



This document is Elections Canada's guideline OGI 2025-03.

# Political Financing Handbook

for Registered Parties and Chief Agents

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# About This Document

## Introduction to the handbook

This handbook is designed to help eligible and registered parties, chief agents and registered agents in the financial administration of the registered party.

This document is a general guideline issued pursuant to section 16.1 of the *Canada Elections Act*. It is provided for information and is not intended to replace the Act.

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

**Note:** In this handbook, the term “individual” refers to a Canadian citizen or permanent resident when used in the context of contributions or loans.

## What’s new in this release?

Release	Where	Title	Summary
January 2025	All	n/a	Contribution limits for 2025 updated in tables and examples.
	Chapter 6	Determining the contribution amount when contributors receive a benefit  Fundraising expenses  Typical fundraising activities	Revised content on calculating contributions received during fundraising, based on OGI 2024-03, <i>Fundraising</i> .
	Chapter 9	Security expenses	Added a new section and reference to forthcoming OGI 2024-05, <i>Security Expenses of Registered Parties, Candidates and Contestants</i> .

## Contact information

<b>Website</b>	elections.ca
<b>Political Entities Support Network</b>	<p><b>Telephone</b> 1-800-486-6563 TTY: 1-800-361-8935</p> <p><b>Email</b> Political financing and registration questions: <a href="mailto:political.financing@elections.ca">political.financing@elections.ca</a></p> <p>Portal and election support: <a href="mailto:csep-pesc@elections.ca">csep-pesc@elections.ca</a></p> <p><b>Regular hours</b> Monday to Friday, 9:00 a.m. to 5:00 p.m. (Eastern time)</p>
<b>Elections Canada General Enquiries</b>	<p><b>Telephone</b> 1-800-463-6868 TTY: 1-800-361-8935</p>
<b>Mail</b>	30 Victoria Street Gatineau, Quebec K1A 0M6

# 1. Reference Tables and Timelines

*This chapter presents quick reference tools for eligible and registered parties, chief agents and registered agents. It covers the following topics:*

- *Reporting obligations—annual and general election*
- *Limits on contributions, loans and loan guarantees*
- *Transfers—types and rules*

## Annual obligations of a registered or eligible party

This infographic explains the reporting requirements that registered political parties must fulfill during the year.

Only the requirements marked with an asterisk (\*) also apply to eligible parties. A party is “eligible” if it successfully applied for registration but has not yet endorsed a candidate in an election.



### Updates to registry information\*

Submit the *Political Party's Changes to Registry Information* form **within 30 days** after a change to the information or a new appointment.



### Annual reports

Submit **no later than June 30**:

- *Registered Party's Annual Financial Transactions Return* and auditor's report
- *Political Party's Annual Confirmation of Registry Information*\*
- *Contributions to a Registered Party or to a Registered Association—Information Return* to the Canada Revenue Agency



### Nomination contest report

Submit the *Nomination Contest Report* **within 30 days** after holding a nomination contest.



### Disclosure of a regulated fundraising event

If your party is represented in the House of Commons and you or an affiliated entity hold a regulated fundraising event outside a general election:

- publish an event notice on your website and submit a *Notice of a Regulated Fundraising Event* **at least five days** before the event
- submit the *Regulated Fundraising Event Report* **within 30 days** after the event



### Disclosure of a leadership contest

Submit the *Registered Party's Leadership Contest Report* before or immediately after the contest begins.



### Quarterly reports

Submit the *Registered Party's Quarterly Financial Transactions Return* **no later than January 30, April 30, July 30 and October 30** if, in the last general election, your party's candidates received:

- at least 2% of the total valid votes, or
- at least 5% of the valid votes in the electoral districts where your party endorsed a candidate



### Triennial exercise\*

Submit the declarations of at least 250 party members using the *Political Party's Triennial Confirmation of Membership—Member's Declaration* form **no later than June 30, every three years** (next exercise: 2025).

**Note:** See Chapter 14, **Reporting**, for a description of reports and obligations. For reports due after deregistration, see **Voluntary and involuntary deregistration of a registered party** in Chapter 2.

## Obligations of a registered or eligible party during a general election

This infographic explains the steps that a registered or eligible\* party must follow to comply with reporting requirements for a general election.

\*A party is “eligible” if it successfully applied for registration but has not yet endorsed a candidate in an election. This infographic applies only to eligible parties whose complete application for registration was received at least 60 days before the election call.

### Registered or eligible party



General election is called



#### Consult the election expenses limit for parties

The preliminary limit is published on the Elections Canada website in the days following the election call, and the final limit is published 7 days before election day.

No later than 10 days after a general election is called



#### Submit the *Political Party's Report of Information at a General Election and Names of Persons Entitled to Endorse Candidates* form

The party must confirm or update its registry information and provide the names of those authorized to endorse candidates.

No later than 22 days before election day



#### Submit the *Candidate Endorsement by Electoral District* form

The party must ensure that the candidates endorsed by the party are eligible to run.



Election day

No later than 60 days after election day



#### Submit the *Regulated Fundraising Event Report* for all regulated events held during the election period

This requirement applies to registered parties that were represented in the House of Commons before Parliament was dissolved.

No later than 8 months after election day



#### Submit the *Registered Party's General Election Return* and auditor's report

## Limits on contributions, loans and loan guarantees

Limits on contributions, loans and loan guarantees		
Political entity	2025 annual limit	Limit per election called between Jan. 1 and Dec. 31, 2025
To each registered party	\$1,750*	n/a
In total to all the registered associations, nomination contestants and candidates of each registered party	\$1,750*	n/a
In total to all leadership contestants in a particular contest	\$1,750*	n/a
To each independent or non-affiliated candidate	n/a	\$1,750*

**Notes**

- Only individuals who are Canadian citizens or permanent residents can make contributions.
- The contribution limits apply to total contributions, the unpaid balance of loans made during the contribution period, and the amount of any loan guarantees made during the contribution period that an individual is still liable for. The sum of these three amounts cannot exceed the contribution limit at any time during the relevant contribution period.
- A nomination contestant is permitted to give an additional \$1,000 in total per contest in contributions, loans and loan guarantees to their own campaign.
- A candidate is permitted to give a total of \$5,000 in contributions, loans and loan guarantees to their campaign. A candidate is also permitted to give an additional \$1,750\* in total per year in contributions, loans and loan guarantees to other candidates, registered associations and nomination contestants of each party. (This includes contributions to the registered association in the candidate's electoral district and contributions to the candidate's own nomination campaign.)
- A leadership contestant is permitted to give a total of \$25,000 in contributions, loans and loan guarantees to their campaign. A leadership contestant is also permitted to give an additional \$1,750\* in total per year in contributions, loans and loan guarantees to other leadership contestants.

\*The limits increase by \$25 on January 1 in each subsequent year.

## Transfers—types and rules

This table shows the allowable monetary and non-monetary transfers between related registered political entities.

		TO									
		Nomination Contestant		Leadership Contestant		Candidate		Registered Electoral District Association		Registered Party	
		Monetary	Non-monetary	Monetary	Non-monetary	Monetary	Non-monetary	Monetary	Non-monetary	Monetary	Non-monetary
FROM	Nomination Contestant	No	No	No	No	Yes <sup>1</sup>	No	Yes <sup>2</sup>	No	Yes	No
	Leadership Contestant	No	No	No	No	No	No	Yes	No	Yes	No
	Candidate	Yes <sup>3</sup>	Yes <sup>3</sup>	No	No	No <sup>4</sup>	No <sup>4</sup>	Yes	Yes	Yes	Yes
	Registered Electoral District Association	No	Yes <sup>5</sup>	No	Yes <sup>5</sup>	Yes <sup>6</sup>	Yes	Yes	Yes	Yes	Yes
	Registered Party	No	Yes <sup>5</sup>	No <sup>7</sup>	Yes <sup>5</sup>	Yes <sup>6</sup>	Yes	Yes <sup>8</sup>	Yes <sup>8</sup>	n/a	n/a

<sup>1</sup> A nomination contestant may transfer funds (but not property or services) to a candidate of the same party in the electoral district in which the nomination contest was held. After election day, monetary transfers are allowed only to pay claims and loans related to the candidate's campaign.

<sup>2</sup> A nomination contestant can only transfer funds to the registered electoral district association that held the nomination contest.

<sup>3</sup> Candidates may transfer property, services and funds to their own nomination contestant campaign for the same election.

<sup>4</sup> Candidates in a superseded by-election may transfer property, services and funds to their campaign for the general election.

<sup>5</sup> Non-monetary transfers must be offered equally to all contestants.

<sup>6</sup> Monetary transfers other than trust funds are allowed. After election day, monetary transfers are allowed only to pay claims and loans related to the candidate's campaign.

<sup>7</sup> Directed contributions are the only exception: they may be transferred to the leadership contestant.

<sup>8</sup> Registered parties may transfer property, services and funds to electoral district associations, whether registered or not.

**Note:** Independent or non-affiliated candidates may not send or accept transfers of funds, property or services to or from other political entities.



## 2. Registration

*This chapter presents information for political parties on the registration process and changes in party status. It covers the following topics:*

- *Why become a registered political party?*
- *Merging registered parties*
- *Voluntary and involuntary deregistration of a registered party*
- *Roles and appointments—party leader, party officers, chief agent, registered agents and auditor*

### **Why become a registered political party?**

A political party is an organization with the following as one of its fundamental purposes: to participate in public affairs by endorsing one or more of its members as candidates and supporting their election.

There are several advantages to registering a political party with Elections Canada. A party has to register if it would like to:

- have the party's name appear on ballots under the names of its confirmed candidates
- issue tax receipts
- be eligible for a reimbursement of paid election expenses and paid accessibility expenses after a general election
- obtain an allocated amount of free broadcasting time and purchase an allocated amount of prime broadcasting time in a general election
- obtain voters lists from Elections Canada for electoral districts where it ran candidates in the last general election
- transfer funds, property or services to other political entities and receive transfers from them (see the transfer rules later in this chapter)
- accept surplus funds from a candidate, a leadership contestant or a nomination contestant
- register electoral district associations (maximum of one in each electoral district)
- sit on the Advisory Committee of Political Parties, which provides Elections Canada with advice and recommendations relating to elections and political financing

## Steps to registering a political party

There are three steps to registering a political party: applying for registration, becoming an eligible party and becoming a registered party.

### Step 1: Applying for registration

To apply for registration, the party has to fill out the form *Application to Register a Political Party* and send it to Elections Canada.

The form explains what information and signatures to include, notably:

- the party's full name and, optionally, its logo and abbreviation or short-form name (which may be subject to a maximum length set by the Chief Electoral Officer)
- the party leader's contact information and a copy of the party's resolution to appoint the leader
- contact information and signed consent to act in that role for the following positions:
  - at least three party officers other than the party leader
  - the chief agent
  - the auditor
- names and addresses of at least 250 electors and their declarations in the prescribed form that they are members of the party and support the party's application for registration
- a statement of the party's fundamental purpose
- the address of the party's office where records are kept and to which communications may be addressed
- the party's policy for the protection of personal information that it collects and the address of the exact web page where the policy is published on the party's website

### Step 2: Becoming an eligible party

Elections Canada will review the application for registration and inform the party leader of whether or not the party is eligible for registration.

A political party becomes an eligible party if:

- the party's name, short-form name, abbreviation or logo does not so resemble another eligible or registered party's name, short-form name, abbreviation or logo as to be confused with it
- the party's name does not include the word "independent"
- the party has submitted at least 250 membership declarations and Elections Canada has confirmed them with the members
- the party has at least three officers in addition to its leader
- the party has appointed a chief agent and an auditor
- the party's policy for the protection of personal information is published on its website and contains the required information
- Elections Canada is satisfied that the party has provided all the information required and that the information is accurate

If the party did not meet all requirements, Elections Canada will inform the party leader of which requirements were not met.

**Note:** It is advisable to provide contact information and declarations of more than 250 party members to ensure that there are at least 250 valid declarations after the information is verified.

### Step 3: Becoming a registered party

An eligible party becomes a registered party during a general election or by-election if:

- it has at least one candidate whose nomination has been confirmed for the election, and
- its complete application for registration was made at least 60 days before the election was called

**Note:** An eligible party that makes an application after the 60-day deadline cannot become registered and have its name on ballots for that election. But it remains an eligible party and can become registered at the next general election or by-election.

Elections Canada will check whether an eligible party has any confirmed candidates after nominations close. It then notifies the party leader that:

- the party has been registered in the Registry of Political Parties, or
- the party has lost its eligibility for registration because it has no confirmed candidates (in the case of a general election only)

A party remains registered as long as it continues to meet the requirements for staying registered, including mandatory reporting. The party does not need to reapply at each election.

**Note:** For election financing purposes, an eligible party that becomes registered is deemed to have been registered from the first day of the pre-election period, if any, or from the day the general election or by-election was called.

### Eligible parties—reporting requirements and activities

An eligible party cannot become registered until a general election or a by-election is called. In the meantime, it must submit certain reports to maintain its eligibility and may conduct certain political financing activities.

#### Maintaining eligible party status

To keep its eligible status, an eligible party must provide:

- a statement confirming the validity of the party's registry information and a declaration by the party leader regarding the party's fundamental purpose to participate in public affairs, by June 30 each year
- any document required to inform Elections Canada about a change in the party's registry information or any new appointment within 30 days of the event
- within 10 days after a general election is called, a statement confirming the validity of the party's registry information and a list of the party's designated representatives for the purpose of endorsing candidates in the election
- the names, addresses and declarations of 250 party members every third year (next due on June 30, 2025)

## Political financing activities of an eligible party

An eligible party can accept contributions and incur expenses without the same restrictions as a registered party, but it cannot issue tax receipts.

When an election is expected or is under way, the eligible party should keep in mind that some rules will apply retroactively to its contributions and expenses. This is because, once registered, the party is deemed to have been registered:

- from the day the general election or by-election was called, or
- from the first day of the pre-election period of a fixed-date general election

Notably, the effect on contributions and expenses is as follows:

- Contributions received as of the party's deemed date of registration can only have come from individuals who are Canadian citizens or permanent residents, subject to the contribution limit.
- The party is subject to the expenses limit for both the pre-election period (for a fixed-date general election) and the election period.

**Note:** Contributions that an eligible party receives before it is entered in the Registry of Political Parties are not eligible for a tax receipt retroactively, even if they are subject to the contribution rules.

## Registered parties—reporting requirements soon after registration

In the months after a political party is registered, it must establish its first fiscal period to determine when its first annual financial return is due. It must also submit a statement of its assets and liabilities.

### Establishing the first fiscal period after registration

A registered party's fiscal year must be a calendar year (January 1 to December 31). But its first fiscal period after registration may be longer or shorter than one year.

Depending on the party's effective date of registration (when it was entered in the Registry of Political Parties), the length of a registered party's first fiscal period must be modified to end on December 31. It may not be less than 6 months or more than 18 months.

The first annual financial return will be due either in the first or second year after registration.

### Examples

1. A party is registered on June 30, 2024. Its first fiscal period will end on December 31, 2024, six months after registration. Its first annual financial return will be due on June 30, 2025.
2. A party is registered on July 1, 2024. Its first fiscal period will end on December 31, 2025, 18 months after registration. Its first annual financial return will be due on June 30, 2026.

