role of supervisor or manager."

The Employer also claimed that the Employee was dismissed for cause due to alleged workplace misconduct, citing complaints about his behaviour toward customers and financial irregularities. Witnesses alleged that the Employee pocketed cash payments from customers instead of processing them through the restaurant's payment system, refused to accept debit or credit card transactions, and provided free meals to acquaintances without authorization. The Employer further alleged that the Employee used restaurant funds for personal expenses, including a payment that was allegedly used to purchase car tires.

However, the Board found that the Employer failed to substantiate these allegations with credible evidence or a record of progressive discipline. The decision noted that the Employer "could not resist the tug of self-interest," and that there was no clear evidence linking the alleged misconduct to the Employee's termination. "It cannot be said that [the Employee] committed some culminating incident which justified his employment termination," the Board concluded, "or that he engaged in any one incident which justified his summary dismissal."

The Board affirmed that the Employee was entitled to ESA protections and awarded $10,898.80 in termination pay, public holiday pay, and vacation pay.

For charities and not-for-profits, this decision serves as a reminder that independent contractor relationships must reflect genuine independence in practice, and meet the legal tests established by law. Organizations that misclassify workers may face significant financial liability and legal consequences.

8. IP Update – Major Changes Coming to Official Marks Which Will Impact Many Registered Charities

By Sepal Bonni and Cameron A. Axford

Charities and not-for-profits that hold official marks under Canada's *Trademarks Act* should take note of significant legislative changes coming into force on April 1, 2025. These amendments, long anticipated in Canada's intellectual property landscape, and previously discussed in the *March 2023 Charity & NFP Law Update*, will create new vulnerabilities for organizations that rely on official marks to protect their branding. While broader trademark reforms are also taking effect, the revisions to official marks are particularly critical for charities and not-for-profits who have often relied on them. Organizations relying on official marks to protect their brand and reputation should review their portfolios now to mitigate the risk of losing trademark protection that has historically been almost impossible to challenge.

Under the current regime, official marks grant expansive protection. These marks, issued to public authorities, have long been considered "super-marks," enjoying broad rights that prevent others from adopting a mark that is likely to be mistaken for an official mark. Unlike regular registered trademarks, official marks do not require renewal, are not subject to non-use cancellation or opposition proceedings, and do not specify associated goods and services, making them an attractive option for public authorities

In the past, registered charities have obtained official marks on the basis of being a "public authority". However, in 2002, the Federal Court made it clear that status as a registered charity alone is insufficient to qualify as a public authority for the purpose of obtaining an official mark, and that the test to determine if an organization qualifies as a public authority requires that: (1) a significant degree of control is exercised by the appropriate government over the activities of the body; and (2) the activities of the body benefit the public. Given the Federal Court's strict test of what constitutes a public authority, most charities that may have formerly qualified as a public authority for registration purposes no longer do.

However, even though these charities no longer qualify, their official marks still remain active. Even if the charities that own the official marks no longer exist, the official marks continue to remain active. This is because with the current official mark regime, once an official mark is approved, it remains on the Trademarks Register until it is either voluntarily withdrawn by the owner or struck from the Register by a successful Federal Court action for judicial review. Both of these circumstances are very rare and, as a result, once an official mark is on the Register, it is often perpetual in duration. Even though the charities' official mark cannot technically be enforced against third parties, the current regime is of benefit to these organizations given that their official marks continue to exist on the registry and therefore block applicants of confusingly similar trademarks. This often creates an issue for new applicants who wish to register trademarks that are blocked by official marks.

Starting April 1, 2025, new provisions to Canadian trademark legislation will provide a new mechanism for the Trademarks Registrar to give public notice that an official mark is invalid where the official mark holder is not a public authority or no longer exists. This can be done either at the Registrar's own initiative or in response to a request from a third party for a fee of $325 CAD. This will catch many charities that currently hold official marks and provide a simple and cost-effective avenue for third parties to challenge official marks that are potentially blocking their trademark applications from proceeding.

For charities and not-for-profits that currently rely on official marks but do not qualify as public authorities, these changes could have far-reaching consequences. Ahead of April 1, 2025, charities that own official marks should carefully review their portfolios and assess whether their status as a 'public authority' – and therefore the validity of their official marks – may be open to challenge. Where vulnerabilities exist, filing new applications for regular trademarks is an important and prudent strategy to protect their trademarks.

