



# Political Financing Handbook

for Third Parties, Financial Agents and Auditors

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August 2019

EC 20227





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# About This Document

## Introduction to the handbook

This handbook is designed to assist third parties, their financial agents and auditors. It is a tool that will help third parties to manage their regulated activities during a pre-election period and an election period.

This document is not intended to replace the *Canada Elections Act*. In all cases, the Act takes precedence over information and explanations provided in this handbook. How the Act applies to a particular case will depend on the circumstances of that case.

Elections Canada will review the contents of this handbook on a regular basis and make updates as required.

The handbook consists of eight chapters:

1. Reference Tables and Timelines
2. Definitions and Registration
3. Financial Administration Overview
4. Pre-election Period of a Fixed-Date Election—Regulated Activities
5. Election Period—Regulated Activities
6. Identifying and Allocating Regulated Expenses
7. Interacting with Other Regulated Entities
8. Reporting

## Contact information

<b>Internet</b>	elections.ca
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## What's new in this release?

Release	Where	Title	Summary
August 2019	Chapter 2	What are regulated activities?	Clarified that an election survey may include a survey about an issue associated with a registered party or candidate.
	Chapter 5	Partisan activities and expenses in the election period  Election surveys and expenses in the election period	Clarified that telephone calls to electors will not always be regulated activities, but that rules for voter contact calling services will apply to all calls in the election period.





# 1. Reference Tables and Timelines

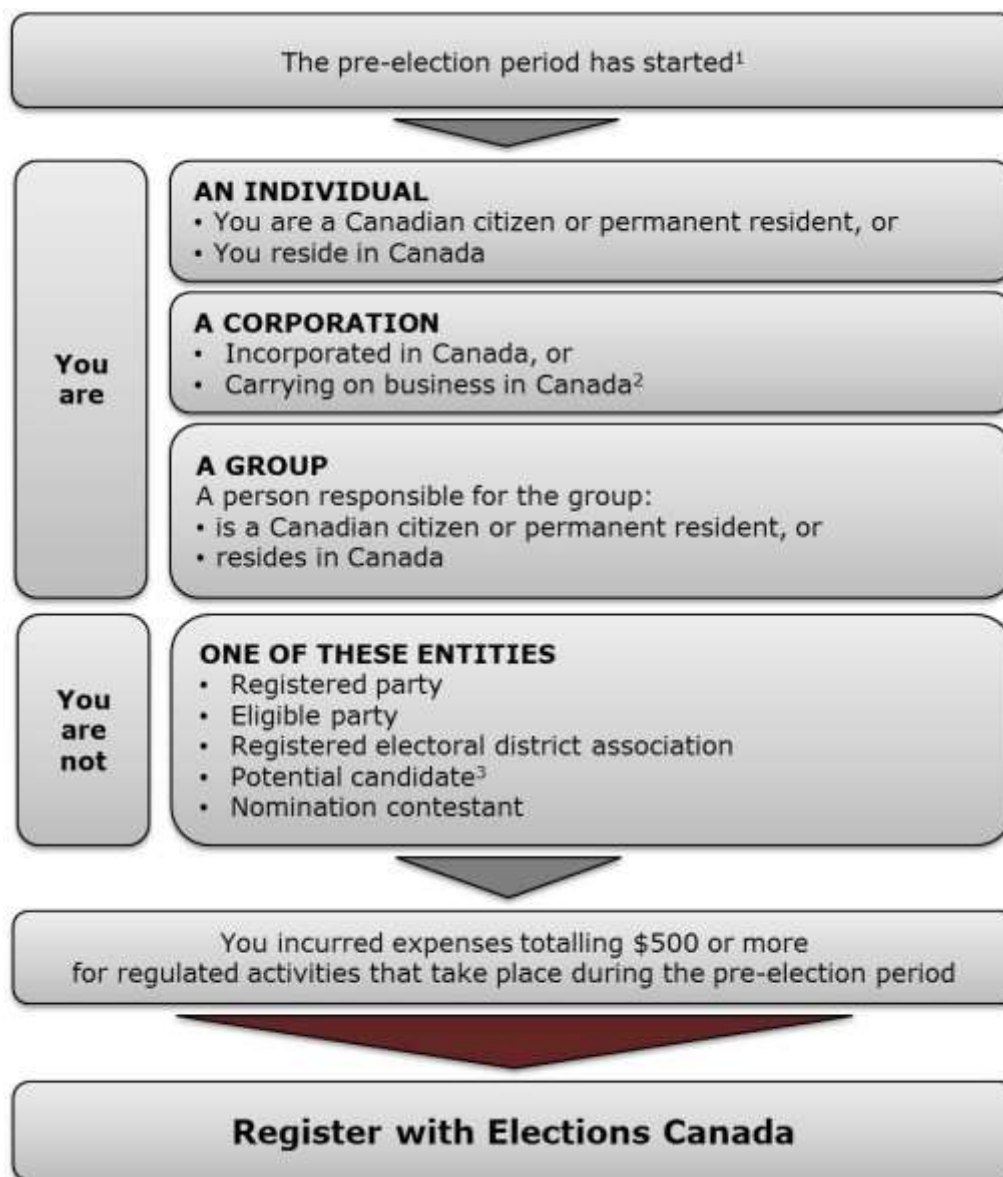
*The reference tables and timelines in this chapter are quick reference tools for the use of third parties, financial agents and auditors.*

*The chapter contains the following:*

- *Registration requirements*
- *Role and appointment process—financial agent*
- *Role and appointment process—auditor*
- *Interim reporting requirements*
- *Third party interim reporting scenarios*

## Registration requirements

### Pre-election period registration requirements



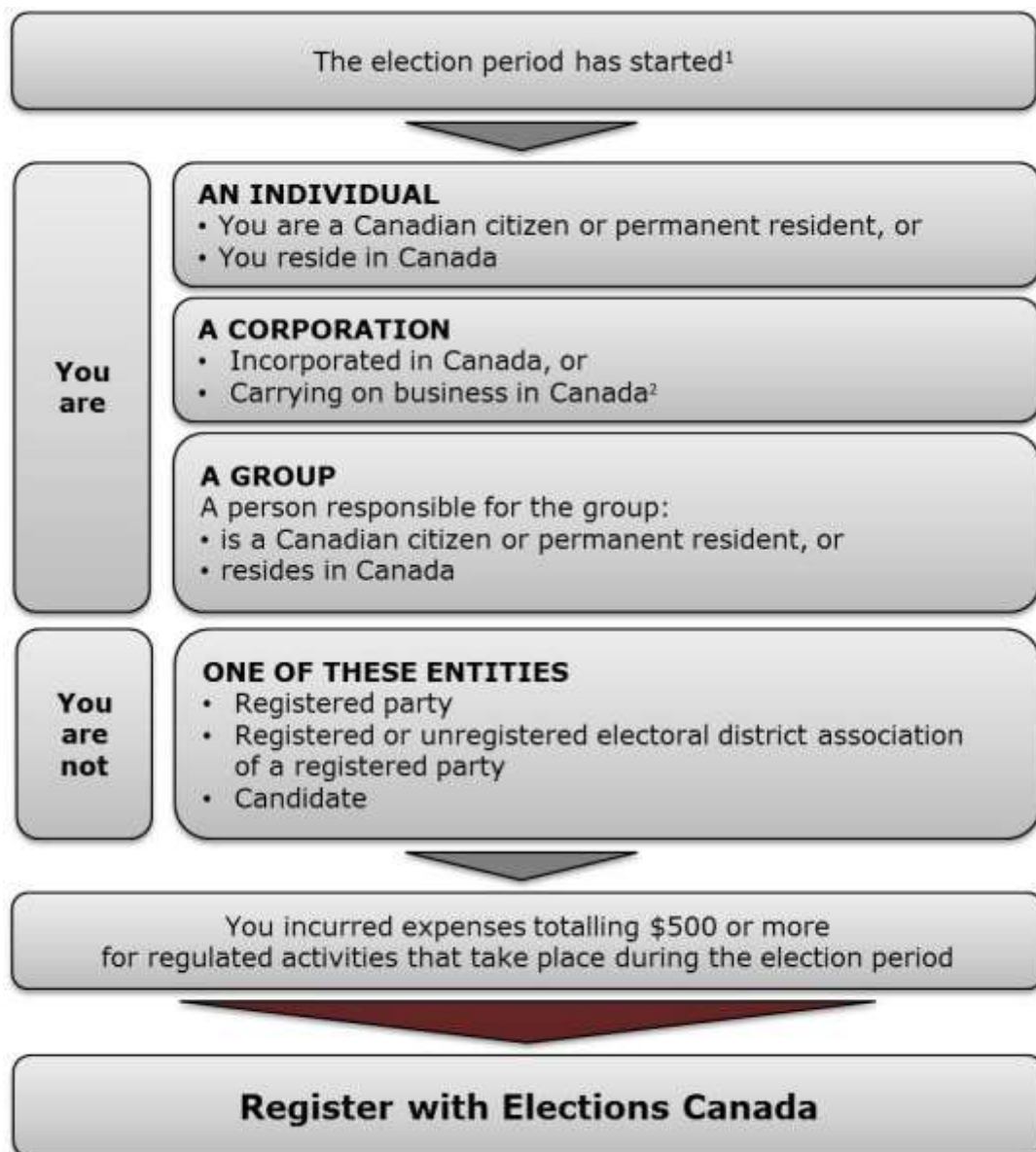
<sup>1</sup> The pre-election period starts on June 30 in the year of a fixed-date general election. It ends on the day before the general election is called.

<sup>2</sup> A foreign corporation cannot register as a third party if, during the pre-election period, its **only** activity in Canada is to influence electors to vote or refrain from voting, either in general or for a particular candidate or registered party.

<sup>3</sup> In defining who is not a third party, a potential candidate means someone who is selected in a nomination contest, is deemed to be a candidate because they have conducted political financing transactions, or has the support of a political party to be a candidate of that party.

**Note:** A third party may register if it intends to incur pre-election period expenses totalling \$500 or more, even if it has not yet incurred the expenses.

## Election period registration requirements



<sup>1</sup> The election period starts on the day the election is called and ends on election day when the polls close.

<sup>2</sup> A foreign corporation cannot register as a third party if, during the election period, its **primary** purpose in Canada is to influence electors to vote or refrain from voting, either in general or for a particular candidate or registered party.

**Note:** A third party may register if it intends to incur election period expenses totalling \$500 or more, even if it has not yet incurred the expenses.

**Note:** A third party that registered during the pre-election period and is also required to register during the election period is deemed to be registered for the election period.

