

CANADA / JUDGMENT

Denning v. The King

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Docket: 2025-894(IT)G

BETWEEN:

GORDON DENNING,

Appellant,

and

HIS MAJESTY THE KING,

Respondent .

Motion determined by Written Submissions

Before: The Honourable Justice David E. Graham

Participants :

For the Appellant:

The Appellant himself

Counsel for the Respondent:

Anne-Elizabeth Morin

Justine Allaire-Rondeau

AMENDED JUDGMENT

THE COURT ORDERS THAT:

The appeal of the 2006 taxation year is bifurcated under subsection 171(2) of the Income Tax Act into two separate proceedings, one related to GLGI and the other related to Royal Crown Gold.

The bifurcated portion of the appeal of the reassessment of the 2006 taxation year relating to GLGI is struck without leave to amend.

The appeal of the reassessment of the Appellant's 2009 tax year and the bifurcated portion of the appeal of the reassessment of the Appellant's 2006 taxation year relating to Royal Crown Gold remain.

Costs in respect of the bifurcated portion of the appeal of the reassessment of the 2006 taxation year relating to GLGI are awarded to the Respondent.

This Amended Judgment is issued in substitution of the Judgment dated May 21, 2026.

Signed this 25th day of June 2026.

“David E. Graham”

Graham J.

Citation: 2026 TCC 88

Date: 20260 625

Docket: 2025-894(IT)G

BETWEEN:

GORDON DENNING,

Appellant,

and

HIS MAJESTY THE KING,

Respondent.

AMENDED REASONS FOR JUDGMENT

Graham J.

[1] By order dated March 19, 2026, I gave eleven taxpayers who had participated in the Global Learning and Gifting Initiative donation program (“GLGI”) the chance to explain why their appeals should not be struck without leave to amend for abusing the Court’s process.

[2] One of those taxpayers withdrew his appeal. One conceded the GLGI portion of his appeal. One did not respond by the deadline and, as a result, I have struck his appeal without leave to amend.

[3] The remaining eight taxpayers all filed written submissions. None of them satisfied me that they would be raising new facts or new arguments that could somehow overcome what I described in my Order as the donative intent problem. Similarly, none of them satisfied me that their appeal involves some other issue over which the Court has jurisdiction. They simply made the same stale arguments that have failed in this Court time and again – arguments that it would be an abuse of this Court’s process to allow to proceed.

[4] I will address the specific arguments raised by the Appellant, Gordon Denning below.

A. Donative Intent [5] Mr. Denning argues that the government changed the law on donative intent in 2013 with retroactive effect and that, if not for that change, his purported donation to GLGI would have been valid. This is not a new argument.

[6] Someone has clearly been telling GLGI participants that the only reason the scheme did not work is because the government changed the rules after the fact. I imagine that it is in the interest of whoever has spread that conspiracy theory that people believe it.

[7] Like all good conspiracy theories, there is an element of truth to it. The government did change the law in respect of what are known as split-gifting arrangements. In particular, subsections 248(30) – (41) were added to the Income Tax Act . As is the case with many amendments, the change was made retroactive to the year that it was announced. However, contrary to the conspiracy theory, the changes did not add a new requirement that a donor must have donative intent. That requirement was already part of the law (Friedberg v. The Queen [1]).

[8] The Respondent does rely on the new provisions, but only as a final alternative argument. The Respondent relies first on donative intent, then on the taxpayer never having received the courseware from the trust because the trust did not exist and then on the program being a sham and then on the fair market value of the courseware. It is only if a GLGI taxpayer is successful on all of those issues that the Respondent turns to the new provisions.

[9] Justice Pizzitelli did not have to address the new provisions in Mariano v. The Queen [2] because he found against the taxpayer on the Respondent's primary argument – donative intent. That is the argument that I have asked Mr. Denning to satisfy me that he can overcome. He has provided no facts or arguments that suggest he could.