These changes align with the federal government's broader efforts to modernize Canada's trademark system and prevent abuse of intellectual property protections. While other amendments coming into force on April 1, such as proof-of-use requirements for trademark enforcement and new cost award powers for the Trademarks Opposition Board, are notable, the reforms to official marks stand out as having significant impact on charities and not-for-profits.

Given the substantial implications of these changes, charities and not-for-profits should take proactive steps to safeguard their brand protections before the new regulations take effect or as soon as possible thereafter.

9. Privacy Update

By Esther Shainblum and Martin U. Wissmath

9.1. SCC Denies Leave in B.C. Data Breach Case, Leaving Privacy Act Ruling Intact

The Supreme Court of Canada (SCC) has denied leave to appeal in *G.D. v. South Coast British Columbia Transportation Authority*, letting stand a July 2024 B.C. Court of Appeal decision that may expand liability for organizations handling personal data. The case arose from a cyberattack on TransLink, Metro Vancouver's public transit authority, which resulted in the unauthorized disclosure of sensitive personal information. The B.C. Court of Appeal found that it was, at a minimum, arguable that a public body could be liable under the B.C. Privacy Act for failing to adequately protect personal data, and a duty of care may be found in certain circumstances, forming the basis for a negligence claim.

The SCC's refusal to hear the appeal leaves the appellate ruling in place, signaling the potential for increased legal exposure for organizations that collect and store personal information of individuals in databases ("Database Defendants"). While breach of privacy under the B.C. Privacy Act is a statutory tort with limited scope, this case suggests that courts may be willing to hold Database Defendants liable for a third party's intrusion into the personal information held by the Database Defendants.

The B.C. Court of Appeal stated that its view differs from the Ontario Court of Appeal's view as to the interpretation of "willfully" in the context of B.C.'s statutory privacy tort. In a trilogy of cases that we discussed in the January 2023 *Charity & NFP Law Update*, the Ontario Court of Appeal held that the tort of intrusion upon seclusion will generally not be available against Database Defendants because the tort of intrusion upon seclusion applies only against the cyberattackers who recklessly or intentionally invaded individuals' privacy and not against the Database Defendants. While Database Defendants who fail to take steps to adequately protect personal information might be liable for negligence or breach of contract, the Court of Appeal specifically chose a narrow and limited interpretation of the tort of intrusion upon seclusion that does not apply to the Database Defendant's failure to prevent a third party's intrusion.

Ontario-based charities and not-for-profits can likely rely on the principles set out in the *Owsianik* trilogy of cases to argue that they should not be liable for a privacy breach arising from a cyberattack. However, this ruling does muddy the waters for any organization that collects and stores personal information in databases, including charities and not for profits. As digital record-keeping and donor databases become more prevalent, charities and not-for-profits should recognize that data breaches may trigger liability under statute as well as common law liability, depending on the jurisdiction in which they are located. Ensuring strong cybersecurity measures, internal protocols, and compliance with federal and provincial privacy laws is increasingly necessary to mitigate these risks.

As regulatory enforcement and litigation around data breaches intensify, charities and not-for-profits must prioritize data protection to safeguard personal information, maintain public trust, and limit potential legal exposure.

9.2. Europe Strengthens Data Protection with New Pseudonymization Guidelines under GDPR

The European Data Protection Board (EDPB) has adopted new guidelines on pseudonymization, clarifying its role under the General Data Protection Regulation (GDPR) and its impact on data security, legal compliance, and cross-border cooperation. Announced on January 17, 2025, these guidelines reinforce pseudonymization as a key technique for protecting personal data while enabling lawful processing.

Pseudonymization involves processing personal data in a way that prevents direct attribution to an individual without additional information, which must be kept separately and protected. For example, a hospital would pseudonymize patient data by replacing names with unique codes in medical records used for research, while securely storing the code-to-name key separately to prevent re-identification. While pseudonymized data remains personal data under the GDPR, the EDPB highlights its potential to reduce legal risks, facilitate data processing that is necessary for the purposes of a legitimate interest, and enhance security measures under the GDPR. The guidelines also provide practical recommendations on technical and organizational safeguards to "prevent unauthorized identification of individuals," according to the EDPB.

For Canadian charities and not-for-profits operating internationally, these guidelines underscore the growing emphasis on data protection. Organizations engaging with EU-based donors, beneficiaries, or partners should assess whether their data processing practices align with GDPR expectations, particularly regarding anonymization, pseudonymization, and secure data transfers.

As regulatory scrutiny of data protection increases worldwide, charities and not-for-profits should proactively review their privacy policies, implement strong security safeguards, and monitor developments in privacy law to ensure compliance and uphold donor trust.