### Submitting the party's statement of assets and liabilities

Within six months after the party's effective date of registration, it must submit the *Registered Party's Statement of Assets and Liabilities*, accompanied by an auditor's report. The statement lists the party's assets and liabilities as of the day before the effective date of registration.

## Registering provincial or territorial divisions of the party

Registered parties may choose to register provincial or territorial divisions as part of their organizational structure.

A provincial or territorial division is a division of the registered party for which Elections Canada has received the following information:

- the name of the party, the division and the province or territory
- the address of the party office where records are kept
- the names and addresses of the chief executive officer, other officers of the division and any registered agent appointed by the division
- a declaration signed by the party leader
- updates about changes to registry information

The form *Provincial and Territorial Divisions of a Registered Party* can be used to register these divisions.

**Note:** Financial transactions such as contributions, expenses and transfers of these divisions are financial transactions of the registered party.

## Merging registered parties

Two or more registered parties may apply to Elections Canada to become a single registered party.

### Applying to merge two or more registered parties

An application for a merger can be submitted at any time, except during an election period or 30 days before it. The application for a merger must include:

- certifications from the leaders of the merging parties
- a resolution from each of the merging parties, approving the proposed merger
- the information normally required to register a party, except for the names, addresses and signed declarations of 250 members

Elections Canada updates the Registry of Political Parties if the following conditions are met:

- The application for a merger was not made in an election period or 30 days before it.
- The merged party is eligible for registration as defined in the *Canada Elections Act*.
- The merging parties have discharged their reporting obligations.

Elections Canada then notifies the officers of the merging parties in writing that the parties have been merged and publishes the information about the merger in the *Canada Gazette*.

**Note:** The effective date of the merger is the day on which Elections Canada amends the Registry of Political Parties.

## Consequences for registered parties and registered associations involved in the merger

The following happens when two or more registered parties merge.

### Registered parties

- The merged party is the successor of each merging party.
- The merged party becomes a registered party.
- The assets of each merging party belong to the merged party.
- The merged party is responsible for the liabilities of each merging party.
- The merged party is responsible for the obligations of each merging party to report financial transactions and election expenses for any period before the merger.
- The merged party replaces a merging party in any legal proceedings.
- Any decision involving a merging party may be enforced by or against the merged party.

### Registered associations

- Any registered association of a merging party is deregistered. It may transfer funds or property to the merged party or to a registered association of the merged party within six months after the merger.
- Electoral district associations of the merged party must register with Elections Canada.

### Obligations after a merger

Within six months after the date of the merger, the merging parties must provide:

- financial returns not provided for any earlier fiscal period
- auditor's reports not provided for any earlier fiscal period

Within six months after the date of the merger, the merged party must provide:

- a statement of assets and liabilities as of the date of the merger, accompanied by an auditor's report and a declaration from the chief agent

## Voluntary and involuntary deregistration of a registered party

### Voluntary deregistration

A registered party can ask to be deregistered. The request must be made in writing and signed by the leader and two officers of the party.

**Note:** Elections Canada cannot process a request for voluntary deregistration during the election period of a general election.

### Involuntary deregistration

There are many reasons that a registered party may be involuntarily deregistered:

- The registered party fails to endorse a candidate in a general election.
- A court orders Elections Canada to deregister the party because the party, its chief agent, a registered agent or one of its officers has been convicted of an offence referred to in subsection 501(3) of the *Canada Elections Act*.
- A court orders Elections Canada to deregister the party, after a judicial application by the Commissioner of Canada Elections, if the court is satisfied that the party does not have as one of its fundamental purposes to participate in public affairs by endorsing one or more of its members as candidates and supporting their election.
- The registered party fails to submit reports or financial returns (see below).
- The registered party fails to meet its obligations with respect to officers or members (see below).

## Failure to submit reports or financial returns: risk of deregistration

Elections Canada may deregister a registered party if it fails to provide:

- the party's policy for the protection of personal information and the web page address on the party's website where it is published (the party must have a policy at all times)
- the *Registered Party's Statement of Assets and Liabilities*, accompanied by an auditor's report, within six months after the effective date of registration
- a statement confirming the validity of its registry information or a report of changes by June 30 each year
- a declaration by the party leader, submitted by June 30 each year, regarding the party's fundamental purpose to participate in public affairs
- any document required to inform Elections Canada about a change in the party's registry information or any new appointment within 30 days of the event
- within 10 days after a general election is called, a statement confirming the validity of the party's registry information and a list of the party's designated representatives for the purpose of endorsing candidates in the election
- the names, addresses and declarations of 250 party members every third year (next due on June 30, 2025)
- the party's annual financial return, accompanied by an auditor's report
- the party's expenses return after a general election, accompanied by an auditor's report
- a nomination contest report within 30 days after the contest selection date
- a leadership contest report before or immediately after the contest starts

If a registered party fails in its reporting obligations, Elections Canada will notify the party and its officers in writing of the failure. It will ask the party to:

- within five days of receiving a notice about confirming the registry information during an election period, send the required statement
- within 30 days of receiving a notice about a reporting omission, submit the required report, or
- satisfy Elections Canada that the omission was not the result of negligence or a lack of good faith

If the party does not correct the omission but instead satisfies Elections Canada that the omission was not the result of negligence or a lack of good faith, Elections Canada may:

- exempt the party in whole or in part from complying with the obligation, or
- specify a new deadline to comply with the obligation

**Note:** Failure to comply with notices from Elections Canada may lead to deregistration of the party.

### **Failure to meet obligations with respect to officers and members: risk of deregistration**

If a registered party fails to perform its obligations with respect to officers or members, Elections Canada will notify the party of the failure. It will ask the party to:

- within 60 days after receiving a notice about party officers, appoint at least three officers in addition to the leader
- within 90 days after receiving a notice about party members, submit the names, addresses and declarations of 250 party members

If Elections Canada is satisfied that the registered party made reasonable efforts to comply with the request, it may grant an extension to comply.

**Note:** Failure to comply with notices from Elections Canada may lead to deregistration of the party.

### **Deregistration process**

If a registered party is deregistered:

- Elections Canada sends a notice to the party and its registered associations with the effective date of deregistration.
- The effective date of deregistration will be at least 15 days after the notice date.
- The notice is published on Elections Canada's website and in the *Canada Gazette*.

**Note:** If a registered party is deregistered, its registered associations are also deregistered.

### **Requirements and restrictions after deregistration**

After the effective date of deregistration, a political party is no longer allowed to:

- issue tax receipts
- transfer funds, property or services to a candidate endorsed by the registered party
- accept surplus funds from a candidate, leadership contestant or nomination contestant

The party remains responsible for filing financial returns within six months after deregistration. The following returns must be filed:

- the return for the fiscal period in which the party became deregistered
- the return for any other fiscal period for which the party has not filed a return
- any general election return not yet filed
- any auditor's reports, as required

## Roles and appointments within the party

### Role and appointment process—party leader

Party leader		
<b>Role summary</b>		
<ul style="list-style-type: none"> <li>• The party leader is responsible for certifying forms related to the party's registration, including to confirm the party's registry information annually.</li> <li>• If a registered association of the party wishes to issue tax receipts, the party leader signs the authorization that allows the association to issue the receipts.</li> <li>• The party leader co-signs the application for deregistration of the party or one of the party's registered associations.</li> <li>• The party leader co-signs the application for a merger with one or more other registered parties.</li> </ul>		
<b>Who is eligible?</b>	<b>Yes</b>	<b>No</b>
Canadian citizen who is at least 18 years old and who lives or has lived in Canada	✓	
<b>Appointment process</b>		
<ul style="list-style-type: none"> <li>• The party has to appoint a leader before applying for registration.</li> <li>• If for any reason the leader is not able to continue in that role, the party must select a new leader.</li> <li>• A registered party can choose to hold a leadership contest to appoint a leader. Before or immediately after the contest starts, the chief agent must notify Elections Canada using the <i>Registered Party's Leadership Contest Report</i>.</li> <li>• Whether or not there was a contest, the party must notify Elections Canada of a new appointment within 30 days after the appointment. The notice must include a copy of the party resolution appointing the new leader, certified by the new leader and another party officer.</li> <li>• Use the form <i>Application to Register a Political Party</i> to report the initial appointment.</li> <li>• Use the form <i>Political Party's Changes to Registry Information</i> to report future updates.</li> </ul>		

## Role and appointment process—party officers

Party officers		
<b>Role summary</b>		
<ul style="list-style-type: none"> <li>• A party officer co-signs the party’s resolution to appoint a leader.</li> <li>• Party officers co-sign the application for deregistration of the party or one of the party’s registered associations.</li> </ul>		
<b>Who is eligible?</b>	<b>Yes</b>	<b>No</b>
Canadian citizen who is at least 18 years old and who lives or has lived in Canada	✓	
<b>Appointment process</b>		
<ul style="list-style-type: none"> <li>• The party has to appoint at least three officers, in addition to the party leader, before applying for registration.</li> <li>• Party officers have to sign a statement consenting to act in that capacity.</li> <li>• If the party’s chief agent or registered agents are individuals, they can also serve as party officers, but they must be officially appointed into both roles.</li> <li>• If for any reason an officer is no longer able to continue in that role, and the number of officers including the party leader is less than four, the party must appoint a new officer within 30 days. The party must notify Elections Canada of the new appointment within 30 days after the appointment. The notice has to include a signed consent from the new officer.</li> <li>• An officer who steps down from their role should notify the political party so that it can appoint a replacement.</li> <li>• Use the form <i>Application to Register a Political Party</i> to report the initial appointments.</li> <li>• Use the form <i>Political Party’s Changes to Registry Information</i> to report future updates.</li> </ul>		

## Role and appointment process—chief agent

Party's chief agent		
<b>Role summary</b>		
<ul style="list-style-type: none"> <li>The chief agent is responsible for administering the party's financial transactions and reporting those transactions to Elections Canada as required by the <i>Canada Elections Act</i>.</li> <li>It is strongly recommended that the chief agent put in place controls to monitor election expenses so that the spending limit is not exceeded. For example, the chief agent could:               <ul style="list-style-type: none"> <li>introduce a purchase requisition form that requires every purchase to be authorized by the chief agent</li> <li>create a campaign budget and insist on being kept informed of financial transactions</li> <li>intervene with campaign workers to address non-compliance in a timely fashion</li> </ul> </li> <li>The chief agent may apply to Elections Canada for a written opinion, guideline or interpretation note on political financing rules in the <i>Canada Elections Act</i>.</li> <li>After deregistration, the chief agent's role continues until the party fulfills all financial reporting requirements.</li> </ul>		
<b>Who is eligible?</b>	<b>Yes</b>	<b>No</b>
Canadian citizen who is at least 18 years old and who lives or has lived in Canada	✓	
Corporation incorporated under the laws of Canada or a province	✓	
Candidate		✗
Election officer or member of the staff of a returning officer		✗
Undischarged bankrupt		✗
Auditor appointed as required by the <i>Canada Elections Act</i>		✗
Person who does not have the full capacity to enter into contracts in the province or territory in which the person ordinarily resides (e.g. a dissolved corporation)		✗
<b>Appointment process</b>		
<ul style="list-style-type: none"> <li>The party has to appoint a chief agent before applying for registration.</li> <li>The chief agent has to sign a statement consenting to act in that capacity.</li> <li>If for any reason the chief agent is no longer able to continue in that role, the party must appoint a new chief agent without delay and notify Elections Canada within 30 days. The notice has to include a signed consent from the new chief agent.</li> <li>The party may have only one chief agent at a time.</li> <li>A chief agent who steps down from their role should notify the political party so that it can appoint a replacement.</li> <li>Use the form <i>Application to Register a Political Party</i> to report the initial appointment.</li> <li>Use the form <i>Political Party's Changes to Registry Information</i> to report future updates.</li> </ul>		

## Role and appointment process—registered agents

Party's registered agents		
<b>Role summary</b>		
<ul style="list-style-type: none"> <li>Registered agents may be authorized by the registered party to do one or more of the following:               <ul style="list-style-type: none"> <li>accept contributions or loans on the registered party's behalf</li> <li>accept or send transfers on the registered party's behalf</li> <li>issue contribution receipts, including tax receipts</li> <li>incur or pay the registered party's expenses</li> </ul> </li> </ul>		
<b>Who is eligible?*</b>	<b>Yes</b>	<b>No</b>
Canadian citizen who is at least 18 years old and who lives or has lived in Canada	✓	
Corporation incorporated under the laws of Canada or a province	✓	
Candidate		✗
Election officer or member of the staff of a returning officer		✗
Undischarged bankrupt		✗
Auditor appointed as required by the <i>Canada Elections Act</i>		✗
Person who does not have the full capacity to enter into contracts in the province or territory in which the person ordinarily resides (e.g. a dissolved corporation)		✗
<b>Appointment process*</b>		
<ul style="list-style-type: none"> <li>The appointment of registered agents is optional.</li> <li>The registered party may appoint any number of registered agents at any time.</li> <li>Within 30 days after appointing one or more registered agents, the registered party has to send Elections Canada:               <ul style="list-style-type: none"> <li>the names and addresses of the new agents</li> <li>the terms and conditions of the appointments (as a best practice, the party may wish to set limits on the amounts registered agents are authorized to incur)</li> <li>certification of the appointments by the party leader or the chief agent</li> </ul> </li> <li>An eligible party that has appointed agents must send the above information within 30 days after being informed that it is eligible for registration.</li> <li>Use the form <i>Political Party's Changes to Registry Information</i> to report these appointments and updates.</li> </ul>		

\*The same eligibility criteria and appointment process apply to the agents of an eligible party, except where otherwise noted.

## Role and appointment process—auditor

Party's auditor		
<b>Role summary</b>		
<ul style="list-style-type: none"> <li>• In accordance with generally accepted auditing standards, the auditor has to examine the party's financial records and give an opinion in a report as to whether the party's return presents fairly the information contained in the financial records on which it is based.</li> <li>• An auditor's report is required for the party's statement of assets and liabilities on registration, its annual financial return and its general election return.</li> <li>• The auditor has a right to access all documents of the party, and may require the chief agent to provide any information or explanation that is necessary to enable the auditor to prepare the report.</li> <li>• When preparing a report on the <i>Registered Party's General Election Return</i>, the auditor must include a statement if it appears that the registered party and the chief agent have not complied with sections 363 to 384 and sections 385 to 445 of the <i>Canada Elections Act</i>.</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 accredited 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 accredited professional accountants (CPA designation)*	✓	
Any candidate or official agent		✗
Election officer or member of the staff of a returning officer		✗
Chief agent of a registered party or an eligible party		✗
Officer of a registered party or an eligible party		✗
Registered agent of a registered party		✗
Financial agent or electoral district agent of a registered association		✗
Leadership contestant, their financial agent or a leadership campaign agent		✗
Nomination contestant or their financial agent		✗
Financial agent of a registered third party		✗
<b>Appointment process</b>		
<ul style="list-style-type: none"> <li>• The party has to appoint an auditor before applying for registration.</li> <li>• The auditor has to sign a statement consenting to act in that capacity.</li> <li>• If for any reason the auditor is no longer able to continue in that role, the party must appoint a new auditor without delay and notify Elections Canada within 30 days. The notice has to include a signed consent from the new auditor.</li> <li>• An auditor who steps down from their role should notify the political party so that it can appoint a replacement.</li> <li>• Use the form <i>Application to Register a Political Party</i> to report the initial appointment.</li> <li>• Use the form <i>Political Party's Changes to Registry Information</i> to report future updates.</li> </ul>		

\*Provincially or territorially legislated accounting bodies may require auditors to meet other professional criteria in order to perform this role, such as holding a public accounting licence in the province or territory where the political entity is based. This should be discussed with the auditor before the appointment.



