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PERSONAL AND CONFIDENTIAL

February 2, 1981

Miss E. J. Crober
Dept. of National Revenue, Taxation
Charitable and Non-Profit Organizations Section
400 Cumberland St.
Ottawa, Ont.
K1A0X5
Canada

Re: Holy Cross Armenian Church
Diocese of the Armenian
Church of America

Dear Miss Crober:

Please be advised that I am the general counsel for the Diocese of the Armenian Church of America, a religious and charitable corporation.

Ms. Syraun Palvetzian, the Executive Director of the Diocese, has advised me of the telephone conversation had with you in the recent past concerning the question of "Diocesan dues" raised by the parish of the Holy Cross Armenian Church of Downsview, Ontario, in its letter to the Department dated August 20, 1980.

The phrase - "Diocesan dues" - is a misnomer. The correct terminology is "Diocesan Assessment". The misnomer, apparently, has created the problem in this matter. Dues implies the mere right to be a member. However, assessment, in our case, means the consideration for services rendered and that minimal support of members required to maintain an institution without which no members can survive.

The Armenian Church evolves from the historic acceptance of Christianity by the Armenian state in 303 A.D. Armenia was the very first state to adopt Christianity as a national religion.

The Diocese of the Armenian Church of America consists of all our parishes and churches in North America with the exception of those in the state of California. The parishes of our Diocese participate in a variety of national programs which emanate from Diocesan headquarters in New York City.

The Diocesan Headquarters, with a staff of 35 headed by the Primate, produces curriculum, teacher-training programs, educational materials, and staffing guidelines for all our Armenian Schools and Church Schools throughout North America. Senior and Junior Youth Directors design and coordinate youth activities - including retreats, workshops, youth magazines, trips abroad and summer camps. Last year, almost every parish was visited by our Junior Youth Director in an attempt to organize their 13-17 year-olds on a local level.

Clergy for all parishes are prepared and assigned through the Diocesan headquarters and at the direction of the Primate. A national Choir Association produces choral material and organizational guidelines for use in all parishes. Regional meetings throughout the Diocese and an Annual Assembly at which all parishes are represented are the means of communication and government which again involve all churches.

From time to time, the Diocesan Primate and members of the Diocesan Council and staff visit each parish as a matter of course and, in addition, upon the request of the parish.

The supreme authority of the Diocese lies in the Diocesan Assembly which is composed of the Delegates from each parish. It is this Assembly which approves the annual Diocesan budget and fixes the assessments of each parish.

The Diocese is responsible to the parishes and, when necessary, provides them with financial assistance in addition to the myriad of the above mentioned services and programs.

The services and programs provided for local parishes by the Diocesan officers are countless; they and the staff needed to implement them naturally require the financial support of the entire Diocesan membership.

Parishes are organized only by the Diocese. Their churches are consecrated only by the authority of the Diocesan Primate. Without the Diocese, there can be no parishes. Without parishes, the Armenian people would be deprived of religious and spiritual nourishment, and Armenian community life which revolves around the church would not exist.

From the foregoing, it should be abundantly clear that the payment of assessments by the Holy Cross Armenian Church is not in the form of "dues" or a gift or donation, but a consideration for the many services rendered to it by the Diocese.

Please advise whether, under the above related circumstances, the payment of such assessments by a Canadian parish is in compliance with the Canadian income tax act.

Yours sincerely,

Edward Chapian

c.c. Archbishop Torkom Manoogian, Primate
Diocese of the Armenian Church of America