## Role and appointment process—financial agent

Third party's financial agent		
<b>Role summary</b>		
<ul style="list-style-type: none"> <li>The financial agent is responsible for administering the third party's financial transactions related to regulated activities during the pre-election period and election period, and for reporting those transactions to Elections Canada as required by the <i>Canada Elections Act</i>.</li> <li>The financial agent may authorize another person to accept contributions or incur expenses for regulated activities, but that does not limit the responsibility of the financial agent.</li> <li>The financial agent's role continues until the third party fulfills all financial reporting requirements.</li> </ul>		
<b>Who is eligible?</b>	<b>Yes</b>	<b>No</b>
Canadian citizen	✓	
Permanent resident of Canada	✓	
Potential candidate, candidate or their official agent		✗
Leadership contestant or their leadership campaign agent		✗
Nomination contestant or their financial agent		✗
Chief agent or registered agent of a registered party or eligible party		✗
Election officer or member of the staff of a returning officer		✗
Any other person or group not mentioned above		✗
<b>Appointment process</b>		
<ul style="list-style-type: none"> <li>When the third party applies to register, it must submit the <i>General Form—Third Party</i>. This form must include the financial agent's name, address and telephone number.</li> <li>The financial agent has to sign a statement consenting to act in that capacity.</li> <li>If for any reason the financial agent is no longer able to continue in that role, the third party must appoint a new financial agent and notify Elections Canada without delay. The notice has to include a signed consent from the new financial agent.</li> <li>Although it is not a legal requirement, a financial agent should be experienced in managing finances. The role requires a strong ability to control, record and administer financial transactions as well as to create financial reports.</li> </ul>		

## Role and appointment process—auditor

Third party's auditor		
<b>Role summary</b>		
<ul style="list-style-type: none"> <li>The auditor, if one is required, has to examine the third party's financial records and give an opinion in a report as to whether the third party's financial return presents fairly the information contained in the financial records on which it is based.</li> <li>The auditor has a right to access all documents of the third party, and may require the third party or the financial agent of the third party to provide any information or explanation that is necessary to enable the auditor to prepare the report.</li> </ul>		
<b>Who is eligible?</b>	<b>Yes</b>	<b>No</b>
Person who is a member in good standing of a corporation, an association or an institute of provincially incorporated professional accountants (CPA designation)*	✓	
Partnership of which every partner is a member in good standing of a corporation, an association or an institute of provincially incorporated professional accountants (CPA designation)*	✓	
Third party's financial agent		✗
Person who signed the third party's application for registration		✗
Election officer		✗
Potential candidate, candidate or their official agent		✗
Leadership contestant or their financial agent		✗
Nomination contestant or their financial agent		✗
Chief agent or registered agent of a registered party or eligible party		✗
Any other person or group not mentioned above		✗
<b>Appointment process</b>		
<ul style="list-style-type: none"> <li>If the third party incurs expenses totalling \$10,000 or more for regulated activities, an auditor must be appointed.</li> <li>The auditor has to sign a statement consenting to act in that capacity.</li> <li>The third party must notify Elections Canada about the appointment without delay. If for any reason the auditor is no longer able to continue in that role, the third party must appoint a new auditor and notify Elections Canada without delay. The notice has to include a signed consent from the new auditor.</li> <li>The third party may have only one auditor at a time.</li> </ul>		
*Provincial and territorial auditing bodies may require auditors to meet other professional criteria in order to perform this role.		
<p><b>Note:</b> For a guide to preparing the auditor's report, please refer to guidance produced by the Chartered Professional Accountants of Canada. A link to the guide is posted on the Elections Canada website.</p> <p><b>Note:</b> The <i>Canada Elections Act</i> does not provide for a subsidy in relation to audit services for registered third parties.</p>		

## Interim reporting requirements for a fixed-date general election

	Reporting threshold	Threshold is met when	Interim reports
Pre-election period	The third party: <ul style="list-style-type: none"> <li>received contributions totalling \$10,000 or more for regulated activities, or</li> <li>incurred expenses totalling \$10,000 or more for regulated activities that take place during the pre-election period</li> </ul>	Between: <ul style="list-style-type: none"> <li>October 20, 2015 (the day after the previous general election), and</li> <li>the day on which the third party became required to register</li> </ul>	<b>Interim report due:</b> 5 days after the third party was required to register*
		Between: <ul style="list-style-type: none"> <li>October 20, 2015 (the day after the previous general election), and</li> <li>September 14 or the last day of the pre-election period, whichever is earlier</li> </ul>	<b>Interim report due:</b> September 15
Election period	The third party: <ul style="list-style-type: none"> <li>received contributions totalling \$10,000 or more for regulated activities, or</li> <li>incurred expenses totalling \$10,000 or more for regulated activities that take place during the pre-election or the election period</li> </ul>	Between: <ul style="list-style-type: none"> <li>October 20, 2015 (the day after the previous general election), and</li> <li>the 23rd day before election day</li> </ul>	<b>Interim report due:</b> 21st day before election day
		Between: <ul style="list-style-type: none"> <li>October 20, 2015 (the day after the previous general election), and</li> <li>the 9th day before election day</li> </ul>	<b>Interim report due:</b> 7th day before election day

\*A third party is required to register immediately if it incurs expenses totalling \$500 or more for regulated activities that take place during the pre-election period, or \$500 or more for regulated activities that take place during the election period.

**Note:** Once a third party starts filing interim reports, it must file all remaining interim reports.

## Interim reporting requirements for a general election held other than on a fixed date



**Note:** Once a third party starts filing interim reports, it must file all remaining interim reports.

**Note:** There are no interim reporting requirements for by-elections.



## Third party interim reporting scenarios

Fixed-date general election (in these scenarios, the election period starts on Sept. 15, 2019, and election day is Oct. 21, 2019)	Register	Interim reporting deadlines
<p>On May 10, the third party receives a \$50,000 contribution for regulated activities.</p> <p>On May 15, the third party purchases advertising on national radio for \$8,000. The broadcast will start on June 30.</p>	June 30	<ol style="list-style-type: none"> <li><b>July 5</b> (for period between Oct. 20, 2015, and June 30, 2019)</li> <li><b>Sept. 15</b> (for period between July 1 and Sept. 14)</li> <li><b>Sept. 30</b> (for period between Sept. 15 and Sept. 28)</li> <li><b>Oct. 14</b> (for period between Sept. 29 and Oct. 12)</li> </ol>
<p>On July 20, a third party purchases flyers for \$750 to promote a potential candidate during the pre-election period.</p> <p>The third party receives a \$10,000 contribution for regulated activities on August 15.</p>	July 20	<ol style="list-style-type: none"> <li><b>Sept. 15</b> (for period between Oct. 20, 2015, and Sept. 14, 2019)</li> <li><b>Sept. 30</b> (for period between Sept. 15 and Sept. 28)</li> <li><b>Oct. 14</b> (for period between Sept. 29 and Oct. 12)</li> </ol>
<p>On Aug. 30, a third party hires a media firm to design election advertising for \$1,500 that will be distributed during the election period.</p> <p>The third party incurs another \$8,000 in expenses and receives \$9,000 in contributions for regulated activities during the election period.</p>	Sept. 15	Interim reporting is <b>not</b> required. (The third party has not incurred expenses of \$10,000 or more, or received contributions of \$10,000 or more, for regulated activities.)
<p>In 2018, a third party received contributions totalling \$15,000 to conduct election surveys.</p> <p>On Sept. 17, it incurs an expense of \$5,000 to conduct an election survey during the election period.</p>	Sept. 17	<ol style="list-style-type: none"> <li><b>Sept. 30</b> (for period between Oct. 20, 2015, and Sept. 28)</li> <li><b>Oct. 14</b> (for period between Sept. 29 and Oct. 12)</li> </ol>
<p>A third party hires an event organizer on Oct. 1 at a cost of \$12,000 to hold a national event on Oct. 10, promoting a registered party.</p>	Oct. 1	<ol style="list-style-type: none"> <li><b>Oct. 14</b> (for period between Oct. 20, 2015 and Oct. 12, 2019)</li> </ol>
General election held other than on a fixed date	Register	Interim reporting deadlines
<p>A snap general election is called on Jan. 20. Election day is Feb. 25.</p> <p>On Jan. 31, a third party purchases ads on national TV for \$60,000, promoting a registered party.</p>	Jan. 31	<ol style="list-style-type: none"> <li><b>Feb. 4</b> (for period between Oct. 20, 2015, and Feb. 2, 2019)</li> <li><b>Feb. 18</b> (for period between Feb. 3 and Feb. 16)</li> </ol>



## 2. Definitions and Registration

*This chapter provides definitions related to third parties and outlines the registration requirements during the pre-election period and the election period.*

*It covers the following topics:*

- *What is a third party?*
- *What are regulated activities?*
- *Registration requirements and process*
- *Prohibition on foreign third parties*

## What is a third party?

A third party is generally a person or group that wants to participate in or influence elections other than as a political party, electoral district association, nomination contestant or candidate.

The term has different legal definitions in the pre-election period and election period, as explained below.

**Note:** The pre-election period starts on June 30 in the year of a fixed-date general election. It ends on the day before the general election is called. The election period starts on the day the election is called and ends on election day when the polls close.

During a pre-election period	During an election period
A third party is a person or group other than a: <ul style="list-style-type: none"><li>• registered or eligible party</li><li>• registered electoral district association</li><li>• potential candidate</li><li>• nomination contestant</li></ul>	A third party is a person or group other than a: <ul style="list-style-type: none"><li>• registered party</li><li>• registered electoral district association</li><li>• unregistered electoral district association of a registered party</li><li>• candidate</li></ul>

**Note:** In defining who is not a third party, a potential candidate means someone who is selected in a nomination contest, is deemed to be a candidate because they have conducted political financing transactions, or has the support of a political party to be a candidate of that party.

## What are regulated activities?

Certain third party activities are regulated by the *Canada Elections Act*. This handbook uses “regulated activities” as an umbrella term for partisan activities, election surveys, partisan advertising, and election advertising.

The following table introduces the regulated activities. For full definitions and examples, see Chapter 4, **Pre-election Period of a Fixed-Date Election—Regulated Activities**, and Chapter 5, **Election Period—Regulated Activities**.

List of regulated activities	Description
<b>Partisan activities</b>	Activities carried out by a third party that promote or oppose a political party, nomination contestant, potential candidate, candidate or party leader, <b>other than</b> by taking a position on an issue with which the party or person is associated.  <b>Note:</b> Activities to fundraise for the third party are excluded from partisan activities.
<b>Election surveys</b>	Surveys about voting, or about an issue with which a registered party or candidate is associated, that a third party conducts or causes to be conducted during the pre-election period* or the election period.** The survey results are used in deciding whether or not to organize and carry out regulated activities, or in the organization and carrying out of regulated activities.
<b>Partisan advertising</b>	The transmission to the public by any means during the pre-election period* of an advertising message that promotes or opposes a political party, nomination contestant, candidate or party leader, <b>other than</b> by taking a position on an issue with which the party or person is associated.
<b>Election advertising</b>	The transmission to the public by any means during the election period** of an advertising message that promotes or opposes a registered party or candidate, <b>including</b> by taking a position on an issue with which the party or person is associated.
*The pre-election period starts on June 30 in the year of a fixed-date general election. It ends on the day before the general election is called.	
**The election period starts on the day the election is called and ends on election day when the polls close.	

**Note:** A potential candidate is someone who is selected in a nomination contest, is deemed to be a candidate because they have conducted political financing transactions, is a member of Parliament or an incumbent, or has the support of a political party to be a candidate of that party.

**Note:** Partisan activities or election surveys conducted by provincially registered political parties are not regulated activities for the purposes of the *Canada Elections Act*.

## Registration requirements and process

### Requirements

A person, corporation or group must register with Elections Canada as a third party immediately after incurring expenses:

- totalling \$500 or more for regulated activities that take place during a pre-election period, or
- totalling \$500 or more for regulated activities that take place during an election period

The following are eligible to become registered third parties:

- an individual who is a Canadian citizen or a permanent resident, or lives in Canada
- a corporation that is incorporated in Canada or carries on business in Canada
- a group, if the person responsible for the group is a Canadian citizen or permanent resident, or lives in Canada

Registration cannot take place before the relevant period starts. For a pre-election period, this is June 30. For an election period, this is the day the general election or by-election is called.

A person, corporation or group can also register as a third party if they **intend** to incur expenses totalling \$500 or more for regulated activities in one of the periods.

**Note:** Group means an unincorporated trade union, trade association or other group of persons acting together by mutual consent for a common purpose. Two groups with related aims, such as two trade union locals of the same parent union, may both separately register as third parties. However, they are prohibited from colluding with each other to circumvent the limit on regulated expenses.

**Note:** A third party that registers during the pre-election period and is also required to register during the election period is deemed to be registered for the election period.

### How to register

A third party that is required to register with Elections Canada has to:

- open a separate bank account with a Canadian financial institution or certain authorized foreign banks, as defined by the *Bank Act* (see **Separate bank account for regulated activities** in Chapter 3, **Financial Administration Overview**)
- appoint a financial agent, who must sign a declaration accepting the appointment
- appoint an auditor without delay, if it has incurred expenses totalling \$10,000 or more for regulated activities
- submit the *General Form—Third Party* to Elections Canada

If the third party is a trade union, corporation or other entity with a governing body, the application must include a signed copy of a resolution authorizing it to incur expenses for regulated activities.

For example, the resolution could read: “The board hereby authorizes <name of the third party> to incur expenses regulated by the *Canada Elections Act* during the <pre-election period, election period or both> for the election held on <election date>. This resolution was approved by the majority of the board members.”