## 3. Contributions

*This chapter defines what is and is not a contribution, explains the rules for administering contributions and provides practical examples. It covers the following topics:*

- *What is a contribution?*
- *What is commercial value?*
- *Who can contribute to whom and how much?*
- *Are volunteer labour, convention fees, sponsorship or advertising, and coordinated activities contributions?*
- *What are the rules for contribution receipts, anonymous contributions and ineligible contributions?*

### What is a contribution?

A contribution is donated money (monetary contribution) or donated property or services (non-monetary contribution).

Monetary contribution	Non-monetary contribution
A monetary contribution is an amount of money provided 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 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)

**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.

#### Examples

1. David, who is not in the business of renting office supplies, lends a photocopier to the registered party's office for the duration of the campaign. The chief agent or a registered agent has to determine the commercial value of this non-monetary contribution by checking with local suppliers to see how much they would charge for renting similar equipment for the same period. If that amount is greater than \$200, a non-monetary contribution must be reported. If it is \$200 or less, the contribution is deemed nil and does not have to be reported.
2. Paula, a self-employed individual in the business of providing information technology services, offers to set up the computers in the registered party's office and does not charge for the service. This is a non-monetary contribution from Paula. The commercial value is equal to the lowest amount she normally charges for the same kind of service of similar scope.

## Who can contribute?

Only individuals who are Canadian citizens or permanent residents of Canada can make a contribution to a registered party, a registered association, a candidate, a leadership contestant or a nomination contestant.

Contributions can be accepted from minors, but political entities should consider whether the person is contributing willingly and using their own property or money.

**Note:** Corporations, trade unions, associations and groups cannot make contributions.

## Limits on contributions, loans and loan guarantees to a registered party

This table displays the limits for registered parties. The limits for all entities are available in Chapter 1, **Reference Tables and Timelines**.

Limits on contributions, loans and loan guarantees to a registered party		
Political entity	2025 annual limit	Limit per election called between Jan. 1 and Dec. 31, 2025
To each registered party	\$1,750*	n/a
<b>Notes</b>		
<ul style="list-style-type: none"><li>• Only individuals who are Canadian citizens or permanent residents can make contributions.</li><li>• The contribution limits apply to total contributions, the unpaid balance of loans made during the contribution period, and the amount of any loan guarantees made during the contribution period that an individual is still liable for.</li><li>• The sum of these three amounts cannot exceed the contribution limit at any time during the relevant contribution period.</li></ul>		
There is an exception to the limits on contributions:		
<ul style="list-style-type: none"><li>• Fees collected for membership in a registered party of no more than \$25 per year for a period of no more than five years are not contributions. For example, a party could charge \$125 for a five-year membership without a contribution being made. However, this exception applies only if the payment is made by the individual who wishes to become a member of the registered party.</li></ul>		
*The limits increase by \$25 on January 1 in each subsequent year.		

### Examples

1. Max decides to contribute \$1,750 to the registered party he supports. In addition, he makes a \$750 contribution to the party's registered association in his riding. When a federal election is called in the same year, he makes a \$1,000 contribution to the candidate representing the party in his riding. With that, Max reaches the annual limit for contributions to the registered party as well as the annual limit for contributions to any combination of candidates, registered associations and nomination contestants of the registered party. He could still make a contribution to political entities of other registered parties.
2. Indra makes a \$1,000 monetary contribution in March to the registered party she supports. The next month, she makes a non-monetary contribution with a commercial value of \$750 to the same party. Indra has now reached the annual limit for contributions to that registered party.

3. Clara made a \$1,750 contribution to the registered party she supports. Later that year an election is called and Clara makes another \$100 contribution to the same party. The chief agent, however, is aware of the contribution made earlier in the year and returns the cheque to Clara because she has already reached her annual limit.
4. Peter gave a \$1,750 loan to a registered party early in the year. The full amount is still outstanding on December 31. Consequently, Peter could not have made another loan, contribution or loan guarantee that year to the registered party. The sum of contributions, loans and loan guarantees cannot exceed the contribution limit at any time during the relevant contribution period.

**Note:** These examples use the limits in effect for 2025.

## Volunteer labour is not a contribution

### 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 can volunteer for a political entity, 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 an eligible contributor under the contribution rules and stay within their contribution limit.

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

Volunteer labour cannot be provided by corporations, trade unions, associations or groups, though individual employees or members can independently choose to volunteer.

**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, offers to work in the evenings in the registered party's office to answer the phone and help with general office duties. This is volunteer labour and therefore is not a contribution.
2. Alex, a self-employed graphic designer offers to design a pamphlet for the registered party free of charge. Because Alex is self-employed and normally charges for that service, the pamphlet design is not volunteer labour. The commercial value of the service has to be recorded as a non-monetary contribution. In this case, the commercial value is the lowest amount Alex normally charges for that service.

## Paying volunteers for part of their work

Volunteers can be paid for part of their work, 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.

Once an agreement is in place, the registered party is liable for the related expenses.

For work performed during the election period, compensation is almost always an election expense. Before the election period, it is occasionally an election expense. It is never an election expense after the election period. Please see **Campaign workers and related expenses** in Chapter 9, **Election Expenses**, for details on timing of work and expense reporting.

Parties cannot pledge to pay their volunteers or pay an honorarium on condition that the party has sufficient funds after the election. This would constitute a gift rather than compensation and be subject to the \$200 nominal gifts threshold (see the next section).

An invoice is required for payments of \$50 and over, setting out the nature of the expense. Because compensation expenses can vary widely, it is advisable to also have a written agreement or other documentation about a volunteer's compensation to support all amounts being reported. Note that if a campaign worker has been added to the party's payroll, they are treated as a regular staff member (see the **Office expenses** section in Chapter 9), and an employment agreement can be used in place of an invoice.

**Note:** If the party pays its workers, it may have to issue T4 or T4A slips to them for income tax purposes. See the Canada Revenue Agency website for more information.

### Examples

1. Sam works full-time as an administrative officer on the staff of a member of Parliament. When an election is called, in order to volunteer for the registered party, Sam takes an unpaid leave of absence (or paid, if the leave was earned under regular terms of employment that do not specify leave for the purpose of helping a political entity). The party offers Sam a fixed amount of \$1,000 for the hours he will work during the election period. The chief agent puts this agreement in writing at the start of the campaign, and the amount is an election expense that has to be reported.
2. Suzanne is being paid to manage the registered party's social media accounts. Suzanne has signed an agreement that lists the tasks she will perform and her hourly wage. Often, when she has finished her paid work, Suzanne volunteers for the party. This is an acceptable combination of paid and volunteer work. The expenses incurred under the agreement are expenses that have to be reported. The volunteer labour is not reported.
3. The chief agent pledges to give Saul, a volunteer who works every day during the election period, \$700 if the party has money left at the end of the election. If the chief agent makes this payment, which was conditional on sufficient funds, it is not compensation but a gift that is subject to the \$200 nominal gifts threshold. The party may only gift Saul \$200. No part of the payment is an election expense or eligible for reimbursement.

### Nominal gifts and thank-you parties

The registered party can give each volunteer nominal gifts up to a total value of \$200 and throw a thank-you party after an election without this being considered compensation. The nominal gifts can be monetary, such as an honorarium, or non-monetary. The associated expenses are not subject to the election expenses limit or eligible for reimbursement.

#### **Example**

1. After the election, the registered party holds a pizza party for its volunteers. They are each given a \$50 travel bag and a \$100 gift card in appreciation of their hard work. The cost of the gifts and thank-you party is a registered party expense not subject to the election expenses limit or eligible for reimbursement.
2. The chief agent decides to give a volunteer, Saul, \$200 at the end of the election. This is an acceptable nominal gift (and is the maximum that Saul can receive in total gifts from the party for the election). The \$200 is not subject to the election expenses limit or eligible for reimbursement.

#### **OGI reference**

For a detailed discussion of this topic, please refer to Elections Canada's interpretation note 2019-01, *Volunteer Labour*, on the Elections Canada website.

### Party convention or leadership convention fees are contributions

The payment of fees by or on behalf of an individual to attend a party convention or a leadership convention is a contribution to the registered party. Ineligible contributors cannot pay attendance fees for themselves or on behalf of others.

The contribution amount is the difference between the amount paid by the individual and the commercial value of any tangible benefits received. Tangible benefits include such things as lodging, meals, drinks and gifts directly received by the convention attendee. The general expenses incurred by the party in holding the convention, such as room or audiovisual equipment rental, would not be deducted from the convention fee.

### Sponsorship or advertising at a political event is a contribution

A transaction involving the receipt of money by a political entity in exchange for advertising or promotional opportunities directed at members or supporters of the political entity is not recognized as a commercial transaction. Any money received as part of such an arrangement is to be treated as a contribution that is subject to the contribution limit and eligibility rules.

#### **Example**

The registered party holds a golf tournament as a fundraiser. The party encourages individuals to sponsor a hole: for \$200, they can have their names printed on a small sign attached to the flag pole. The full amount paid by each individual is a contribution to the party. The party does not ask corporations or unions to sponsor a hole because only individuals can make contributions.

## Activities conducted by others in coordination with the party may be contributions

### General rule

Whether outside or during an election, people or groups other than affiliated political entities (that is, third parties) will sometimes conduct activities that benefit a registered party. As a general rule, if the third party acts independently of the party, there is no contribution. Rather, the activity is an expense of the third party and is subject to all applicable rules.

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

If the third party directly provides goods or services to the party, this is clearly a contribution. As well, if an activity was coordinated with the registered party, the expense that the third party incurs for the activity may be a non-monetary contribution. Any such contribution will be subject to all the contribution rules, 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, registered parties should act independently of third parties to avoid accepting possibly ineligible or illegal contributions.

The coordination of an activity that benefits the registered party may result in a contribution if the registered party 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 registered party 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 registered party
- the registered party gives the third party information about its policy positions
- the registered party gives the third party publicly available information
- the registered party 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 registered party 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.

### Participating in third party events

When a third party invites a party leader or other party representative to an event during a pre-election or election period, and the invitation can reasonably be seen to have the purpose of promoting the registered party, the event is regulated.

An event is not regulated if:

- the invitee is a member of Parliament and their participation is reasonably tied to their parliamentary duties (in the pre-election period only, as Parliament is dissolved during an election period)
- the event is a debate or part of a series of near-identical events with competing candidates or leaders
- the leader was invited for a clear purpose other than to promote them in the context of the election

A combination of the factors below may also suggest that an event is not regulated:

- the party leader plays a marginal role in the event, such as making brief remarks that are not central to the event
- the event is not partisan in nature, such as a charity event (keeping in mind that an issue-based event may still be partisan, depending on how the third party presents the issue)
- the organizer is not conducting any other activities that are regulated under the third party regime or that result in a contribution to the party
- the event and invitation list were planned before the election was called (outside the context of a fixed-date general election)

A regulated event will be either a third party partisan activity or a contribution. It is a contribution if:

- it is held on the registered party's initiative, or
- there is coordination with the registered party that suggests the third party is not acting independently

Basic communication between a third party and registered party about an event does not affect the third party's independence and does not amount to coordination. The third party can seek agreement about logistics (date, time and the leader's topic), provided that these communications are not strategic discussions to maximize the benefit to the registered party's wider campaign. The third party can also inform the registered party about the venue, audiovisual equipment, other speakers and the audience.

Where an event is a potential contribution, if the third party is not an eligible contributor or is an individual who would exceed their contribution limit, they must be contracted as a supplier in advance and invoice the registered party for the amount that would otherwise be a contribution.

### Examples

1. During the election period, a party leader requests to make a policy statement in a company's factory with employees standing in the background. The company agrees. As the event is being held on the registered party's behalf, it results in a potential contribution. The company must invoice the registered party for the commercial value of property and services it provided for the event so that it does not make an illegal contribution. That amount is also an election expense of the registered party. As the commercial value of using part of the factory floor as a meeting space is not ascertainable, it is not included in the calculation.
2. During the election period, a third party organization decides to hold an event to endorse a registered party. The third party and the party work together to arrange the time, place, speaking points and guest list. Given this coordination, the event is a potential contribution. The third party must invoice the registered party for the commercial value of property and services it provided for the event so that it does not make an illegal contribution. That amount is also an election expense of the registered party.
3. During the pre-election period, a registered party 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 party.

**Note:** Some situations that are not coordination may still be collusion during a pre-election period or election period, especially if they involve the sharing of information. See Chapter 12, **Interacting with Third Parties in the Pre-election and Election Periods**.

### OGI reference

For a detailed discussion of this topic, please refer to Elections Canada's interpretation note 2021-01, *Participating in Third Party Campaign-Style Events During Pre-election and Election Periods*, on the Elections Canada website.

## Accepting and recording contributions

Only the chief agent and authorized registered agents can accept contributions to the registered party.

The tables below summarize some important points about accepting and recording contributions received in different scenarios.

Where a home address is required below, please note the following:

- A mailing address can be accepted if it is the address that the contributor regularly uses to receive mail for their household (for example, a general delivery address in a rural area).
- An address that is both the contributor's home and business address is valid as a home address.
- The party does not have to validate each address, but it should specifically request a home address from contributors. This will limit the issues that may need to be resolved when Elections Canada audits contributions.

