

Guideline: 2015-01

Political Financing Handbook for Registered Parties and Chief Agents (EC 20231)

Comments made during formal consultation period April 22–May 7, 2015

Comments received from the Animal Alliance Environment Voters Party of Canada	Elections Canada response to the Animal Alliance Environment Voters Party of Canada comments
<p>1. Added text about court-ordered deregistration:</p> <ul style="list-style-type: none"> a) This section is not entirely clear. Does an “offence” mean any offence or an offence related to the Act? The wording of the draft guideline suggests the latter. We recommend language to clarify the meaning. b) In addition, there is no suggestion that the party can rectify the situation by removing the convicted person or persons. Clarification as to remedies other than deregistration would be helpful. 	<p>1.</p> <ul style="list-style-type: none"> a) The text in the handbook has been modified as follows: “If a registered party, its chief agent or registered agent or one of its officers has been convicted of an offence under the <i>Canada Elections Act</i>, the court may order Elections Canada to deregister the party.” b) Elections Canada is not in a position to speculate on what a court would rule. Once judge orders deregistration, only a court can provide for remedies.
<p>2. Clarified eligibility requirements for mandatory appointments: We have no concerns with sections that clarify the eligibility requirements.</p>	
<p>3. Added text on best practices for financial management: We are in agreement with the added text in this section, although our party runs little risk of exceeding expense limits. Regardless, it is prudent to ensure good</p>	

oversight and controls to ensure responsible financial management.	
<p>4. Added clarification about membership fees not being contributions: This section requires some clarification. Does the party issue a receipt for the \$25/year membership and, if so, how is this allocated in the EFR? In addition, the wording in this section does not clarify how the 5-year \$125 membership is to be allocated in the party financial returns.</p>	<p>4. As the membership fee is not a contribution, there is no requirement to issue a receipt. The 5-year \$125 amount does not get itemized in the financial return, but should be included in the financial statement as revenue according to generally accepted accounting principles.</p>
<p>5. Clarified that the term individual in the contributions section refers to a Canadian citizen or a permanent resident: OK.</p>	
<p>6. Added text on best practices regarding accepting contributions made using a traceable instrument: The added text on best practices when accepting contributions using a traceable instrument is very helpful.</p>	
<p>7. Clarified the election expense exceptions for fundraising expenses: The clarification is helpful.</p>	
<p>8. Clarified that expenses incurred for election advertising and voter contact calling services conducted during the election period are election expenses: The clarification is helpful.</p>	
<p>9. Modified text to clarify under what circumstances the expenses of senators, ministers or other candidates are election expenses: The clarification is helpful.</p>	

<p>10. Emphasized the importance of submitting the <i>Nomination Contest Report</i>: As yet we have not conducted a nomination contest.</p>	
<p>No comments were submitted by the Bloc Québécois</p>	
<p>No comments were submitted by the Canadian Action Party</p>	
<p>No comments were submitted by the Christian Heritage Party of Canada</p>	
<p>No comments were submitted by the Communist Party of Canada</p>	
<p>Comments received from the Conservative Party of Canada</p>	<p>Elections Canada response to the Conservative Party of Canada comments</p>
<p>1. Section 1.0 Registering a political party: Acknowledged</p>	
<p>2. Section 2.0 Roles & responsibilities: Acknowledged</p>	
<p>3. Section 3.0 Financial administration: Acknowledged</p>	
<p>4. Section 3.4 Expenses of a registered party – Election expense categories: We note the change from the previous versions of the handbook. We would propose retaining the language of “canvassing” in this revision. All references to “surveys and research” would be replaced by “canvassing, surveys and research”. By the removal of prior guidance we understand that voter canvassing, surveys and research undertaken outside of the election period do not constitute an election expense.</p>	<p>4. The current wording is consistent with paragraph 376(3)(f) of the CEA. The concept of canvassing is broader than surveying, and the two are not always interchangeable. Canvassing is not carried out merely to determine voter opinions but also to seek out and gain support for the party or its leader, candidates, policies and programs.</p>

