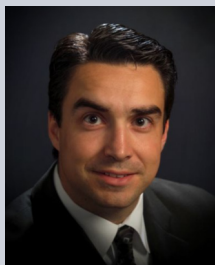


Jason Baba Wealth Management Group

Newsletter



Views and opinions
for the clients and friends of

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Charitable Donations of Securities

In the past, Canadians have relied on various levels of government to fund much of the good work that charitable groups provide to enhance the quality of our lives. But recently, governments have cut back on direct funding and it is now up to individuals and corporations to fill the gap. As a result, recent federal budgets have contained a number of changes in the form of tax incentives to encourage Canadians to give charitably.

Tax Advantage

Gifting shares that have appreciated in value can be a tax-effective planning tool. Eligible securities include stocks, mutual funds or bonds donated to charitable organizations and public foundations. As of May 2, 2006, the capital gains triggered upon the disposition of donated securities has been eliminated which results in lower income taxes. Any capital losses that are triggered as a result of the donation are not eliminated and may be claimed by the donor.

A charitable donation tax receipt for the Fair Market Value "FMV" of the donated securities will be issued to the donor. This tax receipt can be used to reduce the donor's income taxes. The amount of the donation receipt that is issued by the recipient charity is usually equal to the FMV of the securities donated at the time these securities are received by the charity. It is important to note that the charity

would have to be willing and able to receive the donated securities in kind. Therefore, it is advisable to contact the charity to ensure their acceptance of the donated securities.

Donations must be made by December 31st to be claimed against income for the current year. However, all of the donations do not have to be claimed in the current-year return and can be carried forward for the next five years.

RBC Charitable Gift Program

This program is designed for individuals and families wishing to set up their own charitable gift fund account to support charitable causes without the time and cost associated with establishing a private foundation.

Lump sum contributions to the program can be made in cash or other property such as appreciated securities. Fund holders can then recommend grants to the charitable organizations of their choice throughout their lifetime and, if desired, in perpetuity.

When done properly, charitable giving benefits both society and you, the donor, and you can help the causes you care about. Prior to making any donation, it is strongly recommended that you contact your professional tax and legal advisors to discuss the various charitable giving options to ensure all of your concerns are met.

If you would like more information, please call us to receive a copy of our Charitable Giving publication.



We are able to offer you access to our in house RBC Wealth Management team of lawyers, accountants and financial planning professionals. If you are interested in reviewing your estate or financial plan, please call us to book an appointment.



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