

JUL 16 2004

REGISTERED MAIL

Your file Votre référence

Mr. Isaac Ampadu
Holy Grounds Ministry International Inc.
Suite 1017, 4110 Lawrence Avenue East
Scarborough, ON M1E 2S1

Our file Notre référence

Subject: Notice of Intent to Revoke Holy Grounds Ministry International Inc.

Dear Mr. Ampadu:

I am writing to you further to Canada Revenue Agency's (formerly known as the Canada Customs and Revenue Agency) failed attempts to obtain and audit the books and records of Holy Grounds Ministry International Inc. (the "Ministry"), for the fiscal period ended December 31, 2001.

On May 12, 2003, you advised the CRA both verbally and in writing that you would not provide access to the Ministry's books and records until such time as an unrelated matter was resolved. On May 20, 2003, a letter (copy attached) was sent to you by CRA requesting you provide access to the books and records. On October 6, 2003, a requirement to provide information and documentation pursuant to paragraphs 23.2(1)(a) and (b) of *the Income Tax Act* (attached) requiring the Ministry to provide its books and records within 30 days was personally delivered to you. A letter (copy attached) was sent October 15, 2003, advising you that failure to provide the books and records by November 5, 2003, may result in revocation of the Ministry's registered status. To date, CRA has not received any formal response from you.

Subsection 230(2) of the *Act* requires a charity to keep books and records of account that will enable the Minister to determine whether there are any grounds for the revocation of its registration. The Ministry's refusal to provide its books and records makes it impossible for the Minister to determine whether there are grounds for revocation. Paragraph 168(1)(e) of the *Act* states that a charity's registered status can be revoked if it fails to comply with or contravenes any of sections 230 to 231.5.

The CRA has concluded that the Ministry does not intend to provide its books and records for examination. The CRA has determined that there are sufficient grounds to revoke the Ministry's registration in accordance with paragraph 168(1)(e) of the *Act*.

.../2

Conclusion

You are advised that for the reason outlined above, and pursuant to the authority granted to the Minister in subsection 168(1) of the *Act* and delegated to me, I propose to revoke the registration of Holy Grounds Ministry International Inc. By virtue of subsection 168(2) of the *Act*, the revocation will be effective on the date of publication of the following notice in the Canada Gazette:

Notice is hereby given, pursuant to paragraph 168(1)(e) of the *Income Tax Act*, that I propose to revoke the registration of the organization listed below and that the revocation of registration is effective on the date of publication of this notice.

Business Number	Name
87474 8122 RR0001	Holy Grounds Ministry International Inc. Scarborough, Ontario

Should you wish to appeal this Notice of Intention to Revoke Registration in accordance with subsections 172(3) and 180(1) of the *Act*, you must file a Notice of Appeal with the Federal Court of Appeal within 30 days from the mailing of this letter. The address of the Federal Court of Appeal is:

Supreme Court Building
Wellington Street
Ottawa, Ontario
K1A 0H9

Please note that the Federal Court Rules impose specific obligations upon an appellant to be met within restricted time frames. In particular, the appellant is responsible for filing the documents that will form the case material for the Court's review. You may obtain information about these rules from the Court.

Consequences of Revocation

As of the date of revocation of the registration of Holy Grounds Ministry International Inc., which is the date upon which the above-noted notice is published in the *Canada Gazette*, Holy Grounds Ministry International Inc. will no longer be exempt from Part I Tax as a registered charity and **will no longer be permitted to issue official donation receipts.**

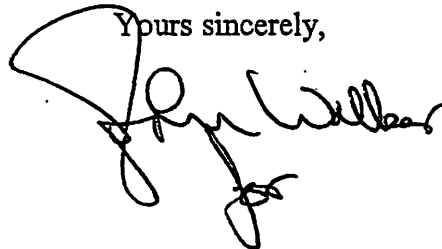
Additionally, Holy Grounds Ministry International Inc. may be subject to tax payable pursuant to Part V section 188 of the *Act*. For your reference, enclosed, as the appendix is a copy of the relevant provisions of the *Act* concerning revocation of registration and the tax applicable to revoked charities as well as appeals against revocation.

By virtue of subsection 188(1) of the *Act*, Holy Grounds Ministry International Inc. will be required to pay a tax within one year after the effective date of revocation. This revocation tax is calculated using prescribed form T2046 titled, "*Tax Return Where Registration of a Charity is revoked*". The return must be filed and the tax paid on or before the day that is one year after the effective date of revocation. A copy of form T2046 is enclosed for your reference.

The amount of revocation tax payable will be equal to the total fair market value of Holy Grounds Ministry International Inc.'s assets on valuation day plus the amount of receipted donations and gifts from other charities received by the Charity after that day. Valuation day is 120 days before the date of mailing of this Notice of Intention to Revoke Registration. The amount of tax payable will then be reduced by the value of any assets or funds that the Charity transferred to qualified donees, disbursed on its own charitable activities, used to repay its debts, and used to cover reasonable expenses in the period from the valuation day to one year from the date on which the revocation is effective.