<p>5. Section 3.4 Expenses of a registered party – Election expense categories: We note the clarification that voter contact calling services involving the making of calls during an election period are election expenses. We would propose clarifying that voter contact calling services conducted prior to the election period are not election expenses, even if the results are used during the election. We understand that this is implied but would propose clarification, in line with what has been done with surveys and research.</p>	<p>5. The text in the handbook has been modified as follows: “Expenses related to surveys or research conducted during the election period are election expenses. Expenses related to surveys or research conducted prior to the election period are not election expenses, even if the results of the survey are used during the election.”</p>
<p>6. Section 3.4 Expenses of a registered party – Election expense categories: We note and agree with the clarification of the definition of intellectual property assets of the party such as party databases and their treatment during an election period. The definition has been expanded to specify how the intellectual property is created by adding, “through surveys and research conducted prior to the election period”. As databases are created through surveys, research, canvassing, as well as voter contact calling services conducted prior to the election period, we propose adding “canvassing” and “voter contact calling services” to the definition.</p>	<p>6. The current wording is consistent with paragraph 376(3)(f) of the CEA. The concept of canvassing is broader than surveying, and the two are not always interchangeable.</p>
<p>7. Section 3.4 Expenses of a registered party – Election expense categories: We note and agree with the overall direction taken in the definition of social media, its uses during an election period and its associated production costs. However we seek clarity on three specific examples in the use of social media which we believe are not adequately addressed in the draft, viz.:</p> <ul style="list-style-type: none"> a) In situations where an end user acts on their own cognition and accesses and “posts/shares” existing social media content during an election period without it being commercially promoted, the access to and distribution of the content is not paid for by the party; therefore, we believe that the associated production costs should not be considered an election expense. b) Similarly where unpaid and un-promoted social media content is shared on election day by individuals we believe that this should not be subject to the election day advertising blackout. 	<p>7. Please refer to OGI 2015-04, “Election advertising on the Internet” for a more detailed discussion of this issue.</p>

<p>c) There are various services (voter reminder and recognition services) that may be offered to voters during election day that use social media channels to either remind or recognize voting. Even if these services are paid for and branded by the party we believe that they are not advertising as they are both requested and consumed through an end-user action.</p>	
<p>8. Section 3.4 Expenses of a registered party – Election expense categories: We note and agree with the clarification on the leader’s tour expenses. We would propose including campaign volunteers and supporters in addition to campaign staff.</p>	<p>8. Elections Canada agrees with this comment. If the candidate’s campaign incurs expenses related to transporting people, whoever they are, this would be an expense of the candidate. The text in the handbook has therefore been modified as follows: “If the candidate’s campaign incurs expenses to attend the leader’s tour event, such as transporting its campaign staff, volunteers or supporters to the event, these are expenses of the candidate.”</p>
<p>9. Section 3.4 Expenses of a registered party – Election expense categories: We seek clarification on the treatment of costs associated with the production of advertising content that is subsequently not used. We believe that as the content is unused for advertising a message it is not by definition advertising and hence should not be considered an election expense.</p>	<p>9. Your statement that unused content is not by definition advertising, and hence should not be considered an election expense, is correct. Election advertising is further addressed in OGI 2015-04, “Election advertising on the Internet” as well as in the associated OGI 2015-09. The new content has since been incorporated into the party handbook.</p>
<p>Comments received from the Green Party of Canada</p>	<p>Elections Canada response to the Green Party of Canada comments</p>
<p>1. Example on page 20: I would make it clear in the example that the “other office duties” do NOT include any accounting duties.</p>	<p>1. The example provided in the handbook is correct: An accountant employed at a firm can volunteer time performing accounting duties outside his or her regular office hours, as opposed to a self-employed accountant, who cannot volunteer time performing accounting duties, even outside his or her regular office hours. However, in light of this comment, the example could be further clarified.</p> <p>As this is a minor update that will affect a number of handbooks, the comment has been noted and the handbooks will be updated</p>

