

Publications & News Releases

1. Bill C-2 Proposes Prohibition on Cash Gifts Above \$10,000

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The Canadian government recently introduced Bill C-2, titled "[An Act respecting certain measures relating to the security of the border between Canada and the United States and respecting other related security measures](#)". This proposed legislation, introduced on June 3, 2025, by the Minister of Public Safety, is an "omnibus bill," meaning it proposes amendments to a wide array of existing Acts. While its broad scope touches on various security measures, its provisions have raised specific questions and concerns for the charitable and not-for-profit sector, with a primary focus on new restrictions concerning cash donations.

For charities, the most direct and impactful change proposed by Bill C-2 is found in Part 11, which introduces a prohibition on large cash donations. This part of the bill would amend the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA).

Specifically, a new subsection 77.5(1) would make it an offence for any "person or entity engaged in a business, a profession, or explicitly the solicitation of charitable financial donations from the public", to accept a cash payment, donation, or deposit of \$10,000 or more. This prohibition applies to a single transaction or a prescribed series of related transactions that total this amount. The definition of "cash" refers to Canadian coins and bank notes as per the *Currency Act*, or coins and bank-notes from countries other than Canada. Should a donation be made in a foreign currency, its equivalent value in Canadian dollars must be calculated either in accordance with the exchange rate published by the Bank of Canada for the date of acceptance, or, if not available, the exchange rate the entity would normally use in its ordinary course of business at the time of the transaction.

The penalties for violating this prohibition are significant. On summary conviction, an offender is liable to a fine. However, on conviction on indictment, the fine can be much higher, not exceeding three times the amount of the accepted payment, donation, or deposit. Furthermore, for prosecution of an offence under this section, it is sufficient to prove the offence was committed by an employee or agent of the accused, whether or not that individual was identified or prosecuted. Proceedings related to a conviction for this offence can be instituted within eight years after the time when the subject-matter of the proceedings arose.

It is important to note that the prohibition in subsection 77.5(1) does not apply to certain specific persons or entities referenced in the PCMLTFA, such as banks and other financial institutions. For charities, a straightforward solution to comply with this potential change would be to encourage donors to use alternative methods, such as cheques, e-transfers, or wire transfers instead of cash for large donations.

Beyond cash donations, Bill C-2 contains other provisions that could indirectly or directly affect the operations and beneficiaries of charities and not-for-profits. These include broadened government authority for collecting, analyzing, and disclosing information, including personal information, for security and law enforcement purposes, and significant changes to Canada's immigration and refugee system, which could impact charities offering support to individuals in these categories. Further comments in this regard will be given in future Charity & NFP Law Updates.

As Bill C-2 progresses, it will be important for charities and not-for-profits to stay informed about its various provisions and their potential consequences for their operations and the communities they work with.