10. AML/ATF Update

By Terrance S. Carter, Nancy E. Claridge and Sean S. Carter

10.1. Canada Strengthens Anti-Money Laundering Rules: Implications for the Charity and Not-for-Profit Sector

The Government of Canada announced in a March 7, 2025 news release that new regulatory amendments to strengthen Canada's Anti-Money Laundering and Anti-Terrorist Financing (AML/ATF) framework are being implemented. These measures purport to improve financial transparency, curb organized crime, and close regulatory gaps that have allowed illicit financial activities to thrive. While primarily targeting financial crime, these changes will have implications for the charity and not-for-profit sector, particularly regarding compliance and reporting obligations.

The new regulations introduce several significant changes. The Canada Border Services Agency (CBSA) will have greater authority to detect and disrupt trade-based money laundering, particularly those linked to transnational drug trafficking and organized crime. A new framework will allow private institutions to share information related to money laundering, terrorist financing, and sanctions evasion, strengthening collective efforts to identify and prevent illicit financial activities. Additionally, private institutions will now be required to report discrepancies between client-provided information and the federal beneficial ownership registry, reinforcing corporate transparency. Factoring companies, cheque cashing businesses, and financing and leasing firms will also now be subject to AML/ATF obligations to prevent exploitation by criminals.

The new regulatory landscape may present both challenges and opportunities for charities and not-for-profits. While the intent is to curb financial crime, past AML/ATF initiatives have, at times, led to unintended consequences for legitimate charitable activities, including increased scrutiny and de-risking by financial institutions. Charities and not for-profits that conduct international transactions, particularly in high-risk jurisdictions, may face heightened due diligence from financial institutions due to enhanced information-sharing mechanisms. Organizations structured as federal corporations under the *Canada Business Corporations Act* may need to ensure consistency between their corporate records and the new beneficial ownership registry to avoid discrepancies that could trigger reporting obligations. As well, the amendments authorize provincial and territorial civil forfeiture offices to receive financial intelligence from FINTRAC starting April 1, 2025.

These amendments build on Canada's broader efforts to combat financial crime, with over $379 million invested in AML/ATF initiatives over the past five years. The government has also taken steps to enhance compliance, improve financial intelligence, and expand AML obligations to high-risk sectors. Additionally, Canada's G7 Presidency in 2025 will focus on illicit finance, signaling continued international cooperation on AML/ATF matters. This focus may influence future regulatory expectations for not for profits operating in cross-border financial environments.

While these regulatory changes are intended to strengthen Canada's financial security, charities and not-for-profits should assess their compliance strategies to ensure alignment with evolving AML/ATF obligations. Organizations that engage in cross-border philanthropy, financial transactions, or corporate structuring should be particularly mindful of new reporting and due diligence requirements. Proactive engagement with financial institutions can help mitigate the risk of unintended restrictions while ensuring continued access to essential financial services. Charities should also familiarize themselves with the CRA's Checklist on Preventing Terrorist Abuse.

10.2. FATF Plenary February 2025: Implications for the Charity and Not-for-Profit Sector

The February 2025 Financial Action Task Force (FATF) Plenary, held in Paris, focused on strengthening global measures against money laundering, terrorism financing, and proliferation financing (the illegal manufacture, development, *etc.* of nuclear, chemical, or biological weapons). These developments are relevant for charities and not-for-profit organizations, particularly those working in the international context, which can face compliance challenges due to onerous financial regulations intended to curb illicit activities.

The Financial Action Task Force ("FATF") is an inter-governmental body which exists in order to set standards and promote effective implementation of measures for combating money laundering, terrorist financing and other international threats. It has a list of 40 Recommendations, which according to their establishing document, "set out a comprehensive and consistent framework of measures which countries should implement in order to combat money laundering and terrorist financing." The FATF Standards comprise the Recommendations and their interpretive notes, as well as a glossary which accommodates these documents.

The FATF approved changes to its Standards following extensive public consultation, aiming to promote a risk-based approach while fostering financial inclusion. These revisions seek to balance

financial integrity with accessibility, ensuring that lower-risk transactions are not unnecessarily burdened with stringent compliance requirements. A follow-up consultation will be conducted by the FATF to guide implementation.

The FATF also advanced efforts to combat "financial flows" linked to online child sexual exploitation. A forthcoming report, based on case studies and intelligence, will outline strategies for identifying and disrupting illicit financial transactions tied to such crimes. This report was officially launched in London on March 13, 2025.