	accordingly during the yearly handbook review and update process.
<p>2. Page 32 “Limit increases for longer election period: If an election period is longer than 37 days, the election expenses limit increases as follows: - the initial limit is divided by 37; - the result is multiplied by the number of days in the election period, minus 37”: I think the wording of the second bullet point needs to be altered to avoid confusion. “The result is then multiplied by (the total number of days in the longer election period, minus 37 days)” or “The result is then multiplied by the total number of days in the longer election period, minus the initial limit.”</p>	<p>2. The current wording is consistent with subsections 430(2) and 477.49(2) of the CEA. However, in light of this comment, the handbook could be further clarified.</p> <p>As this is a minor update that will affect a number of handbooks, the comment has been noted and the handbooks will be updated accordingly during the yearly handbook review and update process.</p>
Comments received from the Liberal Party of Canada	Elections Canada response to the Liberal Party of Canada comments
<p>1. Page xi – “To the Canada Revenue Agency (CRA)”: Since most of the parties with Parliamentary representation have established corporations to be the party’s chief agent, perhaps there is merit in adding the requirement to file with CRA, by June 30 of every year, the T1044 Non-Profit Organization Information Return and the T2 Corporation Income Tax Return.</p>	<p>1. The handbook mentions the need to file the <i>Contributions to a Registered Party or to a Registered Association – Information Return</i> because all parties, without exception, are required to file this document. The <i>T1044 Non-Profit Organization Information Return</i> and the <i>T2 Corporation Income Tax Return</i> are only required by certain parties.</p>
<p>2. Page 6 – “Provincial or territorial divisions of a registered party”: While section 446(4) of the <i>Canada Elections Act</i> (“Act”) does allow for a party to register provincial divisions on a formal basis, the registration is optional. What the Handbook does not discuss is a party not registering a provincial division and operating it essentially as a department within the party, whose departmental expenditures must be incorporated into the party reporting as per section 363(3) of the Act.</p>	<p>2. The treatment is the same regardless of whether the party has registered a provincial division or not. Either way, the expenses must be consolidated in the party’s return.</p>
<p>3. Page 14 – “Best practices for financial management”: In addition to a budget and purchase order system, strong consideration should be given to implementing a commitment register for election expenditures.</p>	<p>3. While implementing a commitment register may be a good practice, there are several ways to approach this issue. Highlighting them all would go into greater detail than Elections Canada believes is necessary</p>

	in the handbooks.
<p>4. Page 14 – “Auditor – Eligibility”: Are the designations CA and CMA no longer being used following the amalgamation/merger of the CA and CMA associations? We believe the designations are now CPA-CA and CPA-CMA.</p>	<p>4. Some provinces have not yet completed the merger process. The comment has been noted, and this issue will be revisited during the yearly handbook review and update process.</p>
<p>5. Page 15 – “The auditor’s responsibilities and obligations”: While the “note” section does make reference to sections 363 to 445 of the Act, given that the requirement for a compliance audit is new and the procedures need to be more fully developed by Elections Canada, we believe there is merit to a more fulsome advisory in this section and note.</p>	<p>5. This issue will be addressed in great detail in a separate guideline to external auditors for compliance audits, scheduled for formal consultation later in 2015.</p>
<p>6. Page 16 – “Registered agents”: Is there not a necessity to appoint at least one registered agent so that contribution receipts can be signed? This section uses the wording “may appoint”, which may be misleading.</p>	<p>6. A party’s chief agent is authorized to sign contribution receipts. The registered party must have at least three officers in addition to the leader of the party. However, the party is under no obligation to appoint registered agents. The current wording in the handbook is consistent with subsection 396(1) of the CEA.</p>
<p>7. Page 18 – “Individual contribution, loan and loan guarantee limits”: This section is largely a repeat of the information on page viii. Is it not possible to disclose the information once with necessary cross-references?</p>	<p>7. The <i>Tables and Reminders</i> section is for reference purposes, and its content is explained in greater detail later in the handbook.</p>
<p>8. Page 19 – “Monetary contribution”: Given our past discussions with Elections Canada regarding third party online payment services and the deposit of such contributions, perhaps there is a need for discussion about the ownership of bank accounts as it pertains to such third party processors, e.g. the use of a crowdfunding service.</p>	<p>8. These services appear to operate in the same way as online payment services, which are already covered under section 3.1, Contributions.</p>

