



July 22, 2015

The Honourable Kerry-Lynne Findlay QC
Minister of National Revenue
607 Confederation Building
Ottawa , Ontario K1A 0A6

Delivered via email and Xpress Post.

Dear Minister Findlay,

SUBJECT: The CRA Gifting Tax Shelter Policy

This is the sixth letter we have written to you on this subject and we have received no response to date. We have sent emails, enclosed petitions from over a 1,500 taxpayers, and gave full and detailed explanations of abuse of taxpayer rights being carried out by the Canada Revenue Agency. Our organization has over 5,500 subscribers who we are representing with this letter. As of today, the CRA continues to withhold certain taxpayer 2012 and 2013 tax returns as ransom for waiving their rights to valid tax credits. We are writing again to urgently request that you intervene to correct this abuse.

Over the time you have been ignoring us, two Federal Court cases have ruled that the CRA Gifting Tax Shelter (GTS) policy is unlawful and an abuse of taxpayer rights. Taxpayers who have participated in a Gifting Arrangement have the right to have their returns processed in the same manner you process all other taxpayers, and with all due dispatch.

In the most recent Federal Court case (Robert McNally vs the Minister of National Revenue) , Federal Court Justice S. J. Harrington ruled that CRA does not have the authority to withhold taxpayers returns for the primary purpose of deterring taxpayers from participating in a gifting arrangement. During the June 11, 2015 hearing, CRA admitted that the primary purpose of withholding taxpayers' returns was to deter taxpayers from participating in a gifting arrangement. Justice Harrington agreed with Justice Phelan (Ficek vs Attorney General) that the CRA does not have this authority for this primary purpose, even if there is a secondary purpose of auditing which may be valid.

Now with TWO Federal Court Justices agreeing and ruling that the CRA cannot withhold taxpayers returns for their stated purpose, we hereby URGENTLY REQUEST that you intervene to stop the CRA GTS policy and process all taxpayer returns with all due dispatch. The CRA cannot continue to ignore the law as ruled upon twice now by the Federal Court.

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Please provide us with a response to this request immediately. If you have any further questions, please do not hesitate to contact me. Thank you in advance for your cooperation.

Yours truly,

A handwritten signature in black ink, appearing to read 'J. Torley', with a long horizontal stroke extending to the right.

J. Jaye Torley
President
Profitable Giving Canada