Another area of focus was payment transparency and the detection of complex proliferation financing and sanctions evasion schemes. The FATF will seek public input to refine these measures, aiming to improve financial security while ensuring effective risk mitigation for financial institutions.

The Plenary updated its list of high-risk and monitored jurisdictions (defined as those "actively working with the FATF to address strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing"), adding Laos and Nepal to the list of countries under increased monitoring due to identified deficiencies in their anti-money laundering and counter-terrorism financing (AML/CFT) frameworks. The Philippines was removed from this list, having successfully addressed previous concerns. The Philippines will continue working with the Asia/Pacific Group on Money Laundering to maintain compliance. The FATF reiterated the ongoing suspension of Russia's membership, emphasizing the need for vigilance against circumvention of sanctions imposed on the Russian Federation.

A major revision to FATF's Recommendation 1 was approved to ensure countries adopt a more effective risk-based approach to AML/CFT efforts. Recommendation 1 involves assessing risks and applying a risk-based approach to ensure that measures taken are appropriate. The update was driven by a 2021 study that found disproportionate de-risking and financial exclusion due to overly rigid compliance measures. The changes are aimed to facilitate access to financial services while maintaining robust safeguards. A new public consultation on Recommendation 16, which addresses wire transfers, will examine ways to improve transparency in payment systems by standardizing originator and beneficiary information. The goal is to enhance security, reduce duplication, and optimize compliance processes without impeding financial transactions.

Additionally, the FATF launched a review of Complex Proliferation Financing and Sanctions Evasion Schemes to identify best practices for mitigating risks associated with illicit financial networks. The general public will be invited to contribute to this initiative.

For charities and not-for-profits, these developments signal ongoing regulatory scrutiny, particularly concerning financial transparency and anti-terrorism financing measures. While FATF's risk-based approach aims to prevent excessive de-risking, organizations should remain vigilant in their compliance efforts to ensure they are not inadvertently impacted by evolving financial regulations. As consultations continue, the sector has an opportunity to engage with policymakers to help shape frameworks that balance financial security with operational realities.

11. AI Update

By Cameron A. Axford and Martin U. Wissmath

11.1. Ontario's AI Human Rights Impact Assessment: A New Tool for AI Governance

Artificial intelligence (AI) continues to shape decision-making across public and private sectors, as its ethical and lawful deployment has become a critical concern, including for charities and not-for-profits. In November 2024 the Law Commission of Ontario (LCO) and the Ontario Human Rights Commission (OHRC) introduced Canada's first AI Human Rights Impact Assessment (HRIA), which aims to help organizations evaluate and mitigate human rights risks associated with AI systems. In March 2025, the LCO released its backgrounder paper (the "Backgrounder") on the HRIA, outlining its purpose,

creation and intended goals. As charities and not-for-profits increasingly adopt AI, ensuring these systems align with human rights laws and ethical standards is crucial.

The HRIA marks a significant step in AI governance, as it is explicitly based on Canadian human rights law. Many Canadian organizations rely on global AI ethics frameworks or foreign regulations, rather than Canadian legal standards. However, compliance with human rights laws – such as the *Canadian Charter of Rights and Freedoms*, the *Canadian Human Rights Act*, and the Ontario *Human Rights Code* – is mandatory, regardless of whether AI-specific laws require human rights assessments.

While AI impact assessments are not yet legally required, pending federal and provincial legislation suggests that human rights obligations could soon become a formal requirement. For example, the proposed *Artificial Intelligence and Data Act* (AIDA) at the federal level and Ontario's *Enhancing Digital Security and Trust Act, 2024* (EDSTA) signal a shift toward stricter accountability. AIDA would require AI developers to assess and mitigate risks in high-impact AI systems, while EDSTA mandates that public sector entities establish accountability frameworks for AI use.

Additionally, several government directives already encourage AI risk assessments, including the federal Algorithmic Impact Assessment (AIA), Ontario's Responsible Use of AI Directive, and the Toronto Police Service's AI policy. While these frameworks provide guidance, they often lack enforceability or a strong focus on human rights, which the HRIA aims to address.

The HRIA is a structured tool that guides organizations through the identification, assessment, and mitigation of human rights risks associated with AI. Designed for use by both the public and private sectors, it emphasizes a "human rights by design" approach. The assessment includes identifying bias in datasets and evaluating the fairness of AI decision-making processes, as well as analyzing human rights risks throughout the entire AI lifecycle, from development to deployment and beyond.