## Elections Canada's verification of the application

Elections Canada reviews the application for registration to determine whether the third party can be registered. Applications are examined in the order in which they are received.

A third party will not be registered if:

- the application does not meet the requirements of the *Canada Elections Act*, or
- the name of the third party is likely to be confused with the name of another regulated entity, such as a:
  - registered or eligible political party
  - nomination contestant
  - potential candidate or candidate
  - leadership contestant
  - leader of a registered party, or
  - another registered third party

If a third party cannot be registered for any reason, Elections Canada will inform the person who signed the application for registration, explaining why and what steps must be taken. For example, they may need to submit a new application or simply provide missing information.

If the application is accepted, Elections Canada informs the person who signed the application for registration. Once registered, the person, corporation or group is referred to as a registered third party.

## Registry of Third Parties

Elections Canada maintains a Registry of Third Parties that includes all the details provided by registered third parties in their application and subsequent updates.

**Note:** When third parties become registered, their names and addresses are published on the Elections Canada website.

## Prohibition on foreign third parties

The *Canada Elections Act* prohibits foreign third parties from participating in elections and incurring expenses for regulated activities that take place during a pre-election period or an election period.

Type of third party	It is a foreign third party if...
Individual	The individual is not a Canadian citizen or permanent resident and does not live in Canada.
Corporation or entity	<ul style="list-style-type: none"><li>• It was incorporated or organized outside of Canada and it does not carry on business in Canada.</li><li>• It carries on business in Canada, but<ul style="list-style-type: none"><li>– during the pre-election period, its <b>only</b> activity in Canada, or</li><li>– during the election period, its <b>primary</b> purpose in Canada is to influence electors to vote or refrain from voting, either in general or for a particular candidate or registered party.</li></ul></li></ul>
Group	Of the people responsible for the group, none are Canadian citizens, permanent residents or live in Canada.



## 3. Financial Administration Overview

*This chapter describes how political financing rules apply to regulated activities. It discusses resources such as contributions and explains how to administer expenses for regulated activities, which are subject to separate limits for the pre-election period and the election period.*

*It covers the following topics:*

- *Resources used for regulated activities (third party's own funds, loans, contributions and volunteer labour)*
- *Administering expenses for regulated activities*

## Resources used for regulated activities

A third party may fund its expenses for regulated activities from one of three sources: its own funds, loans obtained for that purpose, or monetary and non-monetary contributions given to the third party for that purpose. The third party can also conduct activities using volunteer labour.

### Use of own funds

The third party can use its own funds to pay for regulated activities that take place during the pre-election period or election period. The funds must be deposited into the campaign bank account, and the expenses must be reported in the financial returns. There is no limit on the amount of its own funds that a third party can deposit into its campaign account to pay for regulated activities.

For details, see **Separate bank account for regulated activities** in Chapter 3, **Financial Administration Overview**.

### Loans

If a third party obtains a loan to finance pre-election period or election period regulated activities, the third party must report it in its financial returns. The funds must be deposited into the campaign bank account.

Individuals who are Canadian citizens or permanent residents, and businesses or other organizations that operate in Canada, can lend funds to a third party for regulated activities. There is no limit to the amount a third party can borrow.

## Contributions

### What is a contribution?

A contribution is donated money (monetary contribution) or donated property or services (non-monetary contribution). In the case of registered third parties, the *Canada Elections Act* only regulates contributions provided for the purpose of regulated activities.

Monetary contributions must be deposited into the campaign bank account.

Monetary contribution	Non-monetary contribution
A monetary contribution is an amount of money provided for regulated activities that is not repayable.  Monetary contributions include cash, cheques or money orders, credit card or debit card payments, and online payments (other than contributions of cryptocurrency).	The amount of a non-monetary contribution is the commercial value of a service (other than volunteer labour) or of property, or the use of property or money, to the extent that it is provided for regulated activities without charge or at less than commercial value. This includes contributions of cryptocurrency and forgone interest on loans.



### What is commercial value?

Non-monetary contributions are recorded at commercial value.

Commercial value, in relation to property or a service, is the lowest amount charged at the time that it was provided for the same kind and quantity of property or service, or for the same use of property or money, by:

- the person who provided the property or service (if the person who provided it is in that business), or
- another person who provides that property or service on a commercial basis in the area (if the person who provided the property or service is not in that business)

In other words, commercial value is generally the amount charged in a store for an item or a service.

#### **Example**

A self-employed graphic designer who is a Canadian citizen offers to design an advertising pamphlet for the third party free of charge. The commercial value of this service has to be recorded as a non-monetary contribution from the graphic designer. In this case, the commercial value is the lowest amount the graphic designer normally charges for the service.

**Note:** If the commercial value of a non-monetary contribution is \$200 or less, and it is from an individual not in that business, the contribution amount is deemed to be nil.

### Who can accept contributions?

Contributions provided for regulated activities must be accepted by the third party's financial agent or a person authorized in writing by the financial agent.

**Note:** Delegating a person to accept contributions for regulated activities does not limit the responsibility of the financial agent.

### Who can contribute to a third party?

Individuals who are Canadian citizens or permanent residents, and businesses or other organizations that operate in Canada, can make contributions to a third party for regulated activities. A third party must not use funds from a foreign entity to pay for regulated activities.

There is no limit on the amount of contributions that may be made by eligible contributors. Contributor types must be reported in the third party's financial return, as follows:

- individuals
- businesses and commercial organizations
- governments
- trade unions
- corporations without share capital other than trade unions
- unincorporated organizations or associations other than trade unions

### Prohibition on using foreign funds

A third party must not use funds from a foreign entity to pay for regulated activities. It must not circumvent, or attempt to circumvent, the prohibition or collude with any other person or entity for that purpose.

A foreign entity includes:

- an individual who is not a Canadian citizen or permanent resident
- a corporation or entity organized outside Canada
  - that does not carry on business in Canada, or
  - whose only activity in Canada is to influence electors to vote or refrain from voting, either in general or for a particular candidate or registered party in the election
- a trade union that does not hold bargaining rights for employees in Canada
- a foreign political party
- a foreign government or an agent of a foreign government

### Prohibition on using certain contributions

The third party is prohibited from using a contribution for regulated activities if:

- it does not know the name and address of the contributor, or
- it is unable to determine the type of contributor

### Contributor identification

Contributions received for regulated activities must be reported in the third party's financial returns.

Contribution received	What to keep in mind
Up to \$200	Contributions up to \$200 are reported by contributor type.  The third party must keep a record of the contributor's name and address.
Totalling more than \$200	The contributor's name, address and type, as well as the amount and date of the contribution, must be reported.  If a contributor is a numbered company, the name of the chief executive officer or president must also be reported.
Multiple contributions for different purposes	The third party only needs to report the contributions received for the purpose of regulated activities.
Unable to identify which contributions were made for regulated activities	The third party must list the name and address of every contributor who made contributions totalling more than \$200 for any purpose during the reporting period.
<b>Note:</b> When total contributions from a contributor are over \$200, their name, partial address and contribution amounts disclosed in the financial return will be published on the Elections Canada website.	

### Examples

1. A Canadian not-for-profit association makes a \$50,000 contribution to a third party for regulated activities during the pre-election period. The third party deposits the amount in the bank account that was opened for the campaign and reports the contribution in its financial return.
2. After an election is called, a third party decides to organize an event in support of a candidate. Olga, a self-employed event planner who is a Canadian citizen, offers to organize the event free of charge. Olga would normally charge \$2,000 for this service. The third party reports the commercial value of the service, \$2,000, as a non-monetary contribution from Olga.
3. Jared, a permanent resident of Canada, donates a \$175 software licence to the third party to create election advertising during the election period. Because Jared is not in the business of selling or renting office supplies and the commercial value of the licence is \$200 or less, the non-monetary contribution is deemed to be nil and is not reported.
4. During a by-election, a Canadian polling firm conducts an election survey free of charge on behalf of the third party. The commercial value of the service is a non-monetary contribution from the corporation. Even if the commercial value is \$200 or less, the contribution has to be reported because it is not from an individual.

### Accepting contributions of cryptocurrency

A contribution of cryptocurrency is non-monetary. The contribution amount is the commercial value of the cryptocurrency at the time that it was received.

For contributions up to \$200, if the contributor is an individual and not in the business of selling cryptocurrencies, the contribution amount is deemed nil. But the contributor must still be eligible under the contribution rules.

In all instances, third parties should be mindful of the rules in the *Canada Elections Act* against circumventing contribution restrictions and watch for unusual amounts or patterns in contributions that they receive.

## Volunteer labour

### What is volunteer labour?

Volunteer labour is any service provided free of charge by a person outside of their working hours, excluding a service provided by a self-employed person who normally charges for that service.

Volunteer labour is not a contribution.

### Who is eligible to volunteer?

Any person (who is not a corporation, trade union, association or group) can volunteer for a third party, even if they are not a Canadian citizen or permanent resident.

But a self-employed person cannot volunteer a service they would normally charge for. That is a non-monetary contribution and not volunteer labour. The person would have to be eligible under the contribution rules.

People who work on-call or variable hours can volunteer for a third party, as long as they are not self-employed in the field and their employer has not instructed them to work for the third party while receiving standby pay or other compensation.

**Note:** To know whether a person is an employee or self-employed, ask if they receive a salary or wages, payroll deductions and a T4 slip from their employer or corporation at tax time. If they do, the person is an employee for the purpose of the *Canada Elections Act* and can volunteer in the same capacity as their line of business, outside their working hours.

### Examples

1. Nana, who is employed as a teacher, makes phone calls for the third party during the evenings, asking voters to support a candidate. This is volunteer labour and is therefore not a contribution.
2. Eve works for an advertising firm and is paid to be on standby on weekends. When she is not doing work for the corporation during these hours, Eve folds flyers provided to her by the third party and distributes them in her neighbourhood. This is volunteer labour and is therefore not a contribution.
3. Erik, a self-employed accountant, offers to become the third party's auditor free of charge. Because Erik is self-employed and normally charges for that service, this is not volunteer labour but a non-monetary contribution. However, Erik could volunteer other services, for example he could volunteer as the financial agent.

### Paying volunteers for part of their work

Volunteers can be paid for part of their work related to regulated activities, but the paid work is not volunteer labour. An agreement must be in place before the work is performed. It can specify incentive- or performance-based terms of remuneration rather than a fixed rate. The expenses incurred under the agreement (the payments for the work) are regulated expenses and have to be reported.

## Administering expenses for regulated activities

The *Canada Elections Act* sets limits on all expenses that a third party incurs to carry out regulated activities. These expenses must be reported in the financial returns.

The third party has to maintain proper books and records to ensure accurate reporting of regulated expenses and compliance with the *Canada Elections Act*.

The third party's auditor, if one is required, must have access to the third party's books and records at any reasonable time and may require the third party to provide any additional information or explanation needed to prepare the auditor's report.

For an overview of regulated activities, see **What are regulated activities?** in Chapter 2, **Definitions and Registration**. For an overview of reporting requirements, see the *Reporting obligations* tables in Chapter 8, **Reporting**.

## Separate bank account for regulated activities

A third party that is required to register must open a separate bank account for the sole purpose of its regulated activities. This campaign account must be with a Canadian financial institution or certain authorized foreign banks, as defined by the *Bank Act*.

All financial transactions in relation to the third party's regulated activities must go through the campaign bank account. If the third party intends to use its own funds to pay for regulated activities, it must deposit the funds from its general account into its campaign account.

After election day, the third party must close the campaign bank account once all unpaid claims and any outstanding balance have been dealt with. The third party must send the final bank statement to Elections Canada.

## What is a regulated expense?

This handbook uses "regulated expense" as an umbrella term for partisan activity expenses, election survey expenses, partisan advertising expenses and election advertising expenses.

Regulated expenses include:

- amounts paid
- liabilities incurred
- the commercial value of donated property and services (other than volunteer labour)
- the difference between an amount paid or liability incurred and the commercial value of the property or services (when they are provided at less than their commercial value)

When a regulated activity takes place during the pre-election period or election period, the associated expense is subject to the limit for that period, regardless of when the expense was incurred.