I also advise you that organizations that lose their registered charity status may be subject to the requirements of section 150 of the *Act* for filing returns of income. Accordingly, a return of income that is in prescribed form and that contains prescribed information shall be filed with the Minister, without notice or demand for the return, for each taxation year of a taxpayer.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Elizabeth Tromp', written over a large, stylized flourish.

Elizabeth Tromp
Director General
Charities Directorate

Enclosures



HOLY GROUNDS MINISTRY INTERNATIONAL INC.
1017 - 4110 LAWRENCE AVE E.
SCARBOROUGH ON
M1E 2S1

May 20, 2003

Dear Mr. Isaac Ampadu

Re : Charity Audit of Holy Grounds Ministry International Inc.
Fiscal Period Ending : December 31, 2001.

This letter is in response to our meeting of Monday, May 12, 2003 and further to your letter outlining why Holy Grounds Ministry International Inc. would not permit the Canada Customs and Revenue Agency (CCRA) to examine the books and records of Holy Grounds Ministry International Inc.

The letter and documentation related to the case of [REDACTED] were forward to my superiors for review as promised during our meeting. They have confirmed that the CCRA has no authority to deal with this issue. It would appear that the appropriate authorities, to deal with this matter are the RCMP and the Department of Immigration. From a review of the documentation included with your letter, it is our understanding that this has occurred.

To reiterate, the CCRA has no authority to deal with this issue. The case of [REDACTED] is not related to the audit of Holy Grounds Ministry International Inc., and as such cannot be used in any way to delay our examination. You are requested to contact the undersigned by June 6, 2003 to arrange a date for our examination. If a date for the examination has not been confirmed by June 6, 2003 it will be necessary to commence procedures that may result in the revocation of the registered charitable status of Holy Grounds Ministry International Inc. for failing to provide its books and records to the CCRA for review.

We trust that this clarifies our position on this matter.

Sincerely,

Chris Black
Verifications & Enforcement
Tel: (416) 218-0961

Fax: (416) 973-2796 Télécopieur: (416) 973-2796

Toronto North
Tax Services Office
5001 Yonge St
North York, ON
M2N 6R9

Bureau des services fiscaux de
Toronto Nord
5001, rue Yonge
North York, On
M2N 6R9



Mr. Isaac Ampadu
Holy Grounds Ministry International Inc.
Suite 1017, 4110 Lawrence Avenue East
Scarborough, ON
M1E 2S1

Reg. 3013579
BN 87474 8122RR 0001

October 15, 2003

Subject: Charity Audit

Dear Mr. Ampadu:

I am writing to you further to our meeting of May 12, 2003, our letter dated May 20, 2003 and our failed attempts to obtain and audit the books and records of Holy Grounds Ministry International Inc. (the "Charity") for the fiscal period ended December 31, 2001.

By not providing its books and records, the Charity is in contravention of Section 231.1 of the *Income Tax Act* (the "Act"). In order for a charity to retain its registration, it is required to comply with the provisions of the *Act* applicable to charities. If these provisions are not complied with, the Minister of National Revenue (the "Minister") may revoke the charity's registration in the manner described in Section 168 of the *Act*.

Under Paragraph 168(1)(e) of the *Act*, the Minister may, by registered mail, give notice to a registered charity that he proposes to revoke its registration if it fails to comply with or contravenes any of Sections 230 to 231.5 of the *Act* dealing with Books and Records.

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Canada 

Conclusion

For the reason indicated above, it appears to us that there are grounds for revocation of the charity's status as a registered charity.

The consequences to a registered charity of losing its registration include:

- 1) the loss of its tax exempt status as a registered charity which means that the charity would become a taxable entity under Part I of the *Act* unless, in the opinion of the Director of the applicable Tax Services Office, it qualifies as a non-profit organization as described in Paragraph 149(1)(l) of the *Act*;
- 2) loss of the right to issue official donation receipts for income tax purposes which means that gifts made to the charity would not be allowable as a tax credit to individual donors as provided at Subsection 118.1(3) of the *Act* or as a deduction allowable to corporate donors under Paragraph 110.1(1)(a) of the *Act*; and
- 3) the possibility of a tax payable under Part V, Subsection 188(1) of the *Act*.

A letter requiring the Charity to provide the books and records was delivered to you on October 6, 2003. This letter requires that the Charity's books and records be provided before November 5, 2003. The Charity's failure to comply with this letter will prompt the Director General of the Charities Directorate to decide whether or not to proceed with the issuance of a notice of intention to revoke the registration of the Charity in the manner described in Subsection 168(1) of the *Act*.

If you appoint a third party to represent you in this matter, please send us a written authorization naming that individual and explicitly authorizing that individual to discuss your charity file with us.

Should you have any questions on this matter, please contact the undersigned at the address noted below.

Yours sincerely,



Chris Black
Verifications & Enforcement
Canada Customs and Revenue Agency
5001 Yonge Street
North York, Ontario
M2N 6R9

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