



Revenue Canada
Taxation

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Your file Votre référence

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April 1, 1981

Dear Sir:

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

Reference is made to your letter dated February 2, 1981 concerning payments to be made by the Holy Cross Armenian Church, Downsview, Ontario, Canada to the Diocese of the Armenian Church of America, New York, N.Y., U.S.A.

We note your contention that these "Diocesan dues" are payment for "services rendered" and would advise that, if this is the case, such would be an acceptable practise for an organization registered pursuant to the relevant provisions of the Canadian Income Tax Act. However, there seems to be some doubt as to whether or not "services" are being purchased in this situation, as evidenced by a letter sent to us by the Canadian charity dated August 21, 1980. // If in fact "services" are being rendered to the Holy Cross Armenian Church by the Diocese, it will be necessary for the Canadian church to verify this contention, and to maintain sufficient records to substantiate that such "services" have been purchased, and purchased at a reasonable cost.

We trust the foregoing will be of assistance.

Yours sincerely,

D. McCrae
Charitable and Non-Profit Organizations Section
Department of National Revenue, Taxation

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