The expense is usually the amount that the third party was charged for property or services related to a regulated activity, unless this amount was less than commercial value.

Commercial value, in relation to property or a service, is the lowest amount charged at the time that it was provided for the same kind and quantity of property or service, or for the same use of property or money, by:

- the person who provided the property or service (if the person who provided it is in that business), or
- another person who provides that property or service on a commercial basis in the area (if the person who provided the property or service is not in that business)

In other words, commercial value is generally the amount charged in a store for an item or a service.

## Who can authorize expenses?

Expenses for regulated activities must be authorized by the financial agent or a person authorized in writing by the financial agent.

**Note:** Delegating a person to incur expenses for regulated activities does not limit the responsibility of the financial agent.

## Non-monetary contributions are also expenses

The third party incurs an expense when it accepts a non-monetary contribution in relation to a regulated activity.

When property or services are received from an eligible contributor at no charge, the full commercial value is a non-monetary contribution. (Keep in mind that if a service is provided free of charge by an eligible volunteer, there is no contribution and no expense. See **Volunteer labour** earlier in this chapter for details.)

When property or services are purchased from an eligible contributor for less than commercial value, the difference between the purchase price and the commercial value is a non-monetary contribution.

In both cases, the full commercial value of the property or service is a regulated expense.

### **Example**

The third party engages a Canadian corporation to design election advertising material for the upcoming election. By giving a 30% discount not offered to other customers, the corporation made a non-monetary contribution (30% of the commercial value of the service) to the third party. The full commercial value of the service (the amount the corporation would normally charge for the service) is an election advertising expense subject to the limit for the election period.

**Note:** If the commercial value of a non-monetary contribution provided for regulated activities is \$200 or less, and it is from an individual (who is a Canadian citizen or permanent resident) not in the business of providing that property or service, the contribution is deemed to be nil and no expense has to be reported.

## 4. Pre-election Period of a Fixed-Date Election— Regulated Activities

*This chapter explains the expenses limit for regulated activities during the pre-election period of a fixed-date general election. The chapter also defines and gives examples of partisan activities, partisan advertising and election surveys that take place during the pre-election period.*

*It covers the following topics:*

- *Expenses limit for the pre-election period*
- *Prohibitions on exceeding or circumventing the limit*
- *Partisan activities and expenses in the pre-election period*
- *Partisan advertising and expenses in the pre-election period*
- *Election surveys and expenses in the pre-election period*

## Expenses limit for the pre-election period

The *Canada Elections Act* imposes separate expense limits for regulated activities that take place during a pre-election period or an election period. Only fixed-date general elections have a pre-election period.

For a pre-election period starting on June 30, 2019, the total expense limit is \$1,023,400. (This is the base amount of \$700,000 multiplied by the inflation adjustment factor in effect on June 30, 2019.)

The pre-election period expense limit in a given electoral district is \$10,234. (This is the base amount of \$7,000 multiplied by the inflation adjustment factor in effect on June 30, 2019.)

**Note:** The pre-election period starts on June 30 in the year of a fixed-date general election. It ends on the day before the general election is called.

## Prohibitions on exceeding or circumventing the limit

A third party is prohibited from exceeding the limit on expenses incurred for regulated activities that take place during the pre-election period.

A third party is also prohibited from circumventing, or attempting to circumvent, the pre-election period limit on expenses for regulated activities. Circumventing the limit includes the third party splitting itself into two or more third parties, or acting in collusion with another third party, so that their combined regulated expenses exceed the limit.



## Partisan activities and expenses in the pre-election period

### What is a partisan activity?

A partisan activity is an activity or event organized and carried out by a third party to promote or oppose:

- a registered party or eligible party, or
- the election of a potential candidate, nomination contestant or leader of a registered party or eligible party

**Note:** A potential candidate is someone who is selected in a nomination contest, is deemed to be a candidate because they have conducted political financing transactions, is a member of Parliament or an incumbent, or has the support of a political party to be a candidate of that party.

Any event or activity may qualify as a partisan activity, including but not limited to:

- making telephone calls
- sending text messages or using other messaging services
- creating and sending out organic social media content, whether done by humans or bots (note that paying for sponsored content in the pre-election period is partisan advertising, not a partisan activity)
- canvassing door to door
- holding get-out-the-vote activities and rallies
- creating a campaign website

**Note:** An activity is not a partisan activity if it promotes or opposes a political entity only by taking a position on an issue with which the political entity is associated.

**Note:** Partisan activities or election surveys conducted by provincially registered political parties are not regulated activities for the purposes of the *Canada Elections Act*.

### Fundraising activities are excluded

The third party may organize events to raise funds for its regulated activities. Fundraising events for which tickets are sold or entry fees are collected are not partisan activities, and the expenses incurred for these activities are not regulated expenses.

Keep in mind that expenses incurred for advertising a ticketed fundraising event and for distributing advertising during the event are regulated expenses, if the advertising meets the definition of partisan or election advertising, including by promoting or opposing a candidate or party.

**Note:** Expenses incurred to hold events for which no admission fee is charged are regulated expenses, even if funds are raised during the event.

### Caution about collusion

A third party must not collude with a registered party, a candidate, a potential candidate or a person associated with a candidate's or potential candidate's campaign (including the official agent) in order to influence the third party in its regulated activities.

When organizing and carrying out partisan activities, third parties must be careful to act independently. By including political entities in the activities organized in their support, or by consulting them on activities, third parties may create a situation that is prohibited by the *Canada Elections Act*.

For more on collusion, see Chapter 7, **Interacting with Other Regulated Entities**.

## Partisan activity expenses

Expenses incurred for organizing partisan activities and carrying them out during the pre-election period are subject to the pre-election period expenses limit.

This includes any non-monetary contribution received to the extent that the property or service is used in relation to organizing or carrying out partisan activities.

### **Examples**

1. During the pre-election period, the third party organizes door-to-door canvassing in a riding to oppose the selection of a nomination contestant. This is a partisan activity. The expenses for organizing the event, including transportation costs and remuneration paid to canvassers, are partisan activity expenses of the third party and are subject to the limit in that riding for the pre-election period.
2. During the pre-election period, the third party hires a Canadian calling service provider to call voters across the country, asking them to vote for a registered party. The calls are a partisan activity. The calling service provider does not charge for the service, so its commercial value (the amount the company would normally charge for making the calls) is a non-monetary contribution. The same amount is also a partisan activity expense of the third party and is subject to the limit for the pre-election period.
3. The third party sends text messages to voters during the pre-election period, promoting a potential candidate in the riding. This is a partisan activity. All associated expenses, such as writing and distributing the text messages, are partisan activity expenses subject to the limit in that riding for the pre-election period.
4. During the pre-election period, the third party's employees canvass door-to-door and ask voters to sign a petition in support of a policy issue. They do not talk about any political entities at the door, though one candidate in the riding is closely associated with the issue. This is not a partisan activity. The expenses are not regulated and do not have to be reported.
5. The third party sells tickets to a fundraising dinner during the pre-election period for \$100. The funds will be used in part to support the third party's regulated activities. While the contributions need to be reported, the fundraising event itself is not a partisan activity. The expenses are not regulated and do not have to be reported.

## Partisan advertising and expenses in the pre-election period

### What is partisan advertising?

Partisan advertising is the transmission to the public during the pre-election period of an advertising message that promotes or opposes:

- a registered party or an eligible party, or
- the election of a potential candidate, nomination contestant or leader of a registered party or eligible party

Advertising in the pre-election period is not partisan advertising if it promotes or opposes a political entity only by taking a position on an issue with which the entity is associated. This is commonly called issue advertising.

However, it will be partisan advertising if it promotes or opposes a political entity in any other way, including by showing a logo or linking to a web page that identifies the entity (see the next section).

### What it means to promote or oppose a political entity

For the purposes of advertising, promoting or opposing, in relation to a registered party or eligible party, may include but is not limited to:

- naming the party
- identifying the party, including by its logo
- providing a link to a web page that names or identifies the party

For the purposes of advertising, promoting or opposing, in relation to the election of a potential candidate, nomination contestant or leader of a registered party or eligible party, may include but is not limited to:

- naming the person
- showing a photograph, cartoon or drawing of the person
- identifying the person, including by political affiliation or by a logo
- providing a link to a web page that does any of the above

### Tagline

The third party must identify itself in or on any partisan advertising and indicate that it has authorized the advertising. The tagline must include the third party's name, phone number and civic or Internet address. It must be clearly visible or otherwise accessible.

The following wording is suggested: "Authorized by <name of the third party>, <civic or Internet address>, <phone number>".

For advertising on the Internet, where the authorization statement cannot be included on the advertising message because of its size, it is acceptable if the statement is made immediately apparent to the viewer by following the link in the advertising message.

## What qualifies as partisan advertising on the Internet?

Messages communicated over the Internet are partisan advertising only if:

- they meet the general criteria for partisan advertising (see **What is partisan advertising?** above), **and**
- they have, or would normally have, a placement cost (such as sponsored or boosted content)

For greater certainty, the following are not partisan advertising:

- messages sent or posted for free on social media platforms such as Twitter and Facebook
- messages sent by email or through other messaging services (including texts and phone calls sent through a cellular or mobile network)
- videos posted for free on social media platforms such as YouTube and Instagram
- content posted on the third party's website (the ongoing expenses for creating and maintaining a website are not placement costs)

**Note:** If the third party decides to sponsor or boost social media content that was originally posted for free, it may become partisan advertising and require a tagline. In such a case, the third party would have to comply with the tagline requirement.

**Note:** Although some communications over the Internet are not partisan advertising, they may be partisan activities and the associated expenses would be subject to the limit.

## Information to be held in an online registry

Regulated online platforms (that is, websites or applications that meet certain criteria for monthly visitors or users) have to maintain a registry of political advertising.

When a third party purchases partisan advertising online, to make sure it complies with the law, it should:

- inform the platform that it is conducting political advertising
- ask if the platform is regulated by the rules in the *Canada Elections Act* and needs information for its registry (unless the platform has already made this clear)

If the platform is regulated, the third party must provide it with:

- an electronic copy of the advertisement
- the name of the financial agent who authorized its distribution on the platform

The platform must publish this information in its registry from the day the ad runs until two years after election day.

## Partisan advertising expenses

Expenses incurred for producing partisan advertising messages and transmitting them during the pre-election period are subject to the pre-election period expenses limit.

This includes any non-monetary contribution received to the extent that the property or service is used in relation to producing or transmitting a partisan advertising message.

### **Examples**

1. The third party runs a national radio ad during the pre-election period, promoting a policy issue with which one registered party is closely associated but not naming the party. This is not partisan advertising. The expenses are not regulated and do not have to be reported. (As issue advertising, this particular advertisement would be a regulated expense if it ran during the election period.)
2. The third party buys advertising space in a national newspaper to oppose a registered party during the pre-election period. Because the message directly opposes the party, this is partisan advertising. The advertisement must include an authorization statement from the third party. The expenses to produce and distribute the advertisement are partisan advertising expenses subject to the limit for the pre-election period.
3. The third party hires a media firm to place banners on websites and social media platforms during the pre-election period, directing users to a video posted on YouTube that promotes a potential candidate. The clickable banners are too small for the authorization statement, so the statement is displayed at the start of the video. The cost of the banners is a partisan advertising expense subject to the limit for the pre-election period. In addition, the expenses for the video—including design and production costs—are partisan activity expenses subject to the limit for the pre-election period.
4. During the pre-election period, employees of a third party are instructed to send out messages on social media, supporting a potential candidate. Because the messages are posted for free, this is not partisan advertising. However, it is a partisan activity. All expenses incurred in relation to this activity, such as production costs, direct labour costs and overhead allocation, are partisan activity expenses subject to the limit for the pre-election period.

## Election surveys and expenses in the pre-election period

### What is an election survey?

An election survey collects data from electors: who they intend to vote for or did vote for, or their opinions regarding an issue with which a registered party or candidate is associated.