<b>Contribution range</b>	<b>What to keep in mind</b>
\$20 or less	<ul style="list-style-type: none"> <li>• It can be accepted as an anonymous contribution.</li> </ul>
Over \$20 and up to \$200	<ul style="list-style-type: none"> <li>• The contributor's full first and last names must be recorded. Initials cannot be accepted.</li> <li>• A contribution receipt must be issued.</li> <li>• To issue a tax receipt, the agent must also record the contributor's home address. A business address cannot be accepted in its place.</li> </ul>
Over \$200	<ul style="list-style-type: none"> <li>• The contributor's full first and last names must be recorded. Initials cannot be accepted.</li> <li>• The contributor's home address must be recorded. A business address cannot be accepted in its place.</li> <li>• A contribution receipt must be issued.</li> </ul>
<p><b>Note:</b> When contributions from an individual to a party reach a total of over \$200 in a fiscal year, their name, partial address and contribution amounts disclosed in the financial return will be published on the Elections Canada website.</p>	

<b>Contribution method</b>	<b>What to keep in mind</b>
E-transfer	<ul style="list-style-type: none"> <li>• If only the contributor's name is available in the bank record, contact the individual for other required information.</li> </ul>
Online payment service	<ul style="list-style-type: none"> <li>• An online processing fee might apply.</li> <li>• The full contribution amount has to be recorded as a contribution, and the processing fee has to be recorded as a registered party expense.</li> </ul> <p>For example, if the party receives a \$500 contribution through an online payment service and the net deposit to the bank account is \$490, the chief agent has to record and issue a receipt for a contribution of \$500 and record a registered party expense of \$10.</p>
Untraceable instrument	<ul style="list-style-type: none"> <li>• We recommend that parties only accept contributions made by way of a traceable instrument.</li> <li>• A party may wish to reject contributions made by money order, bank draft or prepaid credit card, unless it is confident of the contributor's identity and that the contributor has used their own funds.</li> </ul>

Contribution source	What to keep in mind
Joint bank account (cheque)	<ul style="list-style-type: none"> <li>• It is generally reported under the name of the individual who signed the cheque.</li> <li>• If the cheque is accompanied by written instructions signed by both account holders indicating how the contribution is to be allocated to the contributors, the contributions are to be reported in accordance with that agreement.</li> </ul>
Joint bank account (credit card)	<ul style="list-style-type: none"> <li>• Where a contribution is made by credit card, and the credit card balance will be paid from a joint bank account, the contribution is generally reported under the name of the cardholder.</li> <li>• A contribution can be made on the same credit card by a person who shares the joint bank account but is not the named cardholder. However, the party should get certification that the contributor is using their own funds (for example, by adding a checkbox with this certification to its online contribution system).</li> </ul>
Partnership	<ul style="list-style-type: none"> <li>• The partnership must provide the following information in writing: <ul style="list-style-type: none"> <li>– names and home addresses of each contributor</li> <li>– the voluntary nature of each contribution</li> <li>– who it is intended for</li> <li>– the amount of each contribution</li> </ul> </li> <li>• The instructions must be signed and dated by each contributor.</li> <li>• Each contributing partner should reduce their next draw of income from the partnership by the amount of their contribution.</li> </ul>
Unincorporated sole proprietor	<ul style="list-style-type: none"> <li>• It must be recorded in the individual's name (not the business name), using the contributor's home address when an address is required.</li> </ul>

## Accepting contributions of cryptocurrency

A contribution of cryptocurrency is non-monetary and not eligible for a tax receipt.

The contribution amount is the commercial value of the cryptocurrency at the time that it was received. There are two ways to determine the commercial value:

- If the transfer passed through a payment processor (such as BitPay) that provided an exchange rate, use that rate.
- If the transfer did not go through a payment processor or no exchange rate was provided, use a reasonable rate on a major exchange platform (such as Coinbase) at the time closest to when the transfer was sent. The valuation must be readily ascertainable and verifiable.

A transaction in cryptocurrency will almost always involve a processing fee. The full amount sent by the individual is a contribution to the political entity, and the processing fee is an expense.

Political entities should set up a two-step process to identify contributors of over \$20 and record transaction information from the blockchain so that contributions can be audited.

For contributions up to \$200, if the contributor is not in the business of selling cryptocurrencies, the contribution amount is deemed nil. But the contributor must still be eligible under the contribution rules. Over \$20, the registered party must keep a record of the contributor's name.

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

#### **OGI reference**

For a detailed discussion of this topic, please refer to Elections Canada’s interpretation note 2019-12, *Cryptocurrencies*, on the Elections Canada website.

### **Issuing contribution receipts**

A receipt has to be issued for each monetary contribution over \$20 or non-monetary contribution over \$20 that is not deemed nil.

Only the chief agent and authorized registered agents can provide official receipts for contributions, including tax receipts. Tax receipts can be issued only for monetary contributions.

We recommend that the chief agent use Elections Canada’s Electronic Financial Return (EFR) software to issue all receipts. EFR is free and can be accessed from the Political Entities Service Centre.

#### **Example**

Clara contributed \$500 to the registered party she supports. Later in the same year when an election was called, Clara contributed \$300 to Peter, a candidate for that party in her riding. Clara will receive a receipt for \$500 from the registered party and a receipt for \$300 from Peter’s campaign.

### **Determining the date a contribution is made**

As most contribution limits apply per calendar year, the date a contribution is made is important. It is also important for reporting purposes because this same date will be used as the “date received” in the registered party’s return.

The date a contribution is made is generally the date the contribution is in the hands of the chief agent or an authorized registered agent. There are exceptions for contributions made by regular mail, by post-dated cheque and electronically.

<b>How contribution is made</b>	<b>Date contribution is made</b>
In person	The date the contribution is in the hands of the chief agent or an authorized registered agent.
By regular mail	The date of the postmark on the envelope. If the postmark is not legible, the contribution is made on the date the agent receives the mail. The party should keep the stamped envelope as part of its records.
Post-dated cheque by any means	The date on the cheque.
Electronically (e-transfer, credit card, PayPal, etc.)	The date the contributor initiates the transaction. If the transaction is post-dated, the contribution is made on the date specified by the contributor.

### **Examples**

1. On December 23, 2024, Lucy goes to the registered party's office and gives a cheque in the amount of \$300, dated for the previous day. The chief agent deposits the cheque on January 10, 2025. The contribution is made on December 23, 2024. The chief agent issues a receipt for 2024, and the amount counts toward Lucy's 2024 contribution limit.
2. Hassim makes an e-transfer to the registered party on December 23, 2024, but the chief agent does not process the amount until January 10, 2025. The contribution is made on December 23, 2024. The chief agent issues a receipt for 2024, and the amount counts toward Hassim's 2024 contribution limit.
3. The chief agent receives a cheque from Janelle in the mail on January 5, 2025. The cheque is dated December 28, 2024, and the postmark on the envelope is December 30, 2024. The contribution is made on December 30, 2024. The chief agent issues a receipt for 2024, and the amount counts toward Janelle's 2024 contribution limit.
4. The chief agent receives a cheque from Andrew and deposits it in the registered party's bank account. A few days later, when checking the account online, the chief agent notices that the bank has charged the account a fee because the cheque did not have sufficient funds. No contribution has been made and the bank charge is a registered party expense. If Andrew issues a new cheque later, the contribution is made on the date associated with the new contribution.

### **Recording anonymous contributions**

If anonymous contributions of \$20 or less are collected during an event related to the party, the chief agent or an authorized registered agent has to record:

- a description of the function at which the contributions were collected
- the date of the function
- the approximate number of people at the function
- the total amount of anonymous contributions accepted

Anonymous contributions of \$20 or less may also be received outside the context of a particular function. In that case, the chief agent or a registered agent has to keep track of the total amount collected plus the number of contributors.

### **Example**

Volunteers of the registered party organize a wine and cheese event one evening and invite local residents. Approximately 40 people show up. During the evening, one of the organizers passes a basket around to collect cash contributions from the attendees. She informs the guests about the contribution rules: a maximum of \$20 can be accepted from any one individual as an anonymous cash contribution. At the end of the evening there is \$326 in the basket.

The organizer remits the contributions to the chief agent after the event, along with the following details: a description and the date of the event, the approximate number of people who attended (40), and the amount collected in anonymous contributions (\$326). The chief agent records the event details, deposits the amount into the party's bank account and reports the contributions in the annual return.

## Remitting anonymous contributions that cannot be accepted

If the chief agent or a registered agent receives a contribution that is:

- over \$20 and the name of the contributor is not known, or
- over \$200 and the name and home address of the contributor are not known

the chief agent has to send the ineligible amount (that is, the amount over \$20 or \$200) without delay to Elections Canada.

Contributions can be remitted to Elections Canada by cheque payable to the Receiver General for Canada (by mail to 30 Victoria Street, Gatineau, Quebec, K1A 0M6) or by bank transfer. To send a bank transfer, contact Elections Canada's Political Entities Support Network for account information and instructions.

## Ineligible contributions

The chief agent and registered agents are responsible for ensuring that contributions are in accordance with the rules set out in the *Canada Elections Act*.

The following contributions are ineligible:

- cash contributions over \$20
- contributions from corporations, trade unions, associations and groups
- contributions that exceed the limit
- indirect contributions (no individual can make a contribution that comes from money, property or the services of another person or entity)
- contributions from a person who is not a Canadian citizen or a permanent resident
- contributions an individual makes as part of an agreement to sell goods or services, directly or indirectly, to a registered party or a candidate (for example, a registered party cannot agree to buy signs from a local dealer in exchange for a contribution)

## Returning ineligible or non-compliant contributions

The chief agent or a registered agent must not accept a contribution that exceeds the limit and should not accept any other type of ineligible contribution.

The chief agent has to return or remit a contribution (or the excess amount of an over-the-limit contribution) within 30 days of becoming aware that:

- it is ineligible, or
- it was received as part of a regulated fundraising event for which the publication or reporting requirements were not complied with

An ineligible or non-compliant contribution must be returned to the contributor or remitted to Elections Canada, based on whether or not it was used. If the contribution is unused, it is returned to the contributor. If it was used or is impossible to return, it is remitted to Elections Canada.

A monetary contribution is considered used if the party's bank account balance fell below the ineligible or non-compliant amount at any time after the contribution was deposited into the bank account.

Contributions can be remitted to Elections Canada by cheque payable to the Receiver General for Canada (by mail to 30 Victoria Street, Gatineau, Quebec, K1A 0M6) or by bank transfer. To send a bank transfer, contact Elections Canada's Political Entities Support Network for account information and instructions.

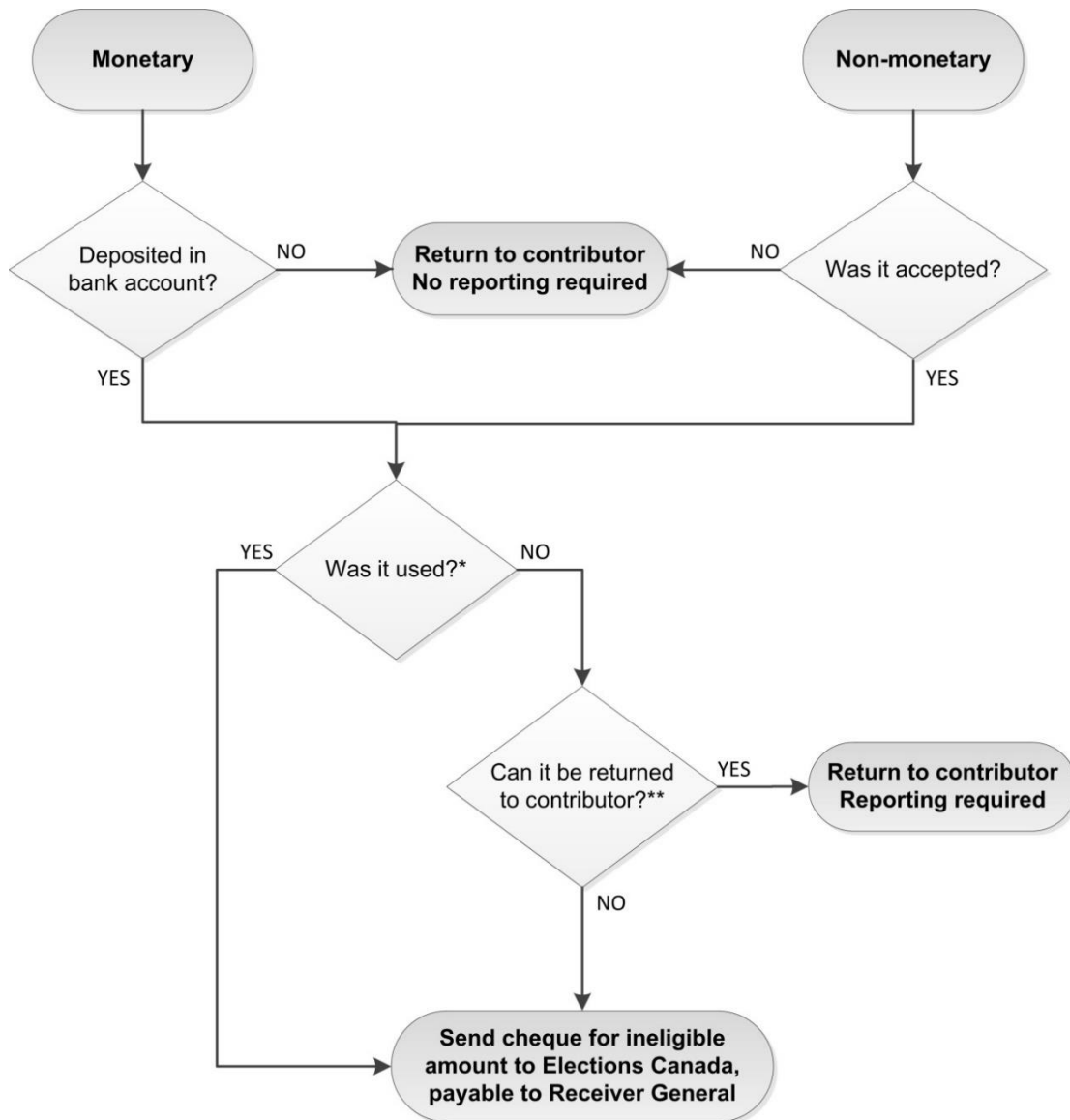
Flowchart 1 explains how to administer ineligible or non-compliant contributions in different scenarios.

### **Examples**

1. The chief agent of a registered party deposits a cheque for \$950 from a contributor. When he enters the contribution in the books, he notices that the same person has already contributed \$1,000 in that year. Within 30 days, assuming the money has not been spent, the chief agent has to issue a cheque for the excess amount, \$200, and send it to the contributor. He records a returned contribution of \$200.
2. The chief agent receives a cheque for \$2,000 from a contributor. As this is obviously an over-contribution, the chief agent cannot deposit the cheque. She sends it back to the contributor uncashed, and no reporting is required.
3. An individual makes a non-monetary contribution to the party by offering the use of office equipment for a week. The chief agent later realizes that the commercial value of renting the same office equipment is \$1,775, which is higher than the contribution limit. The equipment was used, so he sends a cheque for the excess amount of \$25 to Elections Canada, payable to the Receiver General for Canada. He records a contribution of \$1,750, a returned contribution of \$25 and an expense of \$1,775.
4. The chief agent receives a notice from Elections Canada a couple of months after the reporting deadline. It states that a person who contributed \$1,000 to the party on two occasions exceeded the annual limit by \$250. Since the deposit date of the second contribution, the registered party's bank account balance had fallen below the ineligible amount of \$250 and the funds were therefore used. The chief agent must remit \$250 within 30 days of becoming aware of the contravention. To obtain funds, she could organize a fundraising event or request a transfer from an affiliated political entity. Once the money is available, the chief agent sends a cheque for the excess amount to Elections Canada, payable to the Receiver General for Canada. She records a returned contribution of \$250.

**Note:** These examples use the limits in effect for 2025.

### Flowchart 1: Returning ineligible or non-compliant contributions



\*A monetary contribution was used if the party's bank account balance fell below the ineligible amount at any time after the contribution was deposited into the bank account.

\*\*For example, the contributor's address is known and there are no obstacles to prevent the return.

## Collecting online contributions on behalf of candidates

A registered party may set up a system on its website to collect online contributions to candidates, acting only as an intermediary.

The contributions cannot be deposited into the registered party's general bank account. They must be held in a separate account opened for that sole purpose until they are disbursed to the intended recipients. One bank account may be used for all of the party's candidates.