The LCO emphasizes that the HRIA it is not a standalone solution, stating that effective AI governance requires a multifaceted strategy, including legislation, oversight mechanisms, independent audits, and enforcement measures. The LCO also argues that HRIAs should be legally required but adaptable to different sectors. It states that a completely voluntary framework is insufficient to protect human rights, and as a result a binding legal obligation – either through legislation or regulation – is needed to promote accountability. However, the LCO cautions against rigidly enshrining specific assessment models in law, instead advocating for a flexible "law/standard" approach seen in existing AI policies like the federal ADM Directive and Ontario's AI Directive. Organizations remain legally obligated under human rights laws to prevent discrimination, making the HRIA a valuable tool for compliance and ethical AI governance.

The LCO and OHRC are seeking public feedback on HRIA and broader AI governance strategies, inviting stakeholders insights on how to strengthen AI accountability in Canada. Contact information for feedback can be found within the LCO background paper.

Whether HRIA becomes a widely adopted industry standard – or evolves into a legally mandated requirement – will depend on regulatory developments and stakeholder engagement in the coming years. Charities and not-for-profits using AI should proactively integrate human rights considerations to ensure compliance with existing legal obligations and prepare for potential future regulation.

11.2. EU Opinion Clarifies AI and GDPR Compliance: Key Takeaways for Data Protection

The European Data Protection Board (EDPB) has issued Opinion 28/2024, providing guidance on the application of the General Data Protection Regulation (GDPR) to artificial intelligence (AI) models. Opinion 28/2024, "on certain data protection aspects related to the processing of personal data in the context of AI models" (the "Opinion") was requested by Ireland's data protection authority, and adopted on December 17, 2024. It addresses four key questions: (1) when and how an AI model can be considered anonymous, (2) how controllers can demonstrate the appropriateness of legitimate interest as a legal basis during development, (3) how legitimate interest applies during deployment (*i.e.* putting

the AI model into real-world use), and (4) the consequences of unlawful data processing in AI development. The EDPB clarifies the regulatory framework for AI-driven data processing, offering guidance for organizations seeking to comply with GDPR while leveraging AI technology. While primarily directed at AI regulation within the European Union, it has broader implications for organizations worldwide, including Canadian charities and not-for-profits that engage with EU donors, beneficiaries, partners, or data processing partners.

The EDPB rejects broad claims of AI model anonymity, emphasizing that AI models trained on personal data are not necessarily anonymous. An AI model can only be considered anonymous if both (1) the likelihood of directly or probabilistically extracting personal data, and (2) the possibility of retrieving personal data from user queries, is insignificant, considering "all the means reasonably likely to be used" by the data controller or another person. Supervisory Authorities (SAs) must assess anonymity on a case-by-case basis, considering technical measures, preventing or limiting the collection of personal data, reducing identifiability, and resistance to "state of the art" attacks. Controllers must provide documented evidence demonstrating how anonymity is achieved.

The EDPB reaffirms that controllers must justify legitimate interest as a legal basis through a three-step test: (1) the interest must be lawful, precisely articulated, and real and present rather than speculative; (2) processing must be essential for pursuing the legitimate interest, with no less intrusive alternatives; and (3) the legitimate interest must not override data subjects' fundamental rights and freedoms. SAs will scrutinize necessity, particularly regarding the amount of data collected and adherence to the data minimization principle. During deployment, controllers must assess the impact on data subjects, considering whether individuals expect their data to be processed, the context of collection such as public versus private data, and potential future uses of the AI model.

Unlawful processing during the development phase may affect the lawfulness of subsequent AI operations in the deployment phase, particularly if personal data remains in the model. If so, the later processing must be assessed to determine whether it has a valid legal basis under GDPR, as prior unlawful processing could influence compliance. If an AI model is effectively anonymized, subsequent processing would fall outside GDPR. However, if personal data remains identifiable or can be re-extracted, GDPR would still apply.

As widespread AI adoption begins in Canada's charitable and not-for-profit sectors, compliance with evolving privacy standards is not just a legal issue but a matter of maintaining trust with donors, beneficiaries, and the public. Organizations that proactively address data protection in AI will be better positioned to navigate both regulatory challenges and ethical responsibilities in the years ahead.

12. Lexpert Rankings 2025

Eight lawyers from Carters Professional Corporation, Terrance S. Carter, Theresa L.M. Man, Esther Shainblum, Jacqueline M. Demczur, Jennifer Leddy, Sean S. Carter, and Ryan M. Prendergast have been ranked as leaders in the Area of Charities by *The Canadian Legal Lexpert® Directory 2025*.