An election survey is a regulated activity when it is conducted by or on behalf of a third party and the results are used:

- in deciding whether or not to organize and carry out regulated activities, or
- when organizing and carrying out partisan activities or transmitting advertising messages

**Note:** Partisan activities or election surveys conducted by provincially registered political parties are not regulated activities for the purposes of the *Canada Elections Act*.

### Election survey expenses

Expenses incurred for election surveys conducted during the pre-election period are subject to the pre-election period expenses limit.

This includes any non-monetary contribution received to the extent that the property or service is used in relation to conducting election surveys.

#### Examples

1. The third party hires an election polling company to conduct a survey for \$1,500 during the pre-election period about voting intentions in a riding. It uses the survey results to decide if organizing partisan activities will be worth the investment. The \$1,500 is an election survey expense subject to the limit in that riding for the pre-election period.
2. Before the pre-election period begins, a third party conducts a survey to evaluate support for the governing party. Based on the findings, they launch a partisan advertising campaign during the pre-election period. Because the survey was conducted before the pre-election period, the survey expenses are not regulated expenses, but the expenses for the partisan advertising are.

### Additional rules about election surveys

Additional rules apply when survey results are transmitted during the election period. Information about the survey needs to be published, and the survey results are subject to a blackout period on election day.

See **Election surveys and expenses in the election period** in Chapter 5, **Election Period—Regulated Activities**, for details.

## 5. Election Period—Regulated Activities

*This chapter explains the expenses limit for regulated activities during the election period of a general election or a by-election. The chapter also defines and gives examples of typical partisan activities, election advertising and election surveys that take place during the election period.*

*It covers the following topics:*

- *Expenses limit for the election period of a general election or by-election*
- *Prohibitions on exceeding or circumventing the limit*
- *When expenses are not cancellable*
- *Partisan activities and expenses in the election period*
- *Election advertising and expenses in the election period*
- *Election surveys and expenses in the election period*

## Expenses limit for an election period

### General election

The *Canada Elections Act* imposes a limit on expenses that a third party can incur for regulated activities conducted during the election period of a general election.

For an election period of a general election the total expense limit is \$511,700. (This is the base amount of \$350,000 multiplied by the inflation adjustment factor in effect between April 1, 2019, and March 31, 2020.)

For an election period of a general election the expense limit in a given electoral district is \$4,386. (This is the base amount of \$3,000 multiplied by the inflation adjustment factor in effect between April 1, 2019, and March 31, 2020.)

### By-election

The *Canada Elections Act* imposes a limit on expenses that a third party can incur for regulated activities conducted during the election period of a by-election.

The expense limit for by-elections is \$4,386 by electoral district. (This is the base amount of \$3,000 multiplied by the inflation adjustment factor in effect between April 1, 2019, and March 31, 2020.)

**Note:** The election period starts on the day the election is called and ends on election day when the polls close.

## Prohibitions on exceeding or circumventing the limit

A third party is prohibited from exceeding the limit on expenses incurred for regulated activities that take place during the election period.

A third party is also prohibited from circumventing, or attempting to circumvent, the election period limit on expenses for regulated activities. Circumventing the limit includes the third party splitting itself into two or more third parties, or acting in collusion with another third party, so that their combined regulated expenses exceed the limit.

## When expenses are not cancellable

In the case of a by-election or a general election held other than on a fixed date, a third party might not be able to cancel a regulated activity on the day the election is called. Under these circumstances, the third party is deemed not to have incurred regulated expenses for the uncancellable activities.



## Partisan activities and expenses in the election period

### What is a partisan activity?

A partisan activity is an activity or event organized and carried out by a third party to promote or oppose:

- a registered party or eligible party, or
- the election of a candidate, potential candidate, nomination contestant or leader of a registered party or eligible party

Any event or activity may qualify as a partisan activity, including but not limited to:

- making telephone calls
- sending text messages or using other messaging services
- creating and sending out organic social media content, whether done by humans or bots (note that paying for sponsored content in the election period is election advertising, not a partisan activity)
- canvassing door to door
- holding get-out-the-vote activities and rallies
- creating a campaign website

**Note:** An activity is not a partisan activity if it promotes or opposes a political entity only by taking a position on an issue with which the political entity is associated.

**Note:** Partisan activities or election surveys conducted by provincially registered political parties are not regulated activities for the purposes of the *Canada Elections Act*.

### Fundraising activities are excluded

The third party may organize events to raise funds for its regulated activities. Fundraising events for which tickets are sold or entry fees are collected are not partisan activities, and the expenses incurred for these activities are not regulated expenses.

Keep in mind that expenses incurred for advertising a ticketed fundraising event and for distributing advertising during the event are regulated expenses, if the advertising meets the definition of partisan or election advertising, including by promoting or opposing a candidate or party.

**Note:** Expenses incurred to hold events for which no admission fee is charged are regulated expenses, even if funds are raised during the event.

### Caution about collusion

A third party must not collude with a registered party, a candidate or a person associated with a candidate's campaign (including the official agent) in order to influence the third party in its regulated activities.

When organizing and carrying out partisan activities, third parties must be careful to act independently. By including political entities in the activities organized in their support, or by consulting them on activities, third parties may create a situation that is prohibited by the *Canada Elections Act*.

For more on collusion, see Chapter 7, **Interacting with Other Regulated Entities**.

## Partisan activity expenses

Expenses incurred for organizing partisan activities and carrying them out during the election period are subject to the election period expenses limit.

This includes any non-monetary contribution received to the extent that the property or service is used in relation to organizing or carrying out partisan activities.

### **Examples**

1. Two days before election day, the third party organizes a door-to-door campaign in a riding and offers rides to voters who intend to vote for a particular candidate. This is a partisan activity. The expenses for organizing and carrying out the activity, including planning, transportation and remuneration paid to canvassers, are partisan activity expenses subject to the limit in the riding for the election period.
2. One week before election day, the third party uses a catering service to organize a BBQ outside a candidate's campaign office, drawing attention to the candidate and promoting their platform. It is done without the candidate's prior knowledge. This is a partisan activity. The catering company does not charge for the service, so its commercial value (the amount the company would normally charge for catering a BBQ) is a non-monetary contribution. The same amount is also a partisan activity expense of the third party and is subject to the limit in the riding for the election period.
3. The third party hires a calling service provider to conduct calls in the province during the election period, informing voters about the third party's position on a specific issue. During the calls, voters are also encouraged to vote for a registered party. This is a partisan activity. Expenses incurred for the calls are partisan activity expenses subject to the limit for the election period.
4. During the election period, the third party's employees canvass door-to-door and ask voters to sign a petition in support of a policy issue. They do not talk about any political entities at the door, though one candidate in the riding is closely associated with the issue. This is not a partisan activity. The expenses are not regulated and do not have to be reported.
5. The third party sells tickets to a fundraising dinner during the election period for \$100. The funds will be used in part to support the third party's regulated activities. While the contributions need to be reported, the fundraising event itself is not a partisan activity. The expenses are not regulated and do not have to be reported.

### Telephone calls in the election period

Calls made by third parties to voters during the election period are partisan activities if they promote or oppose a political party, candidate, potential candidate, nomination contestant or party leader. Expenses incurred, including the cost of production and distribution, are partisan activity expenses.

**Note:** Even if a call is not a partisan activity, other rules may apply. Please see those rules below.

Whether or not telephone calls are a partisan activity, third parties must follow certain rules if they use voter contact calling services. These are services involving the making of calls during an election period for any purpose related to an election, including:

- promoting or opposing a registered party, its leader, a candidate or a nomination contestant or any position on an issue with which such a party or person is associated
- encouraging electors to vote or to refrain from voting
- providing information about the election, including information about voting hours and the location of polling stations
- gathering information about how electors voted in past elections or will vote in the election or their views on a registered party, its leader, a candidate or a nomination contestant or any issue with which such a party or person is associated
- raising funds for a registered party, a registered association, a candidate or a nomination contestant

If a script is used for the telephone calls, the third party must keep the following for one year after the end of the election period:

- a copy of each unique script used
- a record of every date on which the script was used
- a list of every telephone number called

The rules are administered and enforced by the Canadian Radio-television and Telecommunications Commission (CRTC). The Commissioner of Canada Elections is responsible for enforcing the requirement to keep a copy of the scripts and recorded messages.

**Note:** For the rules on voter contact calling services, please refer to the CRTC's Voter Contact Registry web page. A link to the page is posted on the Elections Canada website.

## Election advertising and expenses in the election period

### What is election advertising?

Election advertising is the transmission to the public during the election period of an advertising message that promotes or opposes a registered party or the election of a candidate.

Election advertising **includes** taking a position on an issue with which a registered party or candidate is associated.

### What it means to promote or oppose a political entity

For the purposes of advertising, promoting or opposing, in relation to a registered party or eligible party, may include but is not limited to:

- naming the party
- identifying the party, including by its logo
- providing a link to a web page that names or identifies the party

For the purposes of advertising, promoting or opposing, in relation to the election of a potential candidate, nomination contestant or leader of a registered party or eligible party, may include but is not limited to:

- naming the person
- showing a photograph, cartoon or drawing of the person
- identifying the person, including by political affiliation or by a logo
- providing a link to a web page that does any of the above

### Tagline

The third party must identify itself in or on any election advertising and indicate that it has authorized the advertising. The tagline must include the third party's name, phone number and civic or Internet address. It must be clearly visible or otherwise accessible.

The following wording is suggested: "Authorized by <name of the third party>, <civic or Internet address>, <phone number>".

For advertising on the Internet, where the authorization statement cannot be included on the advertising message because of its size, this is acceptable if the statement is made immediately apparent to the viewer by following the link in the advertising message.

### Blackout period

The *Canada Elections Act* prohibits the transmission of election advertising to the public in an electoral district on election day before the close of all polling stations in the electoral district.

The blackout does not apply to the distribution of pamphlets or the posting of messages on signs, posters or banners during that period.

The blackout also does not apply to the transmission of a message on the Internet that was placed before the blackout period began and was not changed during that period—for example, an advertisement placed in a weekly online magazine.

However, if an Internet advertisement is actively transmitted to different users daily and the third party is able to control the transmission date—for example, a paid social media or search engine advertisement—the blackout must be respected.

### What qualifies as election advertising on the Internet?

Messages communicated over the Internet are election advertising only if:

- they meet the general criteria for election advertising (see **What is election advertising?** above), and
- they have, or would normally have, a placement cost (such as sponsored or boosted content)

For greater certainty, the following are not election advertising:

- messages sent or posted for free on social media platforms such as Twitter and Facebook
- messages sent by email or through other messaging services (including texts sent through a cellular or mobile network)
- videos posted for free on social media platforms such as YouTube and Instagram
- content posted on the third party's website (the ongoing expenses for creating and maintaining a website are not placement costs)

**Note:** If the third party decides to sponsor or boost social media content that was originally posted for free, it may become election advertising and require a tagline. In such a case, the third party would have to comply with the tagline requirement

**Note:** Although some communications over the Internet are not election advertising, they may be partisan activities and the associated expenses would be subject to the limit.

### Information to be held in an online registry

Regulated online platforms (that is, websites or applications that meet certain criteria for monthly visitors or users) have to maintain a registry of political advertising.

When a third party purchases election advertising online, to make sure it complies with the law, it should:

- inform the platform that it is conducting political advertising
- ask if the platform is regulated by the rules in the *Canada Elections Act* and needs information for its registry (unless the platform has already made this clear)

If the platform is regulated, the third party must provide it with:

- an electronic copy of the advertisement
- the name of the financial agent who authorized its distribution on the platform

The platform must publish this information in its registry from the day the ad runs until two years after election day.

## Election advertising expenses

Expenses incurred for producing election advertising messages and transmitting them during the election period are subject to the election period expenses limit.

This includes any non-monetary contribution received to the extent that the property or service is used in relation to producing or transmitting an election advertising message.