If a contribution to a candidate is processed through the party website:

- the contribution is made to the candidate and counts toward the limit for contributions to candidates, not to the registered party
- the party sends the contribution amount, less the actual fees charged by the payment processing company, to the candidate's campaign (the party cannot deduct any additional amount)
- the party also sends supporting documents that show the contributor's name, contribution amount, date the contribution was made, and so on
- the official agent reports the full amount given as a contribution from the individual and issues a receipt
- the official agent reports the processing fee as an other electoral campaign expense

### **Example**

Bernice makes a \$50 contribution to a candidate using the registered party's online contribution system. The payment processing company charged a \$1 transaction fee, so the registered party sends the candidate's campaign \$49 and details about the contribution. The official agent records a contribution of \$50 from Bernice and an other electoral campaign expense of \$1. The official agent issues a receipt to Bernice for \$50, keeping in mind that the receipt is only valid for tax purposes if the contribution was made after the candidate was confirmed and no later than election day.

### **OGI reference**

For a detailed discussion of this topic, please refer to Elections Canada's interpretation note 2018-06, *Online Contributions Made to Candidates Through the Registered Party*, on the Elections Canada website.

## 4. Loans

*This chapter discusses eligible sources of loans and how different loans and interest are reported. It covers the following topics:*

- *Getting a loan*
- *Types of loans*
- *Loan interest*
- *Repaying a loan*

### Getting a loan

Loans are used as a source of financing. The chief agent has to manage the registered party's finances properly to ensure that all loans are repaid.

A registered party may receive loans from either a financial institution or an individual who is a Canadian citizen or permanent resident. A registered party may also receive a loan from a registered association of the party. Loans from any other person or entity are not permitted.

A written loan agreement must accompany all loans.

**Note:** The chief agent has to report details of all loans in the annual financial return, including names and addresses of lenders and guarantors, loan and guarantee amounts, interest rates, and payment dates and amounts. If any information changes, the chief agent must send an update to Elections Canada without delay.

### Loans from financial institutions

There is no limit to the amount a registered party can borrow from a financial institution. Note however that if the financial institution requires a loan guarantee, only a registered association of the party or individuals who are Canadian citizens or permanent residents can guarantee the loan. The amount an individual guarantees is subject to the individual's contribution limit.

**Note:** A financial institution must charge a fair market rate of interest on loans made to a registered party. Any forgone interest resulting from the financial institution charging a lower interest rate would constitute a non-monetary contribution from an ineligible contributor.

### Example

The registered party is planning to borrow \$17,500 and the bank requires a guarantor for the loan. Because guarantees from individuals are subject to the contribution limit, the party needs at least 10 individuals to guarantee the requested amount. Each guarantor is limited to guaranteeing \$1,750 of the total loan amount. Alternatively, a registered association of the same party may guarantee the whole amount.

**Note:** This example uses the limits in effect for 2025.

## Loans from a registered association

There is no limit to the amount a party can borrow from a registered association of the party. A registered association of the party can also guarantee loans obtained from financial institutions. There is no limit to the amount a registered association of the party can guarantee.

## Loans from individuals

If an individual obtains a personal loan from a financial institution and lends those funds to a registered party, the lender is the individual and not the financial institution. The loan amount would be subject to the individual's contribution limit.

An individual can lend money to a registered party as long as the total of the individual's contributions, the unpaid balance of loans made that year and the amount of any outstanding loan guarantees made that year does not at any time exceed the contribution limit for the calendar year.

**Note:** An individual cannot use the money, property or services of another person or entity to make a loan to a registered party, if the other person or entity provided those resources to make the loan possible.

### *Example*

Khaled made a \$750 contribution to the registered party he supports. In addition, he takes out a \$1,000 personal loan from his bank and lends it to the party. With that, Khaled has reached the annual limit for contributions, loans and loan guarantees to the registered party.

**Note:** This example uses the limits in effect for 2025.

## Types of loans

### Term loan

A term loan is repaid in regular payments over a set period. It may be either a fixed rate loan, allowing the borrower to lock in at a specific interest rate, or it may be a variable rate loan, where the interest rate fluctuates over time.

### Demand loan

A demand loan is a loan with no specific payment deadline. It is due whenever the lender demands to be repaid. We recommend that the written loan agreement for a demand loan include a maximum term for the repayment.

## Overdraft protection and line of credit

When the party uses overdraft protection or a line of credit, it is reported as a loan. If the financial institution requires a guarantee, only a registered association of the party or individuals who are Canadian citizens or permanent residents can guarantee the overdraft or line of credit. The amount an individual guarantees is subject to the individual's contribution limit.

For an overdraft or line of credit, the chief agent has to report the following information:

- the amount of the loan
- the name and address of the financial institution
- the interest rate charged
- the full name and address of any guarantors and the amounts they have guaranteed
- for a line of credit where funds were transferred into the bank account before being used, the dates and amounts of any payments of principal and interest
- the unpaid balance at the end of each calendar year and as of the date of the return

The amount of the loan is calculated as follows:

- for an overdraft, it is the maximum amount overdrawn during the fiscal year
- for a line of credit where funds were transferred into the bank account before being used, it is the sum of all transfers to the bank account during the fiscal year
- for a line of credit where funds were paid directly to the supplier, it is the maximum amount drawn during the fiscal year (and this is reported as an overdraft rather than a line of credit)

### **Example**

The registered party's bank account has overdraft protection of \$1,000. The account goes into overdraft by \$200 and the chief agent pays back \$100 within the same day. Later on that day, the chief agent withdraws another \$400 from the same account, bringing the highest amount overdrawn during that year to \$500. On December 31 the account is no longer in an overdraft position.

The maximum overdraft amount to be reported in the registered party's annual financial return is \$500, while the balance on December 31 to be reported is nil.

## Loan interest

The chief agent has to record the interest rate of each loan in the registered party's annual financial return.

Interest incurred on a loan is an expense, whether it is paid or accrued. The interest expense accrued during an election period on a loan obtained to finance an election campaign is an election expense.

If the interest rate on a loan from an individual is lower than the market interest rate, the chief agent will need to record the forgone interest as a non-monetary contribution from the individual.

**Note:** If the loan is from an individual who is not in the business of lending money and the forgone interest on the loan is \$200 or less, the non-monetary contribution is deemed to be nil.

## Repaying and reporting unpaid loans

There is no time limit for a registered party to repay its loans.

However, the registered party's annual financial return must include the following schedules related to unpaid loans:

- statement of unpaid loans
- previously reported loans that have been paid in full since the last fiscal period
- statement of loans that remain unpaid 18 or 36 months after their due date

**Note:** Loan repayments have to be reported for all types of loans except overdraft protection and lines of credit used to pay suppliers directly.

## 5. Transfers

This chapter explains the rules and procedures for accepting and sending transfers. It covers the following topics:

- What is a transfer?
- What cannot be transferred?
- Administering transfers sent to and by the party
- Irregular transfers

### What is a transfer?

A transfer is a provision of funds, property or services between specified political entities of the same political affiliation. Where specifically permitted under the *Canada Elections Act*, a transfer is not considered to be a contribution, and contribution rules therefore do not apply.

Monetary transfer	Non-monetary transfer
A monetary transfer is a transfer of funds.	A non-monetary transfer is a transfer of property or services. The amount of a non-monetary transfer is the commercial value of the property or service.  Unlike non-monetary contributions from individuals not in the business of providing that property or service, a non-monetary transfer has to be reported even if its commercial value is \$200 or less.

Transfers are permitted only between related political entities (registered party, electoral district association, candidate and leadership or nomination contestant) of the same political affiliation.

However, not all types of entities are authorized to provide all types of transfers. For a quick reference guide to eligible and ineligible transfers, see the *Transfers—types and rules* table in Chapter 1, **Reference Tables and Timelines**.

**Note:** If an invoice requiring payment is prepared by one political entity and sent to its related political entity, together with the original supplier invoice representing the commercial value of the goods or services provided, this is not a transfer but a sale of goods or services from one entity to another.

## Transfers of expenses are prohibited

It is important to differentiate between the candidate's electoral campaign expenses and the expenses of the candidate's registered party. The *Canada Elections Act* specifies separate expenses limits for the registered party and each of its candidates. The Act prohibits the transfer of expenses without accompanying property or services. Each entity has to report the expenses it incurred for property and services it used during the electoral campaign.

## Transfers sent to the registered party

Only the chief agent and authorized registered agents can accept transfers on the registered party's behalf. The following transfers may be accepted by a registered party:

- property, services or funds from any registered association of the registered party
- property, services or funds from a candidate of the registered party
- funds from a nomination contestant of the registered party
- funds from a leadership contestant of the registered party

**Note:** Transfers may not be accepted from provincial parties or electoral district associations of provincial parties. Transfers from a registered provincial division of a federal registered party are considered transfers from the registered party.

### **Example**

After election day, a candidate's campaign transfers 100 unused signs and 750 recovered signs to the registered party. The commercial value of the 850 signs is calculated by the candidate's campaign, and the registered party reports the amount as a non-monetary transfer from the candidate.

## Transfers sent by the registered party

Only the chief agent and authorized registered agents can send transfers on the registered party's behalf.

The registered party may transfer funds to the following political entities:

- an electoral district association of the registered party, whether the association is registered or not
- a leadership contestant who is receiving directed contributions from the party (these can be sent after the contestant has registered with Elections Canada)
- a candidate of the registered party

The registered party may transfer property or services to the following political entities:

- an electoral district association of the registered party, whether the association is registered or not
- a nomination contestant, if the non-monetary transfer is offered equally to all contestants
- a leadership contestant, if the non-monetary transfer is offered equally to all contestants
- a candidate of the registered party

**Note:** A non-monetary transfer is "offered equally" if the same property or service is offered, even if the commercial value is different for each recipient. For example, the party can offer all leadership contestants free travel to a leadership debate from different parts of the country.

For transfers to a candidate, the following should be kept in mind:

- before an election is called, transfers from the party to a candidate are allowed as long as:
  - the candidate has appointed an official agent
  - in the case of monetary transfers, the official agent has opened a campaign bank account
- after the election period, monetary transfers from the party to a candidate are allowed only to pay claims and loans related to the candidate’s campaign

**Example**

The registered party purchases signs and transfers them to a candidate’s campaign. The party sends a copy of the original supplier invoice to the candidate’s campaign and reports the commercial value of the signs as a non-monetary transfer. The candidate’s official agent reports the same commercial value as an electoral campaign expense and as a non-monetary transfer from the registered party.

**Irregular transfers**

The *Canada Elections Act* specifies the types of transfers that are permitted and not treated as contributions. Elections Canada refers to non-permitted transfers of funds, property or services as “irregular transfers.”

When the registered party sends or accepts an irregular transfer, the consequence will depend on the sender, recipient and transfer type. In some cases, irregular transfers will be treated as contributions; in other cases, they will be dealt with according to other rules in the Act.

The tables below explain the consequences for irregular transfers between affiliated political entities only.

**Irregular transfers sent by the registered party**

Recipient of irregular transfer sent by party	Transfer type	Consequence
Nomination contestant Leadership contestant	Monetary (other than directed contribution to leadership contestant)	Prohibited transfer with offences for sender and recipient; not a contribution
Nomination contestant Leadership contestant	Non-monetary, not offered equally to all contestants	Prohibited transfer with offence for sender; not a contribution

**Example**

A registered party sends funds (other than a directed contribution) to its preferred contestant in the party’s leadership contest. This is not an allowable transfer. Both the chief agent or authorized registered agent who sent the funds and the financial agent who accepted them have potentially committed an offence.

## Irregular transfers sent to the registered party

Sender of irregular transfer accepted by party	Transfer type	Consequence
Nomination contestant	Non-monetary	If capital asset, improper surplus disposal with offence for sender; not a contribution*
Leadership contestant	Non-monetary	If capital asset, improper surplus disposal with offence for sender; not a contribution*

\*Remaining non-capital assets or services can be provided to the party, but they must either be sold to the party or contributed by the contestant as a personal non-monetary contribution.

### **Example**

After holding a nomination contest, a registered party accepts tablets valued at \$300 each from a contestant's campaign. This is not an allowable transfer. It is an improper disposal of surplus by the contestant that will need to be corrected. To properly dispose of the tablets, which are capital assets, the campaign should have sold the tablets at fair market value and transferred the proceeds of the sale to the party.

### **OGI reference**

For a detailed discussion of this topic, please refer to Elections Canada's interpretation note 2022-02, *Irregular Transfers Between Affiliated Political Entities*, on the Elections Canada website.

## 6. Fundraising

*This chapter explains what portion of an amount given during a fundraising activity is a contribution and clarifies when fundraising expenses are election expenses. It covers the following topics:*

- *Determining the contribution amount when contributors receive a benefit*
- *Fundraising expenses*
- *Regulated fundraising events*
- *Typical fundraising activities (sale of branded goods, auctions, ticketed events, non-ticketed events and draws)*

### **Determining the contribution amount when contributors receive a benefit**

**If a registered party receives funds, property or services from a contributor and gives them a benefit in return, is there a contribution?**

When a contributor receives a benefit, there is often still a contribution to report, but the contribution amount may be only a portion of the full amount given. The general rule is to deduct the value of the benefit from the amount given to arrive at the contribution amount. For example: \$100 amount given – \$25 value of benefit = \$75 contribution.

However, there are other factors to consider, as explained below. It is possible that the full amount given will be a contribution.

### **Are commercial transactions also subject to the fundraising rules?**

No, the fundraising and contribution rules do not apply to commercial transactions. These are transactions that take place outside of a political context, where the political entity is equivalent to any participant in the market and the buyer pays no more than the value of the item. An example is a party that sells assets at a retail market price.

#### *OGI reference*

For a detailed discussion of this topic, please refer to Elections Canada's interpretation note 2017-06, *Contributions and Commercial Transactions*, on the Elections Canada website.

### **What is considered a benefit?**

A benefit could be property (for example, a T-shirt or dinner), the use of property, services or another benefit that a contributor receives in exchange for their contribution. It may be received immediately or promised for the future.

### **How is the value of a benefit determined?**

There may be more than one acceptable way to determine the value of a benefit, depending on the type of fundraising activity. For example, the value may be the party's actual cost for the property or service, its commercial value (when originally received as a contribution or transfer), its appraisal value or its price in the retail market. By retail market, we mean an open and unrestricted market, where buyers are not influenced by political considerations.

For ticketed fundraising events, benefits must be valued in a specific way. It is described in the **Typical fundraising activities** section below, along with the most practical ways to value the benefit for other fundraising activities.

### What if the benefit has no ascertainable value?

If a registered party provides a benefit whose value cannot be reasonably ascertained, there is no amount to deduct. The full amount given is a contribution.

### What if the benefit is access to a politician?

If the benefit is access to a politician or other political actor, the full amount given is a contribution, even if the registered party has established a value for access. Such a payment is usually made to show partisan support and to buy influence or goodwill. It is therefore subject to the contribution rules.

### What if the benefit is not significant (below the nominal threshold)?

Often, the value of the benefit provided to a contributor is not significant. The benefit is provided to thank the contributor and may also serve to promote the party. When the value of a benefit is not significant (for example, a party pin received in exchange for a large contribution), it is usually ignored and the full amount given is a contribution. This simplifies reporting because it does not require a benefit to be deducted.

To know whether a benefit is significant, it must be checked against the “nominal threshold” (or *de minimis* threshold). A benefit is significant only if its value exceeds 10% of the amount given or \$75, whichever is less. If the contributor receives multiple small benefits, their values are added together to determine whether the overall benefit is significant.