<p>9. Page 20 – “Volunteer labour – Example”: We don’t believe the cited example is appropriate as a person who is employed (i.e. not self-employed in a partnership capacity) by an accounting firm is entitled to work in the evenings in the registered party’s office on accounting matters.</p>	<p>9. The example in the handbook, while not incorrect, could be made clearer by indicating that this person could also perform accounting duties as a volunteer.</p> <p>As this is a minor update that will affect a number of handbooks, the comment has been noted and the handbooks will be updated accordingly during the yearly handbook review and update process.</p>
<p>10. Page 21 – “Returning ineligible contributions”: The Handbook makes reference to a contribution being unused yet there is no definition or interpretation of what “unused” means. Can we elaborate? The paragraph as written makes reference to the contribution being returned to the contributor within 30 days of the party becoming aware that the contribution is ineligible yet no mention is made of the 30-day requirement for forwarding the payment to the Receiver General for Canada.</p>	<p>10. A contribution is considered used if the bank account balance was, at some point after the contribution date, below the contribution amount. In this case, a cheque payable to the Receiver General would need to be forwarded to Elections Canada within 30 days of the party becoming aware of the excess contribution.</p> <p>As this is a minor update that will affect a number of handbooks, the comment has been noted and the handbooks will be updated accordingly during the yearly handbook review and update process.</p>
<p>11. Page 21 – “Anonymous contributions – Example”:</p> <p>a) For this example and the one on page 23, can we make them gender neutral?</p> <p>b) Additionally, further elaboration is required in the example to state that the over-contribution must be returned to the contributor within the 30 days if the contribution had been deposited into the party’s bank account</p> <p>c) A further example is required to explain that if a contributor provided a single contribution in the amount of \$2,000, the contribution should not be deposited into the party’s bank account (as it is obviously an over-contribution) and should be returned to the contributor.</p>	<p>11.</p> <p>a) Gender references in examples are balanced between masculine and feminine. Efforts have been made throughout all handbooks to keep an even balance for equity purposes.</p> <p>b) Elections Canada agrees with this comment. As this is a minor update that will affect a number of handbooks, the comment has been noted and the handbooks will be updated accordingly during the yearly handbook review and update process.</p> <p>c) A further example will be provided in a subsequent version. As this is a minor update that will affect a number of handbooks, the comment has been noted and the handbooks will be updated accordingly during the yearly handbook review and update process.</p>

<p>12. Page 22 – “Ticketed fundraising – Example”:</p> <p>a) The inclusion of the room rental and decorating costs as a personal benefit is contrary to CRA’s position on the calculation of the personal advantage. Additionally, per CRA, gratuities are only included in the personal advantage if the gratuity is contractually required (such as in a signed agreement), in which case it will also be subject to GST/HST in accordance with the <i>Excise Tax Act</i>. It is also contrary to the example given in the next Handbook paragraph discussing party conventions, which states that room or audiovisual equipment rental is excluded from the personal benefit calculation (which is correct).</p> <p>b) While Elections Canada is entirely within its mandate to have a different definition of personal advantage for the calculation of the contribution from the definition of personal advantage used by CRA for the calculation of the income tax receipt, a divergence has significant implications on an administrative basis with respect to the issuance of receipts and reporting. We strongly recommend that Elections Canada and CRA share the same calculation definition of personal advantage.</p>	<p>12. Page 22 – “Ticketed fundraising – Example”:</p> <p>a) Party conventions differ from ticketed events. To provide greater clarification on this subject, ticketed fundraising will be addressed in a separate interpretation note.</p> <p>b) The CEA and the <i>Income Tax Act</i> (ITA) do not serve the same purpose. As such, they do differ in their treatment of contributions. The CEA is regulating contributions, while the ITA is regulating tax credits for contributions. As we recognize the need for further guidance in this area, we will explore the possibility of working with CRA officials to produce a reference document for political entities.</p>
<p>13. Page 22 – “Sponsorship or advertising”: The position expressed in the Handbook is that of Elections Canada and we believe is not generally supported by political parties; it has been the subject of a request for an OGI interpretation. We believe something to this effect should be added to the Handbook. The current Elections Canada interpretation also contradicts <i>Information Bulletin XX</i> that had been published in draft on July 9, 2008.</p>	<p>13. Should a party see a need for this subject to appear on the forward agenda, Elections Canada invites the party to raise the issue at the next meeting of the ACPP OGI Steering Committee.</p>
<p>14. Page 24 – “What to keep in mind when administering contributions”:</p> <p>a) Bullet one: Is the provision to have a cheque accompanied by written instructions signed by both account holders indicating how the contribution is to be allocated to the contributors a new administrative position? We were not previously aware of this.</p> <p>b) Bullet three: The bullet states, “The instructions must be signed and dated by each contributor.” This should be broadened to reflect</p>	<p>14.</p> <p>a) This information has been added to the handbook to provide further clarity and guidance on existing practices.</p> <p>b) The recommendation given in the handbook is in line with the guidance given in February 2009. These are suggested best practices only. If the party has other ways to demonstrate due diligence in ensuring compliance with the CEA, that is perfectly acceptable, as</p>