### **Examples**

1. The third party runs a national radio ad during the election period, promoting a policy issue with which one registered party is closely associated but not naming the party. This is election advertising. The advertisement has to include an authorization statement from the third party. The expense for the advertisement—including its scripting, recording and transmission—is an election advertising expense subject to the limit for the election period. (As issue advertising, this particular advertisement would not be a regulated expense if it ran only during the pre-election period.)
2. The third party hires a media firm to place banners on websites and social media platforms during the election period, directing users to a video posted on YouTube that promotes a candidate. The clickable banners are too small for the authorization statement, so the statement is displayed at the start of the video. The cost of the banners is an election advertising expense subject to the limit for the election period. In addition, the expenses for the video—including design and production costs—are partisan activity expenses subject to the limit for the election period.
3. In anticipation of a by-election, the third party mails out flyers in a riding asking voters to support a candidate who will be running. The by-election is called two days later, and the third party is unable to stop the distribution of the flyers. This is not election advertising and the expenses are not regulated.
4. A group page has been created by the third party on a free social networking site during the election period. Volunteers manage the page and post articles to update followers on election issues important to the third party. They ask followers to vote for candidates that share the third party's views. Because the messages are posted for free, this is not election advertising. However, it is a partisan activity. The expenses related to creating and posting the messages are partisan activity expenses subject to the limit for the election period.

### **OGI reference**

For a detailed discussion of this topic, please refer to Elections Canada's interpretation note 2015-04, *Election advertising on the Internet*, on the Elections Canada website.

## Election surveys and expenses in the election period

### What is an election survey?

An election survey collects data from electors: who they intend to vote for or did vote for, or their opinions regarding an issue with which a registered party or a candidate is associated.

An election survey is a regulated activity when it is conducted by or on behalf of a third party and the results are used:

- in deciding whether or not to organize and carry out regulated activities, or
- when organizing and carrying out partisan activities or transmitting advertising messages

**Note:** Partisan activities or election surveys conducted by provincially registered political parties are not regulated activities for the purposes of the *Canada Elections Act*.

### Election survey expenses

Expenses incurred for election surveys conducted during the election period are subject to the election period expenses limit.

This includes any non-monetary contribution received to the extent that the property or service is used in relation to conducting election surveys.

#### **Example**

At the beginning of the election period, the third party hires an election polling company to conduct a survey for \$12,000 to identify ridings with a large number of undecided voters. The third party uses the survey results to organize partisan activities in some ridings. The \$12,000 is an election survey expense subject to the limit for the election period.

### Publishing election survey results during the election period

If the results of an election survey are transmitted during the election period, the first person who transmits the results must publish the following information about the survey:

- the name of the survey sponsor
- the name of the person or organization that conducted the survey
- the dates or period during which the survey was conducted
- the population from which the sample of respondents was drawn
- the number of people who were contacted to participate in the survey
- if applicable, the margin of error for the data
- the address of the website on which a report by the survey's sponsor is published

If the survey is transmitted to the public by means other than broadcasting, the wording of the survey questions for which data is obtained must be provided.

## Report by survey sponsor

If a third party conducts or pays for the conduct of an election survey, the third party is the survey sponsor. If it is the first to transmit the survey results, the third party must publish a report. The report must be published on a public website and stay there for the remainder of the election period.

The report has to include the following:

- the name and address of the survey sponsor
- the name and address of the person or organization that conducted the survey
- the dates or period during which the survey was conducted
- information about the data collection method
- the wording of the survey questions and, if applicable, the margins of error for the data

**Note:** If another person transmits the survey results during the election period, they must inform the survey sponsor so it can prepare and publish the report.

## Blackout period

Election survey results that have not been previously transmitted to the public in an electoral district may not be transmitted on election day before all polls close in that electoral district.

## Telephone surveys in the election period

Surveys about voting that third parties conduct by telephone during the election period are election surveys if the results are used in deciding about regulated activities. Expenses incurred in relation to conducting an election survey are election survey expenses, as explained above.

Whether or not a telephone survey is an election survey, third parties must follow certain rules if they use voter contact calling services. These are services involving the making of calls during an election period for any purpose related to an election, including:

- promoting or opposing a registered party, its leader, a candidate or a nomination contestant or any position on an issue with which such a party or person is associated
- encouraging electors to vote or to refrain from voting
- providing information about the election, including information about voting hours and the location of polling stations
- gathering information about how electors voted in past elections or will vote in the election or their views on a registered party, its leader, a candidate or a nomination contestant or any issue with which such a party or person is associated
- raising funds for a registered party, a registered association, a candidate or a nomination contestant

If a script is used for the telephone calls, the third party must keep the following for one year after the end of the election period:

- a copy of each unique script used
- a record of every date on which the script was used
- a list of every telephone number called

The rules are administered and enforced by the CRTC. The Commissioner of Canada Elections is responsible for enforcing the requirement to keep a copy of the scripts and recorded messages.

**Note:** For the rules on voter contact calling services, please refer to the CRTC's Voter Contact Registry web page. A link to the page is posted on the Elections Canada website.



## 6. Identifying and Allocating Regulated Expenses

*This chapter helps a third party identify expenses that need to be counted as part of its regulated activities. In addition, because separate expense limits apply to activities that take place at different times, this chapter explains how to allocate expenses between the pre-election and election periods, outside those periods and during by-elections.*

*It covers the following topics:*

- *Identifying expenses for regulated activities*
- *How to allocate expenses when a third party uses its own resources*
- *How to allocate expenses for websites and web content*
- *Allocating expenses between the pre-election period and election period*
- *Allocating expenses during by-elections*

## Identifying expenses for regulated activities

Third parties incur all kinds of expenses for regulated activities. Some of these are direct costs (buying advertisement space, purchasing postage, paying for signs), while others are incurred in relation to regulated activities (paid security for rallies, labour costs, expenses of volunteers).

Expenses incurred for regulated activities that take place during the pre-election period or the election period are subject to separate limits, so it is important to ensure that all related expenses are properly identified and reported.

During the pre-election or election period, the third party...	The regulated expense is...
hires a media firm to design and produce invitations for a partisan activity	<ul style="list-style-type: none"> <li>the cost for the invitations (design and production)</li> <li>the cost to distribute the invitations</li> </ul>
uses its own paid staff to recruit volunteers for door-to-door canvassing	<ul style="list-style-type: none"> <li>the direct labour cost for the period the third party's employees engage in recruiting volunteers</li> <li>a reasonable allocation of the general overhead of the third party's office expenses</li> <li>expenses incurred by the volunteers while canvassing</li> <li>expenses for canvassing materials (flyers, postcards, business cards, etc.)</li> </ul>
uses its own paid staff and resources to produce partisan advertising	<ul style="list-style-type: none"> <li>the direct labour cost for the period the third party's employees engage in creating the partisan advertising</li> <li>the cost of materials used</li> <li>a reasonable allocation of the general overhead</li> </ul>
hires a polling firm to conduct an election survey during the election period, and then uses the results to create election advertising	<ul style="list-style-type: none"> <li>the cost for the survey (design and conduct)</li> <li>the cost for the advertisement (design, production and transmission)</li> </ul>
uses volunteers to mail flyers to voters	<ul style="list-style-type: none"> <li>the cost for the flyers (design and production)</li> <li>postage for mailing the flyers</li> </ul>
uses volunteers to manage the third party's social media accounts to draw attention to a video on the third party's website	<ul style="list-style-type: none"> <li>expenses incurred by the volunteers while managing social media</li> <li>the cost for the video (design and production)</li> <li>allocation of website costs (including hosting and design)</li> </ul>
uses its own paid staff and resources to install signs	<ul style="list-style-type: none"> <li>the direct labour cost for the period the third party's employees engage in installing the signs</li> <li>the cost for the signs (design and production)</li> </ul>
organizes a BBQ to promote a candidate	<ul style="list-style-type: none"> <li>the cost for food, drinks, plates, cups, etc.</li> <li>the cost for the invitations (design, production and distribution)</li> <li>labour cost (running the BBQ)</li> </ul>

### Examples

1. A third party uses volunteers in the evenings during the pre-election period to make telephone calls and ask voters in the riding about their voting intentions. After the calls, the third party's paid employee compiles the results in a report. The regulated expenses subject to the limit include the expenses for developing the script, the expenses of volunteers (for example, refreshments), the office overhead and the labour cost calculated for the employee working on the results.
2. The third party hires a media firm to design election advertising and then purchases advertising space in a national newspaper. The advertisement is distributed during the election period. The costs of the advertisement, including design, production and distribution, are regulated expenses subject to the limit for the election period.
3. The third party organizes a meeting in the pre-election period to show support for a local candidate and invites voters in the riding. The third party uses its own resources and equipment to create flyers to be distributed during the meeting. The costs for organizing the meeting, including renting a meeting place, staff salaries and refreshments, are regulated expenses. The costs for producing and distributing the flyers are also regulated expenses. To determine the regulated expense for the flyers, the financial agent calculates:
  - the salaries of the staff involved (for the hours they worked on the flyers)
  - the cost of materials
  - a reasonable allocation of the general overhead based on labour hours
4. The third party orders posters to appear on public transit during the election period, showing their support for a registered party. The costs to design, produce and distribute the posters are regulated expenses subject to the limit for the election period.

### How to allocate overhead expenses when a third party uses its own resources

If the third party uses its office, equipment and paid staff to organize and carry out regulated activities, the third party must allocate the office expenses in accordance with the activities carried out. Office expenses include rent or property tax, utility cost, insurance, maintenance services, etc.

The third party should make a reasonable allocation for each component of costs: salary, equipment, supplies, materials, printing equipment and computers. Elections Canada accepts any reasonable basis for allocation of overhead—for example, an allocation based on labour hours.

If the third party is an individual using their own resources—for example, a home computer or personal cell phone—no expenses need to be allocated.

### How to allocate expenses for websites and web content

Third parties commonly use websites to promote or oppose a political entity. This means some portion of the costs to design, host and maintain the websites are partisan activity expenses in the pre-election period, election period, or both. Social media accounts might also be used.

#### Websites

When a website is designed for the campaign, the regulated expense for each period in which it is used is calculated by:

- using the actual expense incurred to produce the website
- adding the prorated cost to host and maintain the website

When a pre-existing website is used for the campaign, the regulated expense for each period in which it is used is calculated by:

- identifying the pages that contain content used for the campaign and determining the commercial value of designing equivalent pages (or the actual expense incurred to produce those pages, whichever is lower)
- adding the prorated cost to host and maintain those pages

### Web content

Expenses to produce and distribute web content are always regulated expenses when the content is first posted during a pre-election period or election period to promote or oppose a political entity. Web content includes text, audio, visuals, videos and promotional applications.

If content was produced entirely or in part using volunteer labour, only the actual expense incurred by the third party is a regulated expense. This may include materials, equipment rental or paid labour.

Expenses to produce and distribute pre-existing web content that remains accessible during the pre-election or election period, whether on the third party's website or social media pages, is a regulated expense if the third party:

- incurred the expense to produce the content for the campaign, or
- promoted the content during the pre-election period or election period

Promotion, in the context of pre-existing web content, is to transmit or draw attention to an item of content through any means, such as advertising, mass emails, social media postings, re-posting of content, or coordinated promotion through another entity, person or group.

### Allocating expenses between the pre-election and election period

The *Canada Elections Act* imposes a limit on expenses that a third party can incur for regulated activities.

Limits on expenses for regulated activities between April 1, 2019, and March 31, 2020			
Where the limit applies	General election		By-election
	Pre-election period of a fixed-date election	Election period	
Overall	\$1,023,400	\$511,700	n/a
In a given electoral district	\$10,234	\$4,386	\$4,386

When a third party conducts regulated activities during the pre-election period or the election period, the associated expenses are subject to a limit, regardless of when they were incurred. Expenses cannot be moved between periods to stay within the limits.

Some phases of a regulated activity may take place only during the pre-election period, while others may continue into the election period. In such cases, the expense for distribution (if there is any) may in some circumstances be allocated between the different periods (for example, when advertising is charged per day).

The expenses for planning and producing a regulated activity (for example, design, production and organization costs) are never allocated between the different periods. If the regulated activity takes place during both the pre-election and election periods, the full expense to plan and produce the regulated activity counts toward both limits.