The nominal threshold does not apply to:

- cash or near-cash items, such as gift certificates
- benefits that are the object of a ticketed fundraising event, such as the meal at a ticketed fundraising dinner

Those benefits are never considered to be nominal; their value is always deducted.

The use of the nominal threshold to decide whether a benefit is significant aligns with the Canada Revenue Agency’s guidance.

#### Examples

1. In exchange for making a \$40 contribution, contributors receive a T-shirt with the party logo. The value of the T-shirt is \$10. In this case, since the value of the T-shirt exceeds 10% of the amount given, \$10 is deducted from the amount given. The contribution is \$30.
2. Contributors who make a \$100 contribution receive a keychain with the party logo. The value of the keychain is \$5. In this case, since the value of the keychain does not exceed the lesser of 10% of the amount given and \$75, no benefit is deducted from the amount given. The contribution is \$100.
3. Contributors who make a \$100 contribution receive a \$5 gift card. Even though the value of the gift card is less than 10% of the amount given, gift cards are never considered to be nominal. The \$5 value is deducted from the amount given, and the contribution is \$95.

**Note:** In examples 1 and 2, there may be different ways to calculate the value of the benefit, depending on the type of fundraising activity. See the **Typical fundraising activities** section below for more information.

## What is different when calculating the eligible amount of a contribution to issue a tax receipt?

There are some unavoidable differences in how the Canada Revenue Agency requires the eligible amount of a contribution to be calculated for tax credit purposes compared with how a contribution is calculated for political financing purposes. The differences are the following:


- A registered party may have to deduct a set of “advantages” that is different from the “benefits” used to calculate a contribution for political financing purposes.
- The value of the “advantage” for tax credit purposes may be different from the value of the “benefit” for political financing purposes, even if it is the same property or service.
- A contribution under the *Canada Elections Act* will not always be eligible for a tax credit under the *Income Tax Act* (for example, if the advantage has no ascertainable value).

References to Canada Revenue Agency guidance on calculating the eligible amount of a contribution are included in the **Typical fundraising activities** section below.

## What is the effect of these differences when issuing a tax receipt?

To issue an official receipt that is valid for both political financing and tax credit purposes, a registered party must calculate and report up to four amounts:

- the benefit amount for political financing purposes
- the contribution amount for political financing purposes
- the advantage amount for tax credit purposes
- the eligible amount of the contribution for tax credit purposes

 <p>EC 20025 (06/2024)</p>			<p><b>Reçu pour une contribution faite à un parti enregistré</b></p>			<p><b>Receipt for a contribution to a registered party</b></p>			<p>N° de reçu / Receipt no.</p> <input type="text"/>																		
<p>Contribution reçue le / Contribution received</p> <table border="1"> <tr> <td>jj dd</td> <td>mm mm</td> <td>aaaa yyyy</td> </tr> </table>			jj dd	mm mm	aaaa yyyy	<p>Reçu émit le / Receipt issued</p> <table border="1"> <tr> <td>jj dd</td> <td>mm mm</td> <td>aaaa yyyy</td> </tr> </table>			jj dd	mm mm	aaaa yyyy	<table border="1"> <tr> <td>Montant monétaire donné / Monetary amount given</td> <td>–</td> <td>Avantage reçu - LIR / Advantage received - ITA</td> <td>=</td> <td>Montant admissible aux fins de l'impôt - LIR / Amount eligible for tax purposes - ITA</td> </tr> <tr> <td>Avantage reçu - LEC / Benefit received - CEA</td> <td></td> <td>Montant de la contribution - LEC / Amount of contribution - CEA</td> <td></td> <td></td> </tr> </table>			Montant monétaire donné / Monetary amount given	–	Avantage reçu - LIR / Advantage received - ITA	=	Montant admissible aux fins de l'impôt - LIR / Amount eligible for tax purposes - ITA	Avantage reçu - LEC / Benefit received - CEA		Montant de la contribution - LEC / Amount of contribution - CEA			<p>Description de l'avantage / Description of advantage and benefit</p> <input type="text"/>		
jj dd	mm mm	aaaa yyyy																									
jj dd	mm mm	aaaa yyyy																									
Montant monétaire donné / Monetary amount given	–	Avantage reçu - LIR / Advantage received - ITA	=	Montant admissible aux fins de l'impôt - LIR / Amount eligible for tax purposes - ITA																							
Avantage reçu - LEC / Benefit received - CEA		Montant de la contribution - LEC / Amount of contribution - CEA																									
<p>Nom complet et adresse domiciliaire du donateur / Full name and home address of contributor</p> <input type="text"/>						<p>Parti enregistré / Registered party</p> <input type="text"/>																					
<p>Agence du revenu du Canada : <a href="https://canada.ca/organismes-bienfaisance-dons">canada.ca/organismes-bienfaisance-dons</a> Canada Revenue Agency: <a href="https://canada.ca/charities-giving">canada.ca/charities-giving</a></p>						<p>Nom de l'agent autorisé / Name of authorized agent</p> <input type="text"/>																					
<p><b>Avis de confidentialité</b> Une entité politique recueille des renseignements personnels pour délivrer le reçu de contribution exigé au par. 366(1) de la <i>Loi électorale du Canada</i>. Ces renseignements sont communiqués à Elections Canada et peuvent être publiés sur son site Web relativement au rapport financier d'une entité politique. Elections Canada conserve vos renseignements dans le fichier de renseignements personnels Elections PPU 010, décrit à <a href="https://elections.ca">elections.ca</a>. Vous pouvez consulter, le cas échéant, la politique de l'entité politique délivrant un reçu sur l'utilisation et la protection de vos renseignements.</p>						<p><b>Privacy notice</b> Personal information is collected by a political entity to issue a contribution receipt, as required by subs. 366(1) of the <i>Canada Elections Act</i>. Information from the receipt is shared with Elections Canada and may be published on its website as part of a political entity's financial return. Your information as held by Elections Canada is associated with personal information bank Elections PPU 010, described at <a href="https://elections.ca">elections.ca</a>. The political entity issuing the receipt may have a policy that you can consult on how it uses and protects your information.</p>																					

### OGI reference

For a detailed discussion of this topic, please refer to Elections Canada's interpretation note 2024-03, *Fundraising*, on the Elections Canada website.

## Fundraising expenses

### Are any fundraising expenses excluded from election expenses?

Even though fundraising helps to promote a registered party, some expenses for property or services that are used to raise funds during the election period are excluded from election expenses. They are:

- contribution processing fees
- expenses for a fundraising activity, other than expenses for advertising or promotional material or expenses for a non-ticketed fundraising event

Although the above expenses are not election expenses, they must be reported as the registered party's expenses in the annual financial return.

### What are contribution processing fees?

They are expenses that the registered party incurs to process contributions, which may include bank charges, credit card processing fees, fees for other payment services (such as PayPal), salaries of fundraising staff and salaries for data entry when contributions are received.

### What fundraising expenses are election expenses?

Any expense related to promoting a fundraising activity during an election period is an election expense. For example, expenses for these activities during an election period are considered to be election expenses:

- producing and distributing invitations to a ticketed fundraiser
- procuring and distributing promotional items, such as pens or T-shirts
- producing and mailing a letter or pamphlet that solicits contributions
- producing and using a script for telephone calls that solicit contributions

### Is there an election expense when the activity is not directly linked to fundraising?

Expenses for promotional activities that are not directly linked to fundraising are election expenses, if the activities take place during an election period. In these cases, incurring an expense and accepting a contribution are separate transactions.

For example, expenses for these activities are considered to be election expenses, despite having a fundraising component:

- non-ticketed events held to promote a party or its leader, where contributions are also solicited
- door-to-door promotion of a party or its leader, where contributions are also solicited (in this case, salaries or other amounts paid to canvassers are election expenses)
- contacting electors by phone or by other means to promote a party or its leader, where contributions are also solicited (in this case, salaries paid to staff are election expenses)

## Regulated fundraising events

### What is a regulated fundraising event?

A regulated fundraising event is an event that meets all these conditions:

- it is organized to financially benefit a registered party with a seat in the House of Commons (or, during a general election, a party that had a seat on dissolution) or one of its affiliated entities
- it is attended by one of these prominent people: the party leader, the interim leader, a leadership contestant or a federal Cabinet minister (minister of the Crown or minister of state)
- at least one person had to pay or contribute over \$200 to attend or to have another person attend

**Note:** Events held in person, online or by telephone are all potentially regulated. A prominent person is "attending" if they are present at the event in real-time. By contrast, if they are present only by prerecorded video or audio message, they are not attending the event.

It excludes the following events:

- a leadership debate
- a party or leadership convention
- a donor appreciation event at a party or leadership convention
- an event where at least one person gave over \$200 to attend or to have another person attend but no part of these amounts was a contribution

Flowchart 3 can be used to check whether a fundraising event is regulated.

Any person can attend an event, even if they are not a Canadian citizen or permanent resident, as long as they did not make a contribution in order to attend. For example, an eligible contributor can pay to bring a foreign guest.

**Note:** Fundraising events organized after an election or a contest for the financial benefit of a candidate or a contestant continue to fall under these rules.

### Are leadership contestants after a contest period and ministers during an election still prominent attendees?

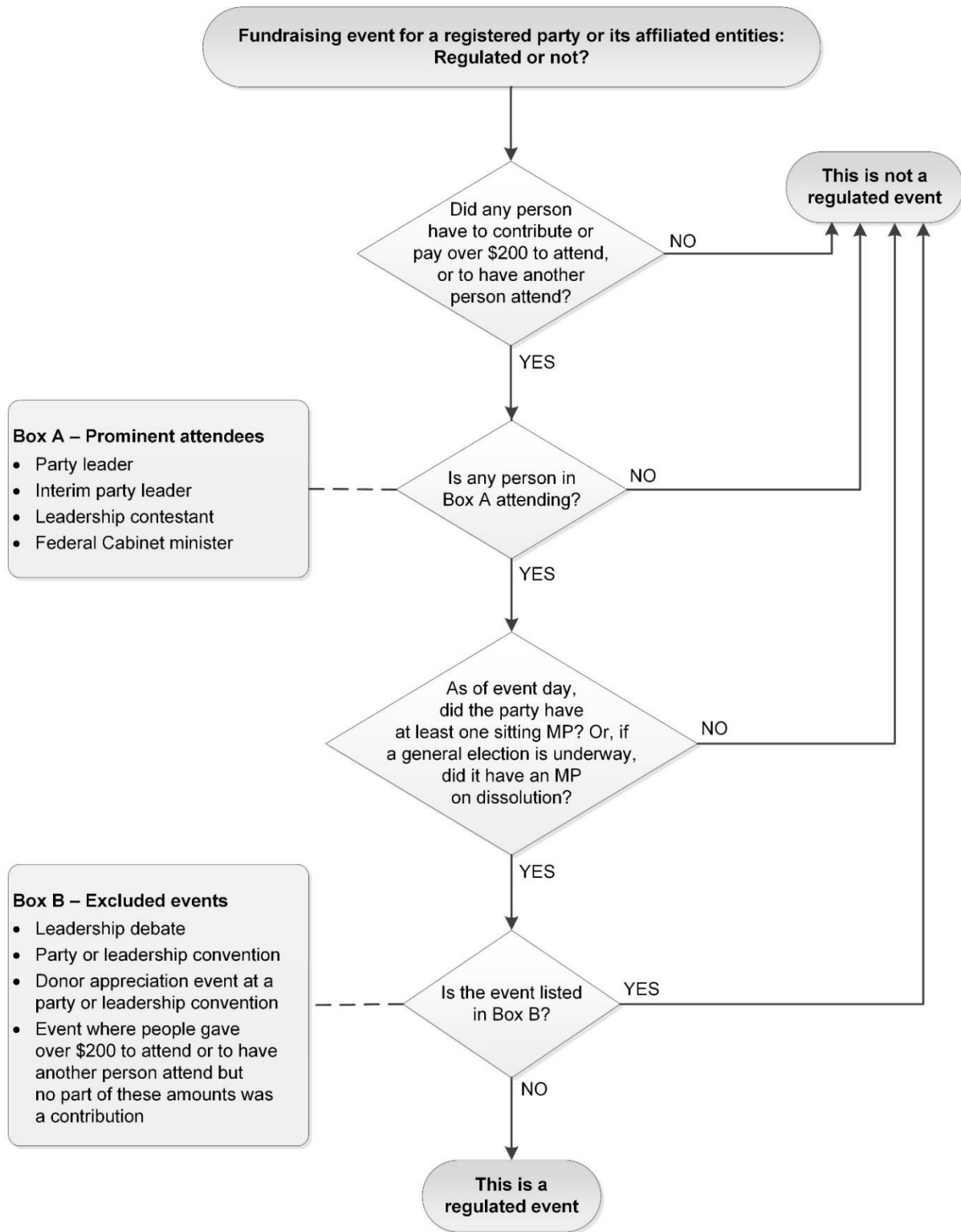
Leadership contestants continue to be contestants and prominent attendees after the contest period, until they have fulfilled their reporting obligations (for example, after they have paid their claims and loans, disposed of surplus and closed the bank account).

Leadership contestants should wait for confirmation from Elections Canada, following its review of their financial returns, that they are no longer prominent attendees.

Ministers continue to be prominent attendees during an election.

**Note:** A regularly updated list of leadership contestants who are prominent attendees is available on the Elections Canada website under Political Financing > View Regulated Fundraising Events.

### Flowchart 3: Regulated fundraising events



### **Examples**

1. Barbara paid the \$250 ticket price to attend a wine and cheese organized to benefit a nomination contestant. The guest of honour is a federal Cabinet minister who supports the contestant. This is a regulated fundraising event. Even though Barbara's contribution is only \$190 after the benefit is deducted, the event is still regulated because the ticket price was over \$200 and part of the payment was a contribution.
2. Mehdi paid the \$225 entrance fee to play in a baseball tournament organized to benefit a candidate. The candidate is attending but there will be no prominent attendees from the party. This is not a regulated fundraising event.
3. A leadership contestant's campaign charges \$250 for participants to join a virtual event held on a videoconferencing platform. The contestant will also be online, interacting with attendees. This is a regulated fundraising event.
4. The registered party sells tickets to its fundraising dinner with the party leader for \$150 each. Jim buys a table of tickets for \$1,200 and brings his family. Even though he paid more than \$200 total for himself and his guests, no single person was required to pay over \$200 to attend. This is not a regulated fundraising event. This event would be regulated if a person had to buy a whole table.
5. A registered association is holding an end-of-year donor appreciation event for people who contributed \$1,000 or more to the association or the registered party, or in combination to both. The interim party leader will be in attendance. This is a regulated fundraising event.
6. As a thank-you to contributors, a party leader holds a teleconference with individuals who regularly contribute \$1,500 or more per year. This is a regulated fundraising event.
7. The registered party has a monthly giving program that requires a minimum contribution of \$60 per year. The party hosts an event with a federal Cabinet minister. For individuals who are not part of the program, the ticket price is \$185. For individuals who are part of the program, the ticket price is \$150. This is not a regulated fundraising event because no person had to pay or contribute over \$200 to attend. Being part of the program is not a requirement to attend; it simply gives individuals a discount from the regular price of \$185.
8. During a leadership convention, the registered party holds a donor appreciation event for people who contributed \$500 or more during the year. If people have not contributed \$500, they can buy tickets for \$100 in order to attend. The party leader will be present. This is not a regulated fundraising event. This event would be regulated if tickets were sold for over \$200 or if it were not held during a convention.