In the Press

Charity & NFP Law Update – February 2025 (Carters Professional Corporation) was featured on Taxnet Pro™ and is available online to those who have OnePass subscription privileges.

Recent Events & Presentations

Esther Shainblum, a Partner at Carters Professional Corporation was a speaker at a webinar hosted by the Ontario Bar Association on the topic of Navigating Conflicts of Interest for Charities and Not-for-Profits on February 26, 2025.

Terrance S. Carter presented an "Update from Canada" at the American Bar Association (ABA) Tax Exempt Organizations Committee meeting held February 18-21st, 2025 in Los Angeles.

Upcoming Events

The Canadian Association of Gift Planners (CAGP) Conference 2025 will be held April 9-11, 2025 in Edmonton Alberta at the Westin Edmonton. Terrance Carter will be a speaker as part of a panel discussion on "Sector Priorities for Engaging Government: Improving Data, Granting to Non-Qualified Donees, and a Secretariat for the Charitable Sector" on Wednesday April 9th from 2:15 pm to 3:15 pm.

The Canadian Bar Association is hosting the CBA Charity Law Conference on Friday April 25th, 2025 at the OBA Conference Centre located at 20 Toronto St., Toronto. Terrance S. Carter, will be speaking along with Jacqueline M. Demczur, a partner at Carters, as part of a panel discussion on the topic of "The Spectrum of Investment Powers of Charities Across Canada, Including Impact Investing". Ryan M. Prendergast, a partner at Carters, will be part of a panel discussion on the topic of "Canadian Charities Abroad", and Theresa L.M. Man, a partner at Carters, will be speaking as part of a panel discussion on the topic of "The Disbursement Quota: The Regime and Working Within it".

Carters Professional Corporation will be hosting two Complimentary Spring Webinars this year. The first will be held on Wednesday May 7th from 12:00 pm to 1:00 pm ET, titled "Copyrights and Trademarks in a Virtual Universe: What Charities and NFPs Need to Know". Our second webinar will be on Tuesday June 3rd, on the topic of "Key Legal and Operational Issues for Donor Advised Funds", from 12:00 to 1:30 pm. Please click the links above to get more information and to register.

The Ontario Bar Association's Charity & Not-for-Profits Law Program is hosting a webinar on the topic of "Understanding Member Rights & Remedies Under ONCA: A Practical Guide" on Wednesday May 14th from 12:00 – 1:00 pm ET. Ryan Prendergast, a partner at Carters, will be participating as a program speaker.

Legal Team

Editor: Terrance S. Carter
Assistant Editors: Nancy E. Claridge, Ryan M. Prendergast, and Adriel N. Clayton

Cameron A. Axford, B.A. (Hons), J.D. - Cameron is an associate whose practice focuses on Carter's knowledge management, research, and publications division. He articled with Carters from 2022 to 2023 and joined the firm as an associate following his call to the Ontario Bar in June 2023. Cameron graduated from the University of Western Ontario in 2022 with a Juris Doctor, where he was involved with Pro Bono Students Canada and participated in the BLG/Cavalluzzo Labour Law Moot. Prior to law school, Cameron studied journalism at the University of Toronto, receiving an Honours BA with High Distinction. He has worked for a major Canadian daily newspaper as a writer.

Sepal Bonni, B.Sc., M.Sc., J.D., Trademark Agent - Sepal Bonni is a partner at Carters Professional Corporation, a registered trademark agent and practices in all aspects of brand protection. Her trademark practice includes domestic and foreign trademark prosecution, providing registrability opinions, assisting clients with the acquisition, management, protection, and enforcement of their domestic and international trademark portfolios, and representing clients in infringement, opposition, expungement, and domain name dispute proceedings. She also assists clients with trademark licensing, sponsorship, and co-branding agreements. Sepal also advises clients on copyright and technology law related issues.

Terrance S. Carter, B.A., LL.B, TEP, Trademark Agent – Managing Partner of Carters, Mr. Carter practices in the area of charity and not-for-profit law, and is counsel to Fasken on charitable matters. Mr. Carter is a co-author of *Corporate and Practice Manual for Charitable and Not-for-Profit Corporations* (Thomson Reuters), a co-editor of *Charities Legislation and Commentary* (LexisNexis), a contributing author to *The Management of Nonprofit and Charitable Organizations in Canada,* 5th Edition (LexisNexis), and co-author of *Branding and Copyright for Charities and Non-Profit Organizations* 3rd Edition (LexisNexis) and a Primer for Directors of Not-for-Profit Corporations (Industry Canada). He is recognized as a leading expert by *Lexpert*, *The Best Lawyers in Canada* and *Chambers and Partners.* Mr. Carter is a former member of CRA Advisory Committee on the Charitable Sector, and is a Past Chair of the Canadian Bar Association and Ontario Bar Association Charities and Not-for-Profit Law Sections.

