

UNION DISCLOSURE NOT REQUIRED: CHRISTMAS CAME EARLY FOR CANADIAN UNIONS

Posted on January 11, 2016

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Canada's unions are likely starting off the year with some relief following an administrative announcement just prior to the holidays. We previously reported on [income tax rule changes](#) which would have become effective on January 1, 2016 which would have required financial disclosure by Canadian unions. These obligations were contained in Bill C 377, *An Act to amend the Income Tax Act (requirements for labour organizations)*, which was passed by the prior Conservative federal government.

On December 21, 2015, the current federal Minister of National Revenue, Diane Lebouthillier, announced she has waived reporting requirements for labour organizations and labour trusts, arising from Bill C-377, for fiscal periods starting on December 31, 2015 and through 2016. These rules would have placed obligations on labour organizations and labour trusts to track their activities for fiscal years beginning on or after December 31, 2015 and submit certain reports which would have then been publicly available.

The Government of Canada has indicated its intent to repeal Bill C-377. As a result, this waiver ensures that unions and other stakeholders affected by the Bill will not be required to develop and submit detailed tracking of their activities to the Canada Revenue Agency (CRA) for these fiscal periods.

This move is politically savvy – the unions which would have had to undertake a substantial amount of work will be pleased, and anyone who might otherwise criticize the move would be aligning themselves with a government which has recently been replaced.

by George Waggott

A Cautionary Note

The foregoing provides only an overview and does not constitute legal advice. Readers are cautioned against making any decisions based on this material alone. Rather, specific legal advice should be obtained.

McMillan LLP 2016