## Disclosure requirements for a regulated fundraising event

A regulated fundraising event is organized to benefit a registered party or one of its affiliated entities. In all cases, the party is the one responsible for disclosing the event to the public and Elections Canada.

The party may need information from organizers to meet the disclosure requirements.

<p>If all or part of the event was organized by the registered party</p>	<p>Other organizers have no official role to play in providing information to the party.</p>
<p>If all of the event was organized by other persons or entities</p>	<p>Organizers have to give the party the information it needs to follow the disclosure rules. See details in the table below.</p> <p>Information must be provided far enough in advance of the disclosure deadline that the party has time to publish or report on it. Parties may wish to set an internal deadline for receiving information and share it with potential organizers.</p> <p>Organizers must notify the party as soon as possible about changes to the information they provide.</p> <p><b>Note:</b> If an event was organized by more than one political entity, they should coordinate sending information to the party.</p>

The disclosure requirements are different for fundraising events held outside and during a general election.

Events held outside a general election	
Notice 5 days before the fundraising event	Reporting to Elections Canada after the fundraising event
<p>1. Publish an event notice in a prominent place on the party website and keep it online until the event begins.</p> <p>The notice must include:</p> <ul style="list-style-type: none"> <li>• event date and time</li> <li>• event location, including all of the following: <ul style="list-style-type: none"> <li>– venue name (e.g. name of a commercial venue or, for a private residence, the words “private residence”)</li> <li>– municipality, province or territory, and postal code</li> </ul> </li> <li>• name of each entity or person that the event is organized to financially benefit</li> <li>• name of each prominent attendee whose attendance makes the event a regulated event (e.g. party leader)</li> <li>• required amount of contribution or payment to attend</li> <li>• individual to contact for more information about the event</li> </ul> <p>2. Send Elections Canada the <i>Notice of a Regulated Fundraising Event</i> form.</p> <p><b>Note:</b> Five days’ notice means that if an event is held on a Saturday, the latest day to give notice is Monday of that week. For events held virtually, the venue name can be “online” or “teleconference.” No address needs to be provided.</p>	<p>Submit the <i>Regulated Fundraising Event Report</i> within 30 days after the event.</p> <p>The report must include:</p> <ul style="list-style-type: none"> <li>• same information required in an event notice (excluding the individual to contact for event information)</li> <li>• name of each person or entity that organized the event or part of it</li> <li>• name, municipality, province or territory, and postal code of attendees aged 18 or older (some exceptions apply*)</li> </ul>

Events held during a general election	
Notice before the fundraising event	Reporting to Elections Canada after the fundraising event
No notice is required.	<p>Within 60 days after election day, submit a single <i>Regulated Fundraising Event Report</i> on all events held during the election period.</p> <p>For each event, the report must include:</p> <ul style="list-style-type: none"> <li>• event date and time</li> <li>• event location, including all of the following: <ul style="list-style-type: none"> <li>– venue name (e.g. name of a commercial venue or, for a private residence, the words “private residence”)</li> <li>– municipality, province or territory, and postal code</li> </ul> </li> <li>• name of each entity or person that the event was organized to financially benefit</li> <li>• name of each prominent attendee whose attendance made the event a regulated event (e.g. party leader)</li> <li>• required amount of contribution or payment to attend</li> <li>• name of each person or entity that organized the event or part of it</li> <li>• name, municipality, province or territory, and postal code of attendees aged 18 or older (some exceptions apply*)</li> </ul> <p><b>Note:</b> For events held virtually, the venue name can be “online” or “teleconference.” No address needs to be provided.</p>

\*In addition to minors, attendees are not listed in the reports if they attended solely for the following purposes:

- to assist someone with a disability
- as an employee involved in organizing the event
- as part of a media organization or as a freelance journalist
- as a member of security or support staff for the prominent attendee who led to the event being a regulated event
- to provide volunteer labour

**Note:** For virtual events, it may be difficult to control attendance and produce an accurate list of attendees. Organizers should exercise due diligence so that an accurate report of all attendees can be filed. For example, they could advise people who sign up for an event that attendance is being published and that the link or phone number to attend is for their use only.

**Examples: Event notices on a party website**

1. **Fundraising dinner** (*event name is optional*)  
 January 1, 2025, at 7:00 p.m.  
 ABC Restaurant, Ottawa, ON, A0A 0A0

In support of: XYZ Electoral District Association  
 Featuring: the Honourable Mary Marcel  
 Tickets: \$250

More information: Paul Parcel at paul@xyz-eda.ca

## 2. Donor appreciation event\* (*event name is optional*)

January 2, 2025, at 7:30 p.m.  
ABC Event Space, Vancouver, BC, A0A 0A0

In support of: XYZ Party  
Featuring: Sally Sorel and Gavin Gorel  
Contribution: \$150–\$500  
More information: Paul Parcel at 1-800-000-0000

\*Other than a donor appreciation event at a party or leadership convention, which would not be a regulated fundraising event.

### Updating a party website notice and correcting or revising a report to Elections Canada

After publishing an event notice on its website, if the registered party becomes aware that some of the information has changed or is incorrect, it must replace the old information on its website as soon as feasible. The party should also notify Elections Canada of the update by email ([political.financing@elections.ca](mailto:political.financing@elections.ca)).

After submitting a report on an event to Elections Canada, if the registered party becomes aware that some of the information has changed or is incorrect, it must submit a corrected or revised version of the report. For details on updating reports, see **Additional reporting if corrections or revisions are required** in Chapter 14, **Reporting**.

**Note:** For the party website notice to be compliant, **all** the elements required for disclosure **must** appear in the notice at least five days before the event. The elements must then be adjusted as soon as feasible if the information is incorrect or has changed.

### Returning contributions for non-compliance with disclosure rules

If the disclosure rules are not followed, the political entity that received monetary or non-monetary contributions in respect of the regulated fundraising event must return them to the contributor or remit their amount to Elections Canada.

Any of these circumstances may require contributions to be returned:

- outside a general election, the registered party fails to publish an event notice or notify Elections Canada about the event five days before it is held
- the registered party fails to submit a report by the deadline or extended deadline, or includes the name or address of a person excepted from the list of attendees (for example, a minor)
- an organizer fails to give the registered party information about an event in time for the party to publish an event notice or submit a report, or provides the name or address of a person excepted from the list of attendees (for example, a minor)
- an organizer fails to notify the registered party of changes to the information it provided
- the registered party fails to update an event notice on its website or a report to Elections Canada when it becomes aware of changes to the information

Where the non-compliance relates to incorrect information in an event notice or report, updating the notice or correcting the report as soon as feasible after becoming aware of the change or incorrect information will in most cases bring the party into compliance, so that contributions do not have to be returned. However, this is not the case if the event notice on the party website was missing information five days before the event.

### Determining the contribution amount to return

When contributions must be returned, the amount to return to each contributor or remit to Elections Canada is the contribution received from the individual in respect of the regulated fundraising event.

Both of these amounts must be returned to the contributor or remitted to Elections Canada, where applicable:

- the contribution amount, received through a ticket sale or entrance fee, that entitled the person to attend the event (that is, the ticket price or entrance fee less the fair market value of the benefit that the person was entitled to receive)
- any contribution received from the contributor during the regulated fundraising event

See the **Ticked fundraising events** section below for information about calculating the contribution amount when benefits are received.

The table below explains how different scenarios affect the return of contributions.

Scenario	Return of contributions for a non-compliant event
Participants were entitled to attend a donor appreciation event based on a previous contribution of \$250.	The previous contributions are not returned. Only additional contributions collected during the event must be returned.
Participants were entitled to attend an event by paying a \$250 ticket price.	The contribution amounts from ticket sales must be returned. Any additional contributions collected during the event must also be returned.
An event has a mix of participants who bought a ticket, made a previous contribution or attended for free.	All contributions received from ticket sales or collected during the event must be returned, even if some participants paid \$200 or less to attend. The previous contributions are not returned.

See **Returning ineligible or non-compliant contributions** in Chapter 3, **Contributions**, for more information on the process that needs to be followed when returning contributions.

#### *OGI reference*

For a detailed discussion of this topic, please refer to Elections Canada's guideline 2023-01, *Regulated Fundraising Events*, and interpretation note 2022-04, *Disclosing the Location of a Regulated Fundraising Event*, on the Elections Canada website.

## Typical fundraising activities

This section explains how to manage various fundraising activities.

### Sale of branded goods

#### How is the contribution calculated from the sale of branded goods?

The value of the branded good is generally deducted from the selling price to arrive at the contribution amount.

The way to value the branded good and calculate the contribution depends on its selling price and the price of a comparable item in the retail market, as explained below. By retail market, we mean an open and unrestricted market, where buyers are not influenced by political considerations.

Selling price is similar to the retail market price	Selling price is higher than the retail market price
<p>When the registered party sells the branded good for a price that is similar to the price of a comparable item in the retail market:</p> <ul style="list-style-type: none"><li>• The value of the branded good is the party's selling price.</li><li>• Because the selling price and value are the same, there is no contribution to report.</li><li>• Any profit from the sale is reported by the party as other revenue.</li></ul> <p>The party could use its actual cost for the item as the item's value, if it is similar to the retail market price, but this method may be less practical since it may result in small contributions that must be reported rather than no contributions.</p> <p><b>Note:</b> This activity must not be used to circumvent the contribution rules. For example, a party cannot sell a large number of items to one buyer as a way to bring in excess, untraceable or illegal contributions.</p>	<p>When the registered party sells a branded good for a price that is higher than the price of a comparable item in the retail market:</p> <ul style="list-style-type: none"><li>• The value of the branded good is the price of a comparable item in the retail market.</li><li>• Because the selling price is higher than the value, the buyer is making a contribution that will need to be reported.</li><li>• The contribution amount is the selling price less the price of a comparable item in the retail market.</li></ul> <p>Check against the nominal threshold: If the benefit's value does not exceed 10% of the amount given or \$75, whichever is less, then the benefit is considered nominal. Do not deduct its value to arrive at the contribution amount.</p>

**If there is a contribution from the sale of a branded good (i.e. the selling price is higher than the retail market price), is a receipt required?**

Because a registered party needs to issue receipts for contributions over \$20, the sale of a branded good will require a receipt under the *Canada Elections Act* only when the selling price less the retail market price exceeds \$20.

If a buyer purchases multiple items, a receipt must be issued when the total sale amount (per sales transaction) less the total value of items purchased exceeds \$20. For example:

- An individual buys three cups from the party’s online store. Each cup results in a \$10 contribution. A receipt for \$30 must be issued.
- An individual buys two cups from the party’s online store. Each cup results in a \$10 contribution. A receipt does not have to be issued. The \$20 contribution is reported under anonymous contributions of \$20 or less.

Keep in mind that, if the party’s selling price is similar to the price of a comparable item in the retail market, there are no contributions to report and no receipts to issue (unless the party uses its actual cost as the value of the benefit—see the question above).

**What election expenses are reported?**

The expenses incurred to produce and distribute branded goods (i.e. promotional material) that are distributed during an election period are election expenses.

**Examples**

1. A registered party sells coffee cups with the party logo for \$15, which is similar to the price of comparable cups in the retail market. There are no contributions to report from the sale of the cups.
2. A registered party sells coffee cups with the party logo for \$40. The party determines that the price of similar cups in the retail market ranges from \$15 to \$25. Since \$40 is more than the price in the retail market, the sale of a cup will result in a contribution. The party can use the higher retail price, \$25, as the value of the cup. As a result, the contribution is \$15 (\$40 – \$25).\*

\*Check against the nominal threshold: Since the \$25 value exceeds \$4 (10% of the \$40 given), the benefit is significant, and the nominal threshold does not apply. The value of the benefit is deducted from the amount paid to arrive at the contribution amount.

**Canada Revenue Agency reference**

For the sale of branded goods, the Canada Revenue Agency does not have specific guidance about determining the contribution amount that is eligible for a tax credit. See the general guidance in Income Tax Folio S7-F1-C1, [Split-Receipting and Deemed Fair Market Value](#).

## Auctions

### How are contributions calculated from the donation and sale of auction items?

An auction may lead to contributions from both the donor of the property or service that is auctioned and the winning bidder. The calculations for each situation are different.

Donor's contribution	Winning bidder's contribution
<p>The donor of a property or service that is being auctioned has made a non-monetary contribution. The contribution amount is the commercial value of the donated property or service.</p> <p>Commercial value 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:</p> <ul style="list-style-type: none"> <li>the person who provided it (if the person who provided the property or service is in that business), or</li> <li>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).</li> </ul> <p>If the commercial value of a non-monetary contribution is \$200 or less, and it is from an individual not in that business, the donor's contribution amount is deemed to be nil.</p>	<p>The buyer of an auctioned property or service has made a monetary contribution only if the winning bid exceeds the value of the property or service. The contribution amount is the winning bid less the value of the property or service.</p> <p>There are several acceptable ways to value the benefit. These ways are likely the most practical:</p> <ul style="list-style-type: none"> <li>If the property or service was donated or transferred, the value is the same amount that was recorded for the contribution or transfer. (If the contribution was deemed nil, use the value before it was deemed nil.)</li> <li>If the property or service was not donated or transferred, the value is its retail price or appraisal value.</li> </ul> <p>For an auctioned property or service whose value is not ascertainable, the full amount of the winning bid is a contribution.</p> <p>Check against the nominal threshold: If the benefit's value does not exceed 10% of the amount given or \$75, whichever is less, then the benefit is considered nominal. Do not deduct its value to arrive at the contribution amount.</p>

### What election expenses are reported?

When an auction is held during an election period, most expenses incurred by the registered party to buy property or services that will be auctioned are not election expenses. They are excluded because they fall under the category of fundraising expenses.

However, because expenses for producing and distributing promotional material are specifically included as election expenses, if any of the auctioned items promote the party or its leader (such as branded goods), expenses incurred by the party for such items are election expenses.

### **Examples**

1. An individual donated a painting to a registered party for sale at the party's fundraising auction. A local art dealer appraised the painting at \$450. During the auction, the winning bid for the painting was \$600.

The contribution amounts are as follows:

- The donor of the painting made a \$450 non-monetary contribution to the party.
- The winning bidder made a monetary contribution equal to the amount paid less the value of the painting:  $\$600 - \$450 = \$150$ .\*

In addition, \$450 (the painting's commercial value) is reported as an expense in the party's annual statement of revenues and expenses.

\*Check against the nominal threshold: Since the \$450 value exceeds \$60 (10% of the \$600 given), the benefit is significant, and the nominal threshold does not apply. The value of the benefit is deducted from the amount paid.

2. An individual (who is not in the business of selling office furniture) donated an office chair to a registered party for sale at the party's fundraising auction. Locally, the retail price for the chair was \$150. During the auction, the winning bid for the chair was \$250.

The contribution amounts are as follows:

- The donor of the chair made a non-monetary contribution to the party that is deemed to be nil (since the commercial value is \$200 or less, and the chair was provided by an individual not in the business of selling chairs).
- The winning bidder made a monetary contribution equal to the amount paid less the value of the chair:  $\$250 - \$150 = \$100$ .\*

Because the contribution was deemed nil, there is no expense to report.