Sean S. Carter, B.A., LL.B. – Sean Carter is a partner with Carters and the head of the litigation practice group at Carters. Sean has broad experience in civil litigation and joined Carters in 2012 after having articled with and been an associate with Fasken (Toronto office) for three years. Sean has been recognized as a leading expert in corporate and commercial litigation by *The Best Lawyers in Canada* since 2021, and by *Lexpert*. Sean has published extensively, co-authoring several articles and papers on anti-terrorism law, including publications in *The International Journal of Not-for-Profit Law*, *The Lawyers Weekly*, *Charity & NFP Law Bulletin* and the *Anti-Terrorism and Charity Law Alert*, as well as presentations to the Law Society of Ontario and Ontario Bar Association CLE learning programs.

Nancy E. Claridge, B.A., M.A., LL.B. – Called to the Ontario Bar in 2006, Nancy Claridge is a partner with Carters practicing in the areas of corporate and commercial law, anti-terrorism, charity, real estate, and wills and estates, in addition to being the assistant editor of *Charity & NFP Law Update*. After obtaining a Master's degree, she spent several years developing legal databases for LexisNexis Canada, before attending Osgoode Hall Law School where she was a Senior Editor of the *Osgoode Hall Law Journal,* Editor-in-Chief of the *Obiter Dicta* newspaper, and was awarded the Dean's Gold Key Award and Student Honour Award.

Adriel N. Clayton, B.A. (Hons), J.D. - Called to the Ontario Bar in 2014, Adriel Clayton is a partner at Carters Professional Corporation, manages Carters' knowledge management and research division, and practices in commercial leasing and real estate. Before joining Carters, Adriel practiced real estate, corporate/commercial and charity law in the GTA, where he focused on commercial leasing and refinancing transactions. Adriel worked for the City of Toronto negotiating, drafting and interpreting commercial leases and enforcing compliance. Adriel has provided in-depth research and writing for the *Corporate and Practice Manual for Charitable and Not-for-Profit Corporations*.

Jacqueline M. Demczur, B.A., LL.B. – A partner with the firm, Ms. Demczur practices in charity and not-for-profit law, including incorporation, corporate restructuring, and legal risk management reviews. Ms. Demczur has been recognized as a leading expert in charity and not-for-profit law by *Lexpert, The Best Lawyers in Canada* and *Chambers and Partners*. She is a contributing author to Industry Canada's *Primer for Directors of Not-For-Profit Corporations* and has written numerous articles on charity and not-for-profit issues for the *Lawyers Weekly*, *The Philanthropist* and *Charity & NFP Law Bulletin*, among others. Ms. Demczur is also a regular speaker at the annual *Church & Charity Law Seminar*.

Urshita Grover, H.B.Sc., J.D. – Urshita was called to the Ontario Bar in June 2020 after completing her articles with Carters. Urshita worked as a research intern for a diversity and inclusion firm. Urshita has volunteered with Pro Bono Students Canada and was an Executive Member of the U of T Law First Generation Network. Urshita was able to gain considerable experience in both corporate commercial law as well as civil litigation. Building on this background, Urshita is able to integrate her wide range of experience into a diverse and practical approach to the practice of charity and not-for-profit law for her clients.

Barry W. Kwasniewski, B.B.A., LL.B. – Mr. Kwasniewski is a partner with the firm and joined Carters' Ottawa office in 2008 to practice in the areas of employment law, charity related litigation, and risk management. After practicing for many years as a litigation lawyer in Ottawa, Barry's focus is now on providing advice to charities and not-for-profits with respect to their employment and legal risk management issues. Barry has developed an expertise in insurance law, and has been retained by charities, not-for-profits and law firms to provide legal advice pertaining to insurance coverage matters.

Heidi N. LeBlanc, J.D. – Heidi is a litigation associate practicing out of Carters' Toronto office. Called to the Bar in 2016, Heidi has a broad range of civil and commercial litigation experience, including matters pertaining to breach of contract, construction related disputes, defamation, real estate claims, shareholders' disputes and directors'/officers' liability matters, estate disputes, and debt recovery. Her experience also includes litigating employment-related matters, including wrongful dismissal, sexual harassment, and human rights claims. Heidi has represented clients before all levels of court in Ontario, and specialized tribunals, including the Ontario Labour Relations Board and the Human Rights Tribunal of Ontario.