The table below shows examples of expenses over the different periods.

When the activity takes place	Examples	Regulated expenses
Before the pre-election period	Survey of residents in the riding at the end of May about their voting intention	There is no regulated expense
Starts before June 30 and continues during the pre-election period	Advertisement starting on May 31 and continuing until July 31	<ul style="list-style-type: none"> <li>All expenses for the advertisement, including design and production costs</li> <li>Transmission cost calculated for the pre-election period between June 30 and July 31</li> </ul>
	Telephone calls to electors on June 15, July 15 and August 15	<ul style="list-style-type: none"> <li>All expenses for the scripts, including design and production</li> <li>Cost for making the calls during the pre-election period (July 15 and August 15)</li> </ul>
	Election survey designed in early June and conducted in August	<ul style="list-style-type: none"> <li>All expenses for designing and conducting the survey</li> </ul>
Only during the pre-election period	BBQ on August 15 to promote a candidate	<ul style="list-style-type: none"> <li>All expenses for planning and organizing the event, including expenses for promotional material distributed, food, drinks, etc.</li> </ul>
	Radio advertisement from August 1 to 15	<ul style="list-style-type: none"> <li>All expenses for the advertisement, including design, recording and transmission</li> </ul>
	Election survey conducted two days before the election period begins	<ul style="list-style-type: none"> <li>All expenses for designing and conducting the survey</li> </ul>
Starts during the pre-election period and continues in the election period	Same election survey conducted first on July 31 and again on September 30	<ul style="list-style-type: none"> <li>Expenses for conducting the survey on July 31 are pre-election period expenses</li> <li>Expenses for conducting the survey on September 30 are election period expenses</li> <li>All expenses for designing the survey are both pre-election period expenses <b>and</b> election period expenses</li> </ul>
	Advertisement in local paper for 5 days in August and 10 days in October	<ul style="list-style-type: none"> <li>Expenses for distribution are allocated between pre-election period (5 days = 1/3) and election period (10 days = 2/3)</li> <li>All expenses for designing and producing the advertisement are both pre-election period expenses <b>and</b> election period expenses</li> </ul>

When the activity takes place	Examples	Regulated expenses
Only during the election period	A rally on October 10 using signs created before the election period	<ul style="list-style-type: none"> <li>All expenses for the rally, including planning and organizing the event, labour costs, security, etc.</li> <li>All expenses for designing and producing the signs</li> </ul>
	Election advertisement on national radio to promote a registered party between October 1 and 15	<ul style="list-style-type: none"> <li>All expenses for the advertisement, including design, production and broadcasting</li> </ul>

**Note:** In the case of a by-election or a general election held other than on a fixed date, a third party might not be able to cancel a regulated activity on the day the election is called. Under these circumstances, the third party is deemed not to have incurred regulated expenses for the uncancellable activities.

### Examples

- From June 20 to July 15 in the year of a fixed-date election, the third party runs an advertisement in a national newspaper, opposing the leader of a registered party. The cost to produce the ad is \$5,000, and the cost to distribute the ad for 25 days is \$12,000, or \$480 a day. The partisan advertising expense is \$12,200 ( $\$5,000 + (\$480 \times 15 \text{ days})$ ) and is subject to the limit for the pre-election period. The distribution cost of \$4,800 for the 10 days before the pre-election period is not subject to the limit.
- On June 20 in the year of a fixed-date election, the third party installs billboards across the country, promoting a registered party. The billboards remain in place until election day. The third party pays \$25,000 to design, produce and install the billboards and \$18,000 as the billboard rental cost for the duration of 124 days (June 20 to October 21). The regulated expenses are calculated and reported as follows:
  - The distribution cost (that is, the rental cost for the billboard) is allocated between the pre-election period and the election period. The billboards are up for 77 days during the pre-election period, and the third party reports \$11,177 ( $(\$18,000 / 124) \times 77$ ) as a partisan advertising expense. The rental cost for the 37-day election period is \$5,371 ( $(\$18,000 / 124) \times 37$ ), and this is an election advertising expense. The distribution cost for the days before the pre-election period is not subject to the limit.
  - The full production cost (that is, design, production and installation of the billboard) is both a partisan advertising expense and an election advertising expense. In other words, the full production cost, \$25,000, is subject to both the pre-election period and the election period limits.
- The third party's advertisement runs in a local newspaper from August 15 to September 30. The regulated expenses are calculated and reported as follows:
  - the distribution cost between August 15 and the last day of the pre-election period is a pre-election period expense
  - the distribution cost between the first day of the election period and September 30 is an election period expense
  - all expenses for designing and producing the advertisement are both pre-election period expenses and election period expenses

## Allocating expenses during by-elections

If a regulated activity takes place during and for a by-election, 100% of the planning and production cost (or the commercial value, if it was contributed) is a regulated expense. This is true even if the regulated activity takes place in a broader area than the by-election riding.

If a regulated activity such as election advertising takes place in a broader area than the by-election riding, the regulated expense for distribution (if applicable) is what it would actually cost to distribute to the smallest area that includes the by-election riding. If there is no smaller distribution area for the specific medium used, then 100% of the distribution cost is a regulated expense.

If multiple by-elections are underway at the same time, and the same regulated activity takes place in more than one electoral district, a third party may allocate the expenses among the affected electoral districts.

**Note:** There is no pre-election period for a by-election.

### Examples

1. There is a by-election underway in Scarborough–Agincourt. The third party runs an ad promoting a registered party on XYZ News across Ontario. The third party paid \$4,000 to produce the ad and \$2,000 to run the ad on XYZ Ontario. For this advertising, the smallest distribution area that includes Scarborough–Agincourt is XYZ Toronto. The actual cost to run the ad on XYZ Toronto would have been \$1,600. The regulated expense subject to the limit is therefore \$5,600 (\$4,000 production + \$1,600 distribution).
2. Several by-elections are underway, and the ridings belong to different broadcast areas. The third party purchases election advertising that promotes a registered party and is transmitted a different number of times in these broadcast areas. The third party divides the production cost evenly among the ridings and reports the actual transmission cost for each riding.
3. By-elections are underway in three ridings. The third party pays a corporation \$3,000 to plan a rally in each riding, supporting a registered party. The third party also pays \$3,000 for 1,000 signs and distributes them based on the expected number of attendees: it sends 200 signs to the first riding, 300 to the second riding and 500 to the third riding. The financial agent reports the expenses subject to the limit in each riding as follows:
  - he allocates the design and production cost for the 1,000 signs between the ridings, based on the number of signs they receive: \$600 for the 200 signs in the first riding, \$900 for the 300 signs in the second riding and \$1,500 for the 500 signs in the third riding
  - he allocates the expenses incurred for planning and organizing the rallies evenly between the ridings: \$1,000 for each of the three ridings
  - he reports the actual cost to send the signs to each riding
  - he reports the local cost for each rally (permits, security, expenses of volunteers, etc.)





## 7. Interacting with Other Regulated Entities

*The Canada Elections Act restricts how third parties can interact with regulated political entities and associated persons. Generally, the Act seeks to ensure that third parties operate independently of other entities to preserve the integrity of the political financing regime.*

*Specifically, the Act directly prohibits collusion between third parties and regulated entities for the purpose of circumventing the party's or candidate's spending limits, or for the purpose of influencing third parties' regulated activities.*

*As well, third parties must always be careful not to make ineligible contributions to regulated entities by working too closely with them. Coordination between a third party and a regulated entity that leads to the regulated entity benefiting from a good or service paid for or provided by the third party may result, directly or indirectly, in a contribution.*

*This chapter explains these prohibitions in greater detail. It covers the following:*

- *What is collusion?*
- *Specific prohibitions on colluding with political entities and associated persons*
- *Risk that coordinated activities will result in a non-monetary contribution*

## **What is collusion?**

Collusion is generally an agreement made between two or more people or groups to achieve an objective prohibited by law. The agreement does not have to be made in writing, and may be express or implied.

The Act specifically prohibits certain types of collusion between third parties and regulated entities.

## **Specific prohibitions on colluding with political entities and associated persons**

### **Specific prohibitions on colluding with a registered party**

The third party must not collude with a registered party in order to:

- circumvent the maximum amount that a registered party is allowed for partisan advertising expenses or election expenses, or
- influence the third party in its regulated activities that it carries out during a pre-election period or election period, including by sharing information

### **Specific prohibitions on colluding with a potential candidate or a person associated with a potential candidate's campaign**

A third party must not collude with a potential candidate or a person associated with a potential candidate's campaign (including the official agent) in order to influence the third party in its regulated activities, including by sharing information.

### **Specific prohibitions on colluding with a candidate or a person associated with a candidate's campaign**

The third party must not collude with a candidate in order to:

- circumvent the maximum amount that a candidate is allowed for election expenses, or
- influence the third party in its regulated activities, including by sharing information

In addition, a third party must not collude with a person associated with a candidate's campaign (including the official agent) in order to influence the third party in its regulated activities.

## **What is collusion for the purpose of influencing a third party's regulated activities?**

Any agreement, express or implied, between a party, candidate or potential candidate on the one hand and a third party on the other, that has the objective of influencing a third party's regulated activities, is prohibited by these provisions.

However, where a third party independently engages in activities that result from agreeing with a party's or candidate's platform, this is not collusion. In such a case, although there is agreement on policy goals, there is no agreement about the regulated activities of the third party. In addition, simple communication by a party to a third party of the party's policies or positions on an issue is not collusion, as there is no discussion about the activities a third party should undertake. Mere interaction without a common intent to influence a third party's activities is not collusion.

Each situation must be examined on its own facts.

### **Examples**

1. A candidate emails a third party with a promotional message and asks it to cut, paste and send the message to voters on its contact list on the Thursday before advance polls. The third party declines the request. Agreeing to send this email would be collusion because the information was shared to influence the third party's regulated activity.
2. A candidate emails a third party and asks it to support her campaign. She includes some of her key platform messages in the email. The third party decides that it wishes to support the candidate and does so by forwarding the platform messages to its contact list. This is not prohibited because there was no agreement between the candidate and third party about the third party's regulated activity.
3. A registered party meets with a third party to inform the third party of its policy on a particular matter. After the meeting, the third party decides to share this information with voters on its contact list and to run ads supporting the party. This is not prohibited because there was no agreement between the party and third party about the third party's regulated activities.
4. A third party is organizing its annual BBQ during the election period. It informs the candidate of the event date in case the candidate or her campaign team wish to attend. This is not prohibited because the event is going ahead without any input from the candidate, and there was therefore no agreement between the candidate and the third party about its regulated activities.
5. A third party contacts the registered party to find out where to direct volunteers to help canvass for the registered party. The registered party asks that volunteers contact the party's volunteer coordinator so that they can canvass as members of the registered party's own campaign. If the third party wants to canvass using its own messages and resources, the registered party cannot provide strategic information on where to canvass. This would be collusion to influence the third party's regulated activity.
6. A third party contacts a registered party and offers to pay for get-out-the-vote activities if the party is near its limit. The registered party cannot accept this offer. This would be collusion to circumvent the election expenses limit.
7. A registered party contacts a third party and provides a list of candidate campaigns that need funds. The third party calls its supporters and asks them to make contributions to these candidates. This is prohibited because the registered party shared strategic information with the third party to influence the third party's regulated activity.

## Risk that coordinated activities will result in a non-monetary contribution

Whether outside or during an election, third parties will sometimes conduct activities that benefit a registered party, candidate, registered association, leadership contestant or nomination contestant. As a general rule, if the third party acts independently of the regulated entity, there is no contribution. Rather, the activity is an expense of the third party and is subject to all applicable rules.

However, if the third party works with the regulated entity, the third party activity may be a contribution.

If the third party directly provides goods or services to the regulated entity, this is clearly a contribution. As well, if an activity is coordinated with a regulated entity, the expense that the third party incurs for the activity may be a non-monetary contribution to the entity. Any such contribution will be subject to all the contribution rules of the Act, including the contribution limit and the prohibition on anyone other than an individual who is a Canadian citizen or permanent resident making a contribution.