B. Other Arguments [10] Mr. Denning raises a number of other arguments. I will address them briefly.

Due Diligence [11] Mr. Denning says that his accountant recommended GLGI to him and that he “undertook reasonable research steps” prior to getting involved including asking the CRA whether it had any problems with the program. He claims to have “behaved as an average person of reasonable care and attention in assessing and making [his] charitable donations to GLGI.” In other words, he says he was duly diligent.

[12] Mr. Denning has not asserted that the reassessments were issued beyond the normal reassessment period or that he was assessed gross negligence penalties. Accordingly, his due diligence or lack thereof in deciding to participate in GLGI is irrelevant.

Failure to Warn [13] Mr. Denning says that the CRA failed to warn taxpayers about GLGI. As I stated in Johnson v. The Queen , “the CRA's actions in warning or failing to warn taxpayers about the GLGI tax shelter are irrelevant to determining the validity or correctness of the Appellant's reassessments. Either the Appellant's donations were valid or they were not. No warning or lack thereof will change this.” [3]

Disclosure [14] Mr. Denning has yet to file a proper Notice of Appeal. He filed one which contained many facts and arguments relating to issues over which the Court does not have jurisdiction and sought relief that the Court does not have the power to grant. After the Respondent brought a motion to strike, I held a case management call in which I carefully explained the Court's jurisdiction to Mr. Denning. I struck his Notice of Appeal but gave him leave to amend.

[15] Mr. Denning was adamant in both his Notice of Appeal and in the case management call that he could not properly prepare pleadings because the CRA had not complied with an Access to Information request he had made covering the years 2006 to 2025 (only 2006 and 2009 actually being in issue before the Court). I clearly explained to Mr. Denning that he could gather any additional information that he believed he needed to pursue his appeals through the discovery process. I ordered that he not include anything about disclosure in his Fresh As Amended Notice of Appeal.

[16] Mr. Denning ignored my order. His Fresh As Amended Notice of Appeal is full of complaints about disclosure. [4]

[17] Apparently Mr. Denning saw the opportunity that I gave him to explain why his GLGI appeal should not be struck for abuse of process as yet another opportunity to complain about his Access to Information request. It was not.

C. Bifurcation [18] As I explained in my Order, Mr. Denning has appealed two different tax schemes: GLGI (2006 tax year) and Royal Crown Gold (2006 and 2009 tax years). Mr. Denning's appeal of his 2006 tax year has not yet been bifurcated. I will do so now.

D. Conclusion [19] Based on all of the foregoing, the bifurcated portion of Mr. Denning's appeal of his 2006 tax year dealing with GLGI is struck without leave to amend. Costs in respect of that bifurcated portion are awarded to the Respondent.

This Amended Reasons for Judgment is issued in substitution of the Reasons for Judgment dated May 21, 2026.

Signed this 25th day of June 2026.

"David E. Graham"

Graham J.

CITATION:

2026 TCC 88

COURT FILE NO.:

2025-894(IT)G

STYLE OF CAUSE:

GORDON DENNING v. HIS MAJESTY THE KING

DATE OF HEARING:

Motion determined by Written Submissions

AMENDED REASONS FOR JUDGMENT BY:

The Honourable Justice David E. Graham

DATE OF JUDGMENT:

DATE OF AMENDED JUDGMENT AND REASONS FOR JUDGMENT:

May 21, 2026

June 25, 2026

PARTICIPANTS:

For the Appellant:

The Appellant himself

Counsel for the Respondent:

Anne-Elizabeth Morin

Justine Allaire-Rondeau

COUNSEL OF RECORD:

For the Appellant:

Name:

n/a

Firm:

n/a

For the Respondent:

Marie-Josée Hogue

Deputy Attorney General of Canada

Ottawa, Canada

[1] 1991 CarswellNat 669 (FCA).

[2] 2015 TCC 244.

[3] 2022 TCC 31, at para. 22.

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- [4] The Respondent has brought a motion to strike the Fresh As Amended Notice of Appeal on the basis that it discloses no reasonable grounds for appeal. I will issue an order in respect of that motion shortly.
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Prepared on 24 October 2026 · Esheria