<p>that the partnership acting as a delivery agent, as a minimum, would need to ensure it had on file the signed instructions from each partner, and that a party may rely on a signed statement of the partnership that it has such instructions on file, thus precluding the requirement for the party to obtain copies of such instructions. We believe this would be along the lines of the guidance given in your file 405-3 (2009-0088259) dated February 27, 2009.</p>	<p>long as the allocations are traceable and defensible.</p>
<p>15. Page 26 – “Overdraft and line of credit”: Perhaps a comment can be added that a party can provide a financial institution with a general assignment of book debts and remain in compliance with the Act. In the bullets, the requirement to disclose the “dates and amounts of any repayments of principal and payments of interest” appears to be a new provision and entirely impractical for a line of credit facility that fluctuates daily.</p>	<p>15. The current wording is consistent with paragraph 432(2)(k) of the CEA. This is a new provision, introduced by Bill C-23.</p>
<p>16. Page 28 – “Transfers”: Our understanding is that a “transfer” between registered political entities would not be characterized as a transfer if an invoice was prepared by one political entity to the other and such invoice was supported by a third party vendor invoice representing the fair market value of the goods or services sold or “transferred” from one registered political entity to the other. In such circumstances, a centralized service provided by a party to candidates during an election would qualify as a reportable election expense eligible for the rebate. There is no discussion of this at all in the Handbook.</p>	<p>16. Elections Canada agrees with this comment. The handbook has been updated to include the following text: “Note: If an invoice requiring payment is prepared by one political entity and sent to its related political entity, together with a third party vendor invoice representing the commercial value of the goods or services provided, this would not be a transfer, but a sale of goods or services from one entity to another.”</p>
<p>17. Page 30 – “Expenses of a registered party”: First paragraph in the third line, we believe “than” should be “that”.</p>	<p>17. The text in the handbook has been modified.</p>
<p>18. Page 31 – “Election expenses – Definition”: Approximately midway into the definition section the Handbook states that contribution processing fees would not be categorized as an election expense. The term “processing fees” may need further definition as it is possible a party might interpret it</p>	<p>18. The term “processing fees” relates to the expenses for processing contributions, which may include bank charges, credit card processing fees, fees for other payment services (such as PayPal) as well as salaries for data entry when contributions are received.</p>

<p>to include staffing costs, office space, etc., incorporating all expenses for processing contributions.</p>	<p>As this is a minor update that will affect a number of handbooks, the comment has been noted and the handbooks will be updated accordingly during the yearly handbook review and update process.</p>
<p>19. Page 31 – “How are the limits calculated?”: For bullet one, should the “\$0.70” not be “\$0.735”?</p>	<p>19. The text in the handbook has been modified.</p>
<p>20. Page 33 – “Election advertising – use of social media and the Internet”: The Handbook discusses that the use of a party website during an election would require the expenses relating to the design and development of the website to be incorporated as a reportable election expense. While a party may often release a new website during an election, whose design and development costs are more easily determined, what guidance can be added for calculating the design and development costs of a website that has been in use well before an election, perhaps even for years? Unless a party had deployed a job-costing system to track web design and development costs, it would be extremely difficult to determine such costs.</p>	<p>20. In this case, the website would have to be recorded at its current commercial value. The party should obtain an estimate from a commercial provider for the design and development of an equivalent website. The definition of commercial value can be found in the party handbook under section 3.1, Contributions.</p> <p>For more details, please refer to OGI 2015-04, “Election advertising on the Internet” and OGI 2015-09, “Election advertising by registered parties”. The new content has since been incorporated into the party handbook.</p>
<p>21. Page 34 – “Voter contact calling services”: We believe there is merit in providing notice/guidance regarding the regulatory requirements of the CRTC, with perhaps a link to the relevant CRTC web pages.</p>	<p>21. As this is a minor update that will affect a number of handbooks, the comment has been noted and the handbooks will be updated with references to relevant CRTC guidance during the yearly handbook review and update process.</p>
<p>22. Page 34 – “Office expenses”: A paragraph regarding Elections Canada’s position on excluding previously purchased party premises capital assets from election expenses should be added.</p>	<p>22. Elections Canada’s position on the exclusion of capital assets from election expenses is limited to intellectual property assets such as voter identification databases. The following text has been added to the handbook to address other types of pre-existing property:</p> <p>Pre-existing property</p> <p>The party, as an ongoing political entity, might own property that is used</p>