**Note:** The following are indicators of what is and is not coordination that results in a contribution being made, but each situation is different and must be evaluated based on all relevant facts. As a best practice, third parties should act independently of regulated political entities to avoid making ineligible or illegal contributions.

The coordination of an activity that benefits a political entity may result in a contribution if the political entity did one or more of the following:

- requested or suggested that the third party undertake the activity
- was materially involved in decisions about the activity
- gave the third party information about the plans or needs of the political entity that influenced how the third party organized or undertook the activity

On their own, the following types of coordination do not result in a contribution:

- the third party publicly endorses the political entity
- the political entity gives the third party information about its policy positions
- the political entity gives the third party publicly available information
- the political entity and third party attend the same event or invite one another's members to an event

**Note:** In cases where there was no coordination because the political entity was not aware of the activity, or did not act in a manner that would indicate that it accepted the contribution, a third party may nevertheless be contravening the prohibition against circumventing the contribution limits or the restrictions on the source of contributions. This would be the case, for example, if the third party assumed the costs related to the holding of a party's convention or to carry out a party membership drive.

### **Examples**

1. During the election period, the party leader makes a campaign announcement in a company's factory with employees standing in the background. This is not a contribution. However, if the third party incurs any incremental costs (such as additional security) to hold the activity, the party must pay those costs.
2. During the election period, a candidate is invited to address a meeting of a community association or religious congregation. This is not a contribution. However, if the third party incurs any incremental costs to hold the activity (such as catered refreshments that are not usually provided), the party must pay those costs.
3. During the election period, a third party decides to hold an event to endorse a candidate. The third party and the candidate decide together on the time and place of the event and work together to establish a speakers list. The cost of the event must be borne by the candidate's campaign (or eligible contributors) as the third party coordinated the organization of the activity with the candidate.
4. During the pre-election period, a candidate's official agent asks a third party corporation to use its internal resources to help recruit volunteers for an upcoming event. The third party must not agree to the request. Recruiting volunteers in this way would be a contribution to the candidate.



## 8. Reporting

*This chapter describes the financial reports that must be completed and submitted by set deadlines under the Canada Elections Act.*

*It covers the following topics:*

- *Reporting obligations for a fixed-date general election*
- *Reporting obligations for a general election held other than on a fixed date*
- *Reporting obligations for a by-election*
- *Submitting reports to Elections Canada*
- *Requesting a filing deadline extension*

For a timeline of interim reporting obligations, see *Interim reporting requirements for a fixed-date general election* and *Interim reporting requirements for a general election held other than on a fixed date* in Chapter 1, **Reference Tables and Timelines**.

**Note:** Forms and instructions are available on the Elections Canada website.

## Reporting obligations for a fixed-date general election

Reports in this table must be submitted to Elections Canada by a third party representative.

Report	Filing conditions	What to report	Deadline
<i>General Form— Third Party</i>	Incurred expenses totalling \$500 or more for regulated activities that take place during the pre-election or election period	Details about the third party for the registry	Immediately <sup>1</sup>
<i>General Form— Third Party</i>	Changes of registry information	New information for the registry	Without delay after the change
<i>Third Party's Interim Campaign Return (pre-election period)</i>	Met the threshold <sup>2</sup> for interim reporting between: <ul style="list-style-type: none"> <li>October 20, 2015 (the day after the previous general election), and</li> <li>the day on which the third party became required to register</li> </ul>	<ul style="list-style-type: none"> <li>Contributions received between October 20, 2015, and the day on which the third party became required to register<sup>3</sup></li> <li>Expenses incurred during the above period for regulated activities that take place during the pre-election period<sup>3</sup></li> </ul>	5 days after the third party was required to register
<i>Third Party's Interim Campaign Return (pre-election period)</i>	Met the threshold <sup>2</sup> for interim reporting between: <ul style="list-style-type: none"> <li>October 20, 2015, and</li> <li>September 14 or the last day of the pre-election period, whichever is earlier</li> </ul>	<ul style="list-style-type: none"> <li>Contributions received between October 20, 2015, to the last day of the pre-election period<sup>3</sup></li> <li>Expenses incurred during the above period for regulated activities that take place during the pre-election period<sup>3</sup></li> </ul>	September 15
<i>Third Party's Interim Campaign Return (election period)</i>	Met the threshold <sup>2</sup> for interim reporting between: <ul style="list-style-type: none"> <li>October 20, 2015, and</li> <li>the 23rd day before election day</li> </ul>	<ul style="list-style-type: none"> <li>Contributions received for regulated activities between October 20, 2015, and the 23rd day before election day<sup>3</sup></li> <li>Expenses incurred for regulated activities that take place between June 30 and the 23rd day before election day<sup>3</sup></li> </ul>	21 days before election day
<i>Third Party's Interim Campaign Return (election period)</i>	Met the threshold <sup>2</sup> for interim reporting between: <ul style="list-style-type: none"> <li>October 20, 2015, and</li> <li>the 9th day before election day</li> </ul>	<ul style="list-style-type: none"> <li>Contributions received for regulated activities between October 20, 2015, and the 9th day before election day<sup>3</sup></li> <li>Expenses incurred for regulated activities that take place between June 30 and the 9th day before election day<sup>3</sup></li> </ul>	7 days before election day

<sup>1</sup> Registration cannot take place before June 30 for the pre-election period, and the day the election is called for the election period.

<sup>2</sup> The third party incurred expenses totalling \$10,000 or more, or received contributions totalling \$10,000 or more, for regulated activities.

<sup>3</sup> Do not include transactions already reported in an interim return or in the return for a prior election.



## Reporting obligations for a fixed-date general election (continued)

Reports in this table must be submitted to Elections Canada by a third party representative.

Report	Filing conditions	What to report	Deadline
<i>Third Party's Electoral Campaign Return</i>	Must be submitted by every registered third party	<ul style="list-style-type: none"> <li>Contributions received for regulated activities between October 20, 2015, and election day<sup>4</sup></li> <li>Expenses incurred for regulated activities that take place between June 30 and election day</li> </ul>	4 months after election day
Auditor's report	Required if the third party incurred expenses totalling \$10,000 or more for regulated activities	Whether the third party's financial return presents fairly the information contained in the financial records	4 months after election day
<sup>4</sup> Do not include transactions already reported in a return for a prior election.			

## Reporting obligations for a general election held other than on a fixed date

Reports in this table must be submitted to Elections Canada by a third party representative.

Report	Filing conditions	What to report	Deadline
<i>General Form— Third Party</i>	Incurred expenses totalling \$500 or more for regulated activities that take place during the pre-election or election period	Details about the third party for the registry	Immediately <sup>1</sup>
<i>General Form— Third Party</i>	Changes of registry information	New information for the registry	Without delay after the change
<i>Third Party's Interim Campaign Return</i>	Met the threshold <sup>2</sup> for interim reporting between: <ul style="list-style-type: none"> <li>October 20, 2015 (the day after the previous general election), and</li> <li>the 23rd day before election day</li> </ul>	<ul style="list-style-type: none"> <li>Contributions received for regulated activities between October 20, 2015 and the 23rd day before election day<sup>3</sup></li> <li>Expenses incurred for regulated activities that take place between the start of the election period to the 23rd day before election day</li> </ul>	21 days before election day
<i>Third Party's Interim Campaign Return</i>	Met the threshold <sup>2</sup> for interim reporting between: <ul style="list-style-type: none"> <li>October 20, 2015, and</li> <li>the 9th day before election day</li> </ul>	<ul style="list-style-type: none"> <li>Contributions received for regulated activities between October 20, 2015 and the 9th day before election day<sup>3</sup></li> <li>Expenses incurred for regulated activities that take place between the start of the election period to the 9th day before election day<sup>3</sup></li> </ul>	7 days before election day
<i>Third Party's Electoral Campaign Return</i>	Must be submitted by every registered third party.	<ul style="list-style-type: none"> <li>Contributions received for regulated activities between October 20, 2015, and election day<sup>4</sup></li> <li>Expenses incurred for regulated activities that take place during the election period</li> </ul>	4 months after election day
Auditor's report	Required if the third party incurs expenses totalling \$10,000 or more for regulated activities	Whether the third party's financial return presents fairly the information contained in the financial records	4 months after election day

<sup>1</sup> Registration cannot take place before the election is called.

<sup>2</sup> The third party incurred expenses totalling \$10,000 or more, or received contributions totalling \$10,000 or more, for regulated activities.

<sup>3</sup> Do not include transactions already reported in an interim return or in the return for a prior election.

<sup>4</sup> Do not include transactions already reported in a return for a prior election.

## Reporting obligations for a by-election

Reports in this table must be submitted to Elections Canada.

Report	Filing conditions	What to report	Deadline
<i>General Form— Third Party</i>	A person or group must register as a third party after incurring expenses totalling \$500 or more for regulated activities that take place during the pre-election period or the election period.	Details about the third party for the registry	Immediately <sup>1</sup>
<i>General Form— Third Party</i>	Changes of registry information	New information for registry	Immediately after a change of registry information
<i>Third Party's Electoral Campaign Return</i>	Must be submitted by every registered third party.	<ul style="list-style-type: none"> <li>Contributions received for regulated activities between October 20, 2015 (the day after the previous general election), and election day<sup>2</sup></li> <li>Expenses incurred for regulated activities that take place during the election period</li> </ul>	4 months after election day
Auditor's report	Required if the third party incurs expenses totalling \$10,000 or more for regulated activities	Whether the third party's financial return presents fairly the information contained in the financial records	4 months after election day
<sup>1</sup> Registration cannot take place before the day the by-election is called.			
<sup>2</sup> Do not include transactions already reported in a return for a prior election.			

## Supporting documents

Third parties must keep the documents evidencing expenses. These include invoices, bank statements, deposit slips and cancelled cheques. Elections Canada might request documents evidencing expenses over \$50 during the review of the third party returns and the third party is required to provide them.

## Corrections

On review, Elections Canada may correct the *Third Party's Electoral Campaign Return* if the correction does not materially affect its substance.

Elections Canada may send a written request to the third party to correct or revise the *Third Party's Electoral Campaign Return*. In that case, the third party must submit the corrected or revised return within the specified period.

## Requesting a filing deadline extension

The *Canada Elections Act* specifies deadlines for submitting reports. The third party may apply for an extension on the *Third Party's Electoral Campaign Return* if they cannot submit it on time.

**Note:** *Third Party's Interim Campaign Returns* (if required) are not eligible for extensions.

Extension requests			
<i>Third Party's Electoral Campaign Return</i>	Extension available from Elections Canada	Additional extension available from Elections Canada	Extension available from a judge
Original submission, including the auditor's report	Yes	No	Yes
Corrected or revised, as requested by the third party	Yes	Yes	No

## Submitting a request for an extension

The third party has to send a request to Elections Canada for a filing deadline extension. The request must be received by Elections Canada within two weeks after the filing deadline.

**Note:** Only a judge may grant an extension requested more than two weeks after the deadline has passed.

Elections Canada will grant an extension unless the third party's failure to provide the document was deliberate or was the result of a failure to exercise due diligence.

If Elections Canada refuses to authorize an extension or if the third party is unable to file the required documents within the extended period, the third party may apply to a judge for an extension. Elections Canada must be notified of any such application.

## Submitting reports to Elections Canada

Financial forms (with instructions) are available on the Elections Canada website in fillable PDF format.

How to submit reports to Elections Canada	
<b>How to send</b>	<ol style="list-style-type: none"><li>1. Sign the pages requiring signatures.</li><li>2. Send the reports to Elections Canada by email (in PDF format), courier, mail or fax.</li></ol>
<b>Email</b>	efr-rfe@elections.ca
<b>Mail</b>	Elections Canada 30 Victoria Street, Gatineau, Quebec K1A 0M6
<b>Fax</b>	Political Financing 1-888-523-9333 (toll-free) 1-819-939-1803
<b>Notes</b>	
<ul style="list-style-type: none"><li>• Documents submitted to Elections Canada have to be signed.</li><li>• It is recommended that the third party keep a copy of all documents submitted.</li></ul>	