



Amalgamations, Mergers, and Consolidations

The following is a copy from the CRA website:

<https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/operating-a-registered-charity/making-changes/amalgamations-mergers-consolidations.html>

Two or more registered charities can join together as one body in response to changing circumstances or changed objectives. They can join through an amalgamation, merger, or consolidation. Although these terms are sometimes used interchangeably, there are important distinctions between them for charities.

We recognize that the Charities Directorate's use of these terms may differ from their meaning in other situations. For example, some provincial legislation may use the word "amalgamation" when referring to a situation that the Charities Directorate considers to be a merger or a consolidation.

Note

If a charity amalgamates, merges, or consolidates with another organization without informing the Charities Directorate, this could result in non-compliance with other requirements of the *Income Tax Act* that could lead to penalties or revocation of its charitable status.

Charities are encouraged to contact us¹ **before** entering into any of the following arrangements.

Amalgamation

When charities amalgamate, they bring their memberships, assets, and liabilities into the entity that emerges. The original charities do not cease to exist or dissolve. Although they no longer have separate identities, they continue to exist within a single entity—the amalgamated charity.

The amalgamated body retains and uses one business number (BN). The other BNs will be terminated. The charity can usually choose which BN it retains.

Merger

In a merger, one or more entities wind up their affairs and transfer their assets to another registered charity.

¹ Our client service representatives can provide you with: general information about registered charities; information on how to apply for registration and how to fill out the application (Form T2050); information on how your charity should properly issue official donation receipts and how to fill out the annual information return (Form T3010); guidance on changing your charity's legal name, purposes, activities, and more. You can contact a representative Monday to Friday (except statutory holidays) between 9 a.m. and 5 p.m., local time: By telephone: 1-800-267-2384; You can also contact the Charities Directorate by mail: Charities Directorate, Canada Revenue Agency, Ottawa ON K1A 0L5

The bodies that wind up undergo a voluntary revocation² of their registration. The BN of the remaining organization is not affected. All the assets are transferred to the remaining organization.

Consolidation

In a consolidation, all the original bodies dissolve and transfer their assets to a new entity.

All the original bodies that wind up undergo a voluntary revocation of their registration. The new consolidated body needs to submit an application for registration and, if accepted, will typically be given a new BN.

If you are unsure whether your charity is amalgamating, merging, or consolidating, call the Charities Directorate at 1-800-267-2384 for clarification.

Initial review

To initiate a request for an amalgamation, merger, or consolidation, send us a letter that contains the following information:

- the type of reorganization that is taking place (amalgamation, merger, or consolidation);
- the names and charitable registration numbers of the organizations involved;
- the charitable registration number that the charity wishes to retain, if applicable;
- the proposed effective date of the amalgamation, merger, or consolidation;
- the signature of a director, trustee, or other authorized representative; and
- any other documentation the charity has that refers to the reorganization.

Mail or fax the letter to:

Charities Directorate
Canada Revenue Agency
Ottawa ON K1A 0L5

Fax: 613-954-8037

When the initial review is complete, we will ask the charity for any additional documents we need to process the request.

Last Reviewed: August 2019

² We can only consider voluntary revocation if you requested it. There are several reasons why you might ask to have your charitable registration revoked, such as: you ended your operations because you merged or consolidated with another organization; you achieved your goal (for example, you were established to build a playground and you did); you no longer have the required financial or physical resources to run your charity.