	<p>in more than one election.</p> <p>In the case of a capital asset that is used during the election period, the election expense to be recorded is the lower of: a) the commercial value of renting a similar asset for the same period, and b) the purchase price.</p> <p>If a capital asset is reported at the commercial value of renting a similar asset during the election period, it will be eligible for the election expenses reimbursement each time it is used in an election.</p> <p>If a capital asset is reported at the purchase price (the commercial value), it will be reimbursed only once, after the election for which it was obtained.</p> <p>Property other than capital assets (for example, signs) can also be used for more than one election. If a registered party uses such property in a subsequent election, the election expense to be recorded is the current commercial value of equivalent property. Such election expenses are not eligible for the election expenses reimbursement.</p>
<p>23. Page 35 – “Leader’s tour”: This section could use broader discussion regarding the leader’s tour attending a candidate event. Given the guidance provided by Elections Canada prior to the 2011 general election, a party leader attending a candidate event such as a candidate BBQ in which the candidate’s campaign has paid all the costs for the event would have provided contributed goods and services to the party. Such contributed goods and services are to be included in both the candidate and party returns.</p>	<p>23. The following text has been added to the handbook: “Note: If a leader attends a candidate event unrelated to the leader’s tour, the expenses are those of the candidate, not of the party. Any incremental expenses incurred by the leader to attend such an event are to be reported as a transfer from the party to the candidate’s campaign.”</p>
<p>24. Page 35 – “Expenses of senators and ministers or another candidate”: As noted in our comment C5 for the interpretation of <i>The use of Member of Parliament resources outside of an election period</i>, the historical interpretation of allocating MP travel between partisan and Parliamentary activities had been changed so that only incremental costs incurred to assist with the campaign are categorized as election expenses, reflecting the wording in the draft Handbook. We believe that this revised</p>	<p>24. The approach taken in the handbook is consistent with how the travel costs of any other person assisting a party are treated. Only travel costs above what would have been incurred had the person not assisted the party are election expenses. This approach better reflects the contribution and election expenses provisions of the CEA.</p>

interpretation may allow for greater use of Government of Canada resources (either Parliamentary or Ministerial) to indirectly benefit candidates in an election.	
No Comments were submitted by the Libertarian Party of Canada	
No comments were submitted by the Marijuana Party	
No Comments were submitted by the Marxist-Leninist Party of Canada	
No Comments were submitted by the New Democratic Party	
Comments received from the Party for Accountability, Competency and Transparency	Elections Canada response to the Party for Accountability, Competency and Transparency comments
<p>1. On page viii of the handbook, in the “Contributions, loans and loan guarantees limits” table: PACT felt that the information in the table did not adequately underline that donations from parties to nomination contestants and leadership contestants are to be provided in equal amounts to each contestant. This fact is only mentioned as a reference note at the bottom of the table, and we feel that this particular fact should be more prominently featured in the table for easier decision making. Stakeholders quickly perusing the table may omit reading the notes attached.</p>	<p>1. This aspect is further clarified in section 3.3, Transfers.</p>
<p>2. Regarding section 1.3 on the topic of party mergers starting on page 9: PACT observes that the information in that section pertains only to mergers between registered parties. PACT feels that this document should also contain some information on mergers between two eligible parties and mergers between an eligible party and a registered party. Such a section should include information on such mergers, with an emphasis on the reporting responsibilities of each party in such scenarios.</p>	<p>2. The handbook covers common situations. Moreover, mergers between eligible parties are not covered in the CEA. In the event that guidance is needed on this topic, or on any other specific special cases, please contact Elections Canada via the Political Financing Support Network.</p>