Jennifer M. Leddy, B.A., LL.B. – Ms. Leddy joined Carters' Ottawa office in 2009, becoming a partner in 2014, to practice charity and not-for-profit law following a career in both private practice and public policy. Ms. Leddy has been recognized as a leading expert in charity and not-for-profit law in Canada by *Lexpert*. Ms. Leddy practiced with the Toronto office of Lang Michener prior to joining the staff of the Canadian Conference of Catholic Bishops (CCCB). In 2005, she returned to private practice until she went to the Charities Directorate of the Canada Revenue Agency in 2008 as part of a one-year Interchange program, to work on the proposed "Guidelines on the Meaning of Advancement of Religion as a Charitable Purpose."

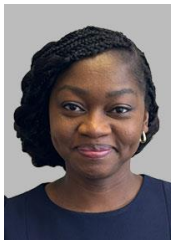
Theresa L.M. Man, B.Sc., M.Mus., LL.B., LL.M. – A partner with Carters, Ms. Man practices in the area of charity and not-for-profit law, is ranked by *Lexpert*, *Best Lawyers in Canada*, and *Chambers and Partners*, and received the 2022 OBA AMS/John Hodgson Award of Excellence in Charity and Not-For-Profit Law. She is a co-author of *Corporate and Practice Manual for Charitable and Not-for-Profit Corporations* published by Thomson Reuters. She is a former member of the Technical Issues Working Group of the CRA Charities Directorate, a member and former chair of the CBA Charities and Not-for-Profit Law Section and the OBA Charities and Not-for-Profit Law Section. Ms. Man has also written on charity and taxation issues for various publications.

Esther S.J. Oh, B.A., LL.B. – A partner with Carters, Ms. Oh practices in charity and not-for-profit law, and is recognized as a leading expert in charity and not-for-profit law by *Lexpert* and *The Best Lawyers in Canada*. Ms. Oh has written numerous articles on charity and not-for-profit legal issues, including incorporation and risk management. Ms. Oh has written articles for *The Lawyer's Daily*, www.carters.ca and the *Charity & NFP Law Bulletin*. Ms. Oh is a regular speaker at the annual *Church & Charity Law Seminar*™ and has been an invited speaker to the Canadian Bar Association, Imagine Canada and various other organizations.

Ryan M. Prendergast, B.A., LL.B. - Mr. Prendergast joined Carters in 2010, becoming a partner in 2018, with a practice focus of providing corporate and tax advice to charities and non-profit organizations. Ryan has co-authored papers for the Law Society of Ontario, and has written articles for *The Lawyers Weekly*, *Hilborn:ECS,* Ontario Bar Association *Charity & Not-for-Profit Law Section Newsletter, Charity & NFP Law Bulletins* and publications on www.carters.ca. Ryan has been a regular presenter at the annual *Church & Charity Law Seminar*™, Healthcare Philanthropy: Check-Up, Ontario Bar Association and Imagine Canada Sector Source. Ryan is recognized as a leading expert by *Lexpert*, *The Best Lawyers in Canada*, and *Chambers and Partners.*

Esther Shainblum, B.A., LL.B., LL.M., CRM – Ms. Shainblum is a partner with Carters, and practices in the areas of charity and not-for-profit law, privacy law and health law. She has been ranked by *Chambers and Partners* and by *Lexpert.* Ms. Shainblum was General Counsel and Chief Privacy Officer for Victorian Order of Nurses for Canada, a national, not-for-profit, charitable home and community care organization. Before joining VON Canada, Ms. Shainblum was the Senior Policy Advisor to the Ontario Minister of Health. Earlier in her career, Ms. Shainblum practiced health law and corporate/commercial law at McMillan Binch and spent a number of years working in policy development at Queen's Park.

Martin U. Wissmath, B.A., J.D. – Called to the Ontario Bar in 2021, Martin joined Carters after finishing his articling year with the firm. In addition to his legal practice, he assists the firm's knowledge management and research division, providing in-depth support for informative publications and client files, covering a range of legal issues in charity and not-for-profit law. His practice focuses on employment law, privacy law, corporate and information technology law, as well as the developing fields of social enterprise and social finance. Martin provides clients with legal advice and services for their social-purpose business needs, including for-profit and not-for-profit organizations, online or off-line risk and compliance issues.



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Acknowledgements, Errata and other Miscellaneous Items

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