<p>3. Under section 2.1 “Mandatory appointments” on page 12: The eligibility criteria for party officers is outlined. Under this criteria it is mentioned that a party officer can also be “a corporation incorporated under the laws of Canada or a province”. PACT feels that this definition in the handbook, though compliant with the <i>Canada Elections Act</i>, allows for too broad an interpretation. Using the same logic, any corporation, even commercial in nature, may join a political party as an officer. PACT feels that this text should be expanded on to list what kind of organizations may be appropriate for such appointment.</p>	<p>3. The handbook reflects current legislation.</p>
<p>4. Additionally, PACT would like to express concern at the fact that corporations can act as a party officer: We believe that such an appointment in a position of authority in the party unduly influences the party agenda, by declaring a group of people with their own internal agenda to be featured more prominently than regular members. Furthermore, PACT believes that such an appointment is conducive to group think, which may result in terrible decisions being made by an officer of the party by the mere fact that no single member of the “officer corporation” is directly liable for any actions they take. Thus members of corporations who are officers may make drastic decisions for the party without much consideration, because the responsibility for such decisions may not rest entirely on their own shoulders. PACT believes that the legislation must be changed to allow only physical persons to hold the position of party officer.</p>	<p>4. A corporation can be a chief agent or a registered agent, but not an officer. The text in the handbook has been updated as follows: “An individual who is eligible to vote and is a resident of Canada can become an officer of an eligible or a registered party.”</p>
<p>5. PACT believes that the note on page 27 of the document is ambiguous in its wording: The note is part of section 3.2 under the heading “Administering loans”. In the note, the responsibility of the chief agent to update Elections Canada on loan information changes is discussed. However, the note mentions that “the chief agent must send an update to Elections Canada without delay.” PACT believes that this phrase is too vague. What time frame is to be construed as “without delay”? PACT believes that this note would benefit from a more clearly defined time frame, which would serve as a more useful guide to chief agents.</p>	<p>5. Updates should be sent as soon as practicably possible (i.e. within a reasonable time frame, such as a few business days).</p>

<p>6. On page 31 of the document, in section 3.4 under the heading “How are the limits calculated?”: There is a guideline mentioned for inflation adjustments which reads: “The limit is then adjusted by the inflation adjustment factor in effect on the day the election is called.” PACT believes that this statement is too vague. It does not outline what the inflation adjustment factor is or who determines the value of this adjustment factor. This significantly decreases the ability of the chief agents in planning their budget to hit the expense limits without going over. PACT believes that this information should be disclosed in the handbook in order to provide better information for budget planning for electoral campaigns.</p>	<p>6. As set out in section 384 of the CEA, before April 1 in each year, Elections Canada publishes in the <i>Canada Gazette</i> an inflation adjustment factor that is in effect for a period of one year beginning on that date. It shall be a fraction with</p> <ul style="list-style-type: none"> a) a numerator that is the annual average Consumer Price Index, as published by Statistics Canada under the authority of the Statistics Act, for the calendar year immediately before that date, calculated on the basis of 1992 being equal to 100; and b) a denominator that is 108.6, which is the annual average Consumer Price Index, as published by Statistics Canada under the authority of the Statistics Act, for 1998, calculated on the basis of 1992 being equal to 100. <p>Elections Canada believes this information is too technical to be included in the handbook.</p>
<p>No Comments were submitted by the Pirate Party of Canada</p>	
<p>No Comments were submitted by the Progressive Canadian Party</p>	
<p>No Comments were submitted by the Rhinoceros Party</p>	
<p>No Comments were submitted by the United Party of Canada</p>	
<p>Comments received from the Commissioner of Canada Elections</p>	<p>Elections Canada response to the Commissioner of Canada Elections comments</p>
<p>1. Deregistration “1.2 Deregistration” (pages 7 and 8): In this section of the draft Handbook, information is provided on various reasons for and consequences of deregistration. This section should also address the two instances of deregistration provided for at subsection 501(2) and section 521.1 of the Act, that is, as an additional penalty imposed by the court following a conviction for certain offences, and after a judicial application by the Commissioner for the deregistration of a party because it does not have as one of its fundamental purposes to support one or more of its members’ election.</p>	<p>1. Instances in subsection 501(2) of the CEA are covered on page 8 of the handbook. In order to cover section 521.1, the following text has been added to the handbook: “After a judicial application by the Commissioner of Canada Elections, should the court be satisfied that the party does not have as one of its fundamental purposes to participate in public affairs by endorsing one or more of its members as candidates and supporting their election, the court shall, by order, direct the Chief Electoral Officer to deregister the party.”</p>

<p>2. Roles and responsibilities of the chief agent “2.2 Optional appointments – Appointment process” (page 16): To reduce the risks of excessive election expenses being incurred, and in accordance with their responsibility for the party’s financial transactions, chief agents should be strongly encouraged to adopt the practice of specifying terms and conditions on the appointment of any registered agent, as provided for in section 396. For example, the manual could suggest as a best practice that a limit be imposed on the amount of expenses that a registered agent is authorized to incur on behalf of the party. This would make it easier to establish the criminal responsibility of those having caused excessive expenses to be incurred.</p>	<p>2. The text in the handbook has been updated as follows: “(e.g. as a best practice, the party may want to establish limits on amounts registered agents are authorized to incur).”</p>
<p>3. Contribution rules “3.1 Contribution rules – Who can contribute?” (page 20, the 2nd note):</p> <p>a) The interpretative note that provides that the word “individual” is used to refer to a Canadian citizen or a permanent resident should appear earlier, at the beginning of chapter 3, as it should apply to other circumstances than those covered in section 3.1 dealing with contributions. For example, the concept applies to the explanation provided of the “no commercial value” rule in the last interpretative note on page 25, in section 3.2 (Loans), as well as in the last interpretative note on page 36, in section 3.4 (Expenses of a registered party).</p> <p>b) Moreover, in the French version of the draft Handbook, the word “donateur” is sometimes used instead of the defined word “personne” in circumstances where it should be clarified that the rule does not apply to persons other than Canadian citizens and permanent residents. (This is the case in two explanatory notes dealing with the “no commercial value” rule: the first is found in section 3.1 and follows the subsection entitled “What is commercial value?”; the second, as mentioned above, is found in section 3.4 (Expenses of a registered party).</p>	<p>3.</p> <p>a) The note has been moved to the beginning of the section.</p> <p>b) The text in the French version of the handbook has been modified.</p>

<p>4. Ineligible contributions “3.1 Contributions – Ineligible contributions” (page 21): The draft Handbook describes what constitutes an “indirect contribution” as follows: “no individual can make a contribution on behalf of another person or entity.” The actual prohibition in the Act is for an individual to make a contribution using someone else’s money, goods or services that were provided to the individual for the purpose of making the contribution.</p>	<p>4. As this is a minor update that will affect a number of handbooks, the comment has been noted and the handbooks will be updated accordingly during the yearly handbook review and update process.</p>
<p>5. Recording personal information “3.1 Contributions – Contributor identification” (page 21, the 1st note): The note states that the full first and last name of a contributor must be recorded and that initials are not acceptable. However, the Act requires only that the name of the individual be provided. Whether or not this is enough to identify the contributor, as is intended by the provision, is a question of fact. There is no objection, however, to strongly recommending that contributors’ full names be recorded.</p>	<p>5. In order to properly identify a contributor, the full first and last names are required. This is important for ensuring that contribution limits are adhered to, and for maintaining fairness in the electoral process.</p>
<p>6. Returning ineligible contributions “3.1 Contributions – Anonymous contributions” (page 21, Example): As I mentioned in my comments on the draft handbooks for candidates (GI 2014-03) and nomination contestants (GI 2014-04), in my view, section 372 of the Act requires that the whole amount of a contribution that is made that causes the contribution limit to be exceeded must be returned – unused – to the contributor, or if that is not possible, must be paid to the Receiver General.</p>	<p>6. Elections Canada’s interpretation of section 372 (return of contributions) is that the requirement to return the contribution applies to the ineligible portion of the contribution rather than the entire contribution.</p>

7. Travel expenses “3.4 Expenses of a registered party – Travel expenses” (page 35) and “3.4 Expenses of a registered party – Expenses of senators and ministers or another candidate” (page 35): The draft Handbook appears to treat all incidental personal expenses of salaried and volunteer workers, senators, ministers and candidates that were reasonably incurred in relation to their participation in the party’s campaign – namely, expenses for meals, transportation, lodging and other similar expenses – as election expenses of the party. Although this statement may be generally true, in the end, determining whether a party has or has not incurred a particular expense – especially in cases where the expense is an individual’s personal expense – is a question of fact to be determined in light of all relevant circumstances.

7. Elections Canada agrees with the comment that whether or not election expenses have been incurred is a question of fact. However, the assumption underlying the approach in the handbook is that when a senator, minister or another candidate campaigns on behalf of a candidate, they are doing so at the request of the campaign. Accordingly, no changes have been made in this regard.

Note that this section of the handbook has been further clarified based on comments received on Interpretation note 2014-02, “The use of Member of Parliament resources outside of an election period”.