\*Check against the nominal threshold: Since the \$150 value exceeds \$25 (10% of the \$250 given), the benefit is significant, and the nominal threshold does not apply. The value of the benefit is deducted from the amount paid.

### **Canada Revenue Agency reference**

For auctions, the Canada Revenue Agency has established somewhat different criteria than those mentioned above to determine the contribution amount that is eligible for a tax credit. See Income Tax Folio S7-F1-C1, [Split-Receipting and Deemed Fair Market Value > Charity Auctions](#).

## Ticketed fundraising events

### What is a ticketed fundraising event?

It is an event that is held for the primary purpose of soliciting monetary contributions through ticket sales or mandatory entrance fees, such as a dinner or a golf tournament.

If the primary purpose of the event is not to raise funds, and the registered party anticipates that its event expenses will be higher than ticket revenue, see the **Other ticketed events** section below.

### How are contributions calculated for a ticketed fundraising event?

The amount of a ticket buyer's monetary contribution is the ticket price less the value of the benefit that the bearer is entitled to receive. There are specific ways to value certain benefits at a ticketed fundraising event, as described below.

Ticketed fundraising dinner	Ticketed golf tournament
<p>The benefit for each ticket buyer includes:</p> <ul style="list-style-type: none"><li>• if the event is held in a rented venue, the cost of the room rental and catering (prorated)</li><li>• if the event is held in a restaurant, the amount the restaurant would normally charge for the meal (it is acceptable to take into account group or banquet rates)</li><li>• if the event is held in a private residence, the value of a comparable meal; no value is attributed to the use of an individual's private residence</li><li>• door prizes (prorated) (check against the nominal threshold)</li><li>• complimentary items such as pens or keychains (check against the nominal threshold)</li><li>• rental of audiovisual equipment and other general expenses (prorated)</li></ul>	<p>The benefit for each ticket buyer includes:</p> <ul style="list-style-type: none"><li>• green fee (excluded for golf club members whose green fees are already paid)</li><li>• cart rental</li><li>• meal</li><li>• complimentary items (check against the nominal threshold)</li><li>• door and achievement prizes (prorated) (check against the nominal threshold)</li><li>• rental of audiovisual equipment and other general expenses (prorated)</li></ul>
<p><b>Note:</b> The value of producing and distributing materials promoting the event, including ticket printing, is not part of the benefit because attendees do not gain from such activities.</p>	

### What number of attendees is used to prorate the benefit?

The value of the benefit is prorated based on the expected number of attendees rather than the actual number of attendees. For example, if food valued at \$500 is ordered for 50 people but only 40 people attend, the prorated benefit per person is still \$10 ( $\$500 / 50$  people).

Elections Canada has taken this position because a fixed value is important in terms of contribution limits: it is necessary to determine the amount of the ticket buyer's contribution in advance of the event so that individuals do not unknowingly exceed their limit.

**Note:** The expected number of attendees used in the calculation has to be reasonably supported by evidence (e.g. size of room rented, number of meals ordered).

### What election expenses are reported?

When a ticketed fundraising event is held during an election period, most expenses incurred by the registered party are not election expenses. They are excluded because they fall under the category of fundraising expenses.

However, because expenses for producing and distributing advertising or promotional material are specifically included as election expenses, any such expenses incurred before or during the fundraising event are election expenses. This includes expenses for promoting the event, printing tickets, and producing and distributing promotional items.

#### Examples

1. A registered party holds a ticketed fundraising dinner in a rented venue. Fifty attendees are expected, and tickets are sold at \$150 each. The event includes dinner, a pen with a logo for each attendee, and hockey tickets as a door prize. The party incurs the following expenses:

- room rental: \$500 ( $\$500 / 50 = \$10$  per attendee)
- catering: \$1,500 ( $\$1,500 / 50 = \$30$  per attendee)
- live band: \$300 ( $\$300 / 50 = \$6$  per attendee)
- audio equipment: \$150 ( $\$150 / 50 = \$3$  per attendee)
- hockey tickets: \$400 ( $\$400 / 50 = \$8$  per attendee)
- pen with logo: \$500 ( $\$500 / 50 = \$10$  per attendee)

The contribution amount for each ticket buyer is determined as follows:

Ticket price	\$150
<b>Less:</b>	
Room rental	\$10
Catering	\$30
Band	\$6
Audio	\$3
Hockey tickets*	\$8
Pen with logo*	<u>\$10</u>
Contribution amount	<b>\$83</b>

\*Check against the nominal threshold: The total value of benefits received that are not the object of the fundraising dinner (the hockey tickets and pen) is \$18. This exceeds \$15 (10% of the \$150 given). Therefore, the benefit is considered significant, and the nominal threshold does not apply. The value of these benefits is deducted from the ticket price.

2. A golf tournament is held during the election period to raise funds for the registered party. Participants are charged \$300, and 100 individuals are expected to attend. The party incurs the following expenses:

- green fees: \$5,000 ( $\$5,000 / 100 = \$50$  per participant)
- cart rental: \$4,000 ( $\$4,000 / 100 = \$40$  per participant)
- golf shirt with party logo: \$1,500 ( $\$1,500 / 100 = \$15$  per participant)
- door and achievement prizes: \$300 ( $\$300 / 100 = \$3$  per participant)
- mailing promoting the event: \$800

The contribution amount for each participant is determined as follows:

Participation fee	\$300
<b>Less:</b>	
Green fee*	\$50
Cart rental	\$40
Golf shirt**	—
Prizes**	—
Contribution amount	<b>\$210</b>

\*If a participant is a golf club member and would not be charged a green fee, the cost of that benefit is not deducted from the participation fee. The contribution amount is \$260.

\*\*Check against the nominal threshold: The total value of benefits received that are not the object of the golf tournament (the golf shirt and prizes) is \$18. This does not exceed \$30 (10% of the \$300 given) or \$75. Therefore, the benefit is not considered significant, and the nominal threshold applies. The value of these benefits is not deducted from the participation fee.

As well, the \$800 promotional expense is an election expense. The balance of the tournament expense is a registered party expense not subject to the election expenses limit.

**Note:** If participants are given the opportunity to sponsor a hole at a golf tournament, rules and restrictions apply. See **Sponsorship or advertising at a political event is a contribution** in Chapter 3, **Contributions**.

#### **Canada Revenue Agency reference**

For ticketed fundraising events, the Canada Revenue Agency factors in different advantages with different values than those mentioned above to determine the contribution amount that is eligible for a tax credit. See Income Tax Folio S7-F1-C1, [Split-Receipting and Deemed Fair Market Value > Fundraising guidelines](#).

## Other ticketed events

### What is an “other” ticketed event?

It is a ticketed event that is primarily held for promotional purposes rather than to raise funds. The registered party anticipates that its event expenses will be higher than ticket revenues—it charges a ticket price or entrance fee simply to offset some of the costs.

### How are contributions calculated for an other ticketed event?

The contribution amount is the difference between the amount paid by the individual and the commercial value of any tangible benefits received.

Tangible benefits include such things as meals, drinks and gifts directly received by the attendee. The general expenses incurred by the party in holding the event, such as room or audiovisual equipment rental, are not deducted from the ticket price.

### What election expenses are reported?

When a registered party holds this type of event during an election period, the expenses incurred are election expenses because they relate to producing and distributing promotional material. They are not directly linked to soliciting contributions.

**Note:** Ticketed events held for promotional purposes may still be regulated fundraising events, even if fundraising is not their primary purpose. See the **Regulated fundraising events** section above.

#### **Canada Revenue Agency reference**

The Canada Revenue Agency does not differentiate between regular and “other” ticketed events. To determine the contribution amount that is eligible for a tax credit, use the same guidelines as for a ticketed fundraising event. See Income Tax Folio S7-F1-C1, [Split-Receipting and Deemed Fair Market Value > Fundraising guidelines](#).

## Non-ticketed events

### What is a non-ticketed event?

It is an event for which no tickets are sold (and no entrance fee is charged at the door), but where contributions are solicited and received.

### How are contributions calculated for a non-ticketed event?

Contributions received at non-ticketed events are simply recorded at the amount given.

The contribution is not reduced by the value of any benefit received (e.g. food or drink) because attendees would have received the benefit whether or not they contributed. In this case, giving a contribution and receiving a benefit are unrelated transactions for political financing purposes.

### What election expenses are reported?

When a registered party holds a non-ticketed event during an election period, the expenses incurred are election expenses because they are not directly linked to soliciting contributions.

#### **Example**

A registered party organizes a free event during the election period. Light refreshments and appetizers are served while Christine, a local candidate, outlines the party's platform and answers questions. Participants have the opportunity to make a contribution to the party. Any contributions received are recorded at the amount given. The costs of the food, beverages, room rental, etc., are election expenses, together with the cost of flyers distributed during the evening.

#### **Canada Revenue Agency reference**

The Canada Revenue Agency does not differentiate between ticketed and non-ticketed events. To determine the contribution amount that is eligible for a tax credit, use the same guidelines as for a ticketed fundraising event. See Income Tax Folio S7-F1-C1, [Split-Receipting and Deemed Fair Market Value > Fundraising guidelines](#).

## Draws

### How are contributions calculated from draws or other lotteries?

An individual who buys a ticket for a draw is making a contribution equal to the ticket price. A portion of the prize value is not deducted from the ticket price because a value cannot be attached to the hope of winning.

### What election expenses are reported?

For a registered party promoting a draw during an election period, the expenses incurred for its promotion are election expenses, regardless of when the draw occurs.

### Is a licence required to hold a draw?

The registered party should consult provincial or territorial regulations before organizing draws or other lotteries. In jurisdictions where draws are permitted, a licence from the province or territory may be required.

#### **Example**

A registered party sells tickets for a draw at \$50 each. The value of the prize to be won is \$600. When an individual buys a ticket, the full amount given is a contribution. No benefit is deducted.

#### **Canada Revenue Agency reference**

For draws, the Canada Revenue Agency's guidance indicates that none of the contribution amount is eligible for a tax credit. See Income Tax Folio S7-F1-C1, [Split-Receipting and Deemed Fair Market Value > Lotteries/raffles](#).

## 7. Registered Party's Expenses

*This chapter takes a broad look at a registered party's expenses and how they are administered. It covers the following topics:*

- *What are the registered party's expenses?*
- *Who can incur and pay the registered party's expenses?*
- *How do expenses relate to non-monetary contributions and transfers?*
- *What invoices have to be kept?*
- *Auditor's fees*
- *Repaying and reporting unpaid claims*

**Note:** The chief agent is responsible for reporting the registered party's operational expenses and election expenses, and for keeping supporting schedules, as required by the *Canada Elections Act*.

### What are the registered party's expenses?

The registered party may incur operating expenses that include the normal administrative costs of maintaining the party as an ongoing entity. These expenses must be reported in the party's annual financial return.

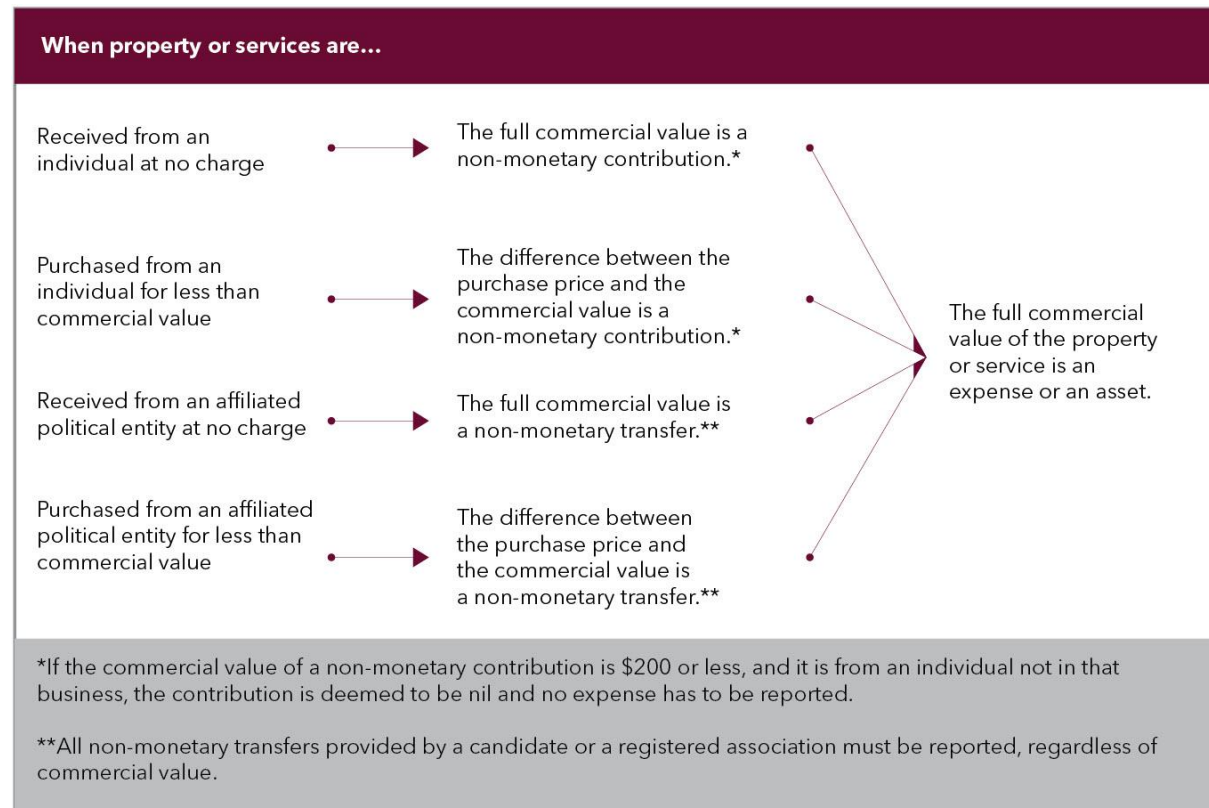
If a general election or by-election is held in a given year, a registered party might also incur election expenses. Election expenses are subject to a limit and must be reported separately for a general election. See Chapter 9, **Election Expenses**, for more information on managing these expenses.

In the year of a fixed-date general election, a registered party might also incur partisan advertising expenses for the pre-election period. Partisan advertising expenses are subject to a limit and must be reported along with the party's election expenses. See Chapter 8, **Partisan Advertising Expenses for the Pre-election Period**, for more information on managing these expenses.

## Non-monetary contributions and transfers are also expenses or assets

The registered party incurs an expense or acquires an asset when it accepts a non-monetary contribution or a non-monetary transfer of property or services.

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 is not a contribution** in Chapter 3, **Contributions**, for details.



### Examples

1. After the election is called, Simon donates office supplies—packages of paper, ink cartridges and binders—to the registered party. Buying the same items in the local stationery store would cost \$300; therefore, this is the commercial value of the donated goods. The chief agent has to record the following: \$300 as a non-monetary contribution from Simon and \$300 as an election expense.
2. The chief agent accepts tablets from a registered association during an election period for use by party volunteers. The association paid \$1,000 for the tablets and provides the chief agent with a copy of the original supplier invoice. The chief agent has to record the following: a non-monetary transfer of \$1,000 from the registered association and an election expense of \$1,000.

**Note:** Some examples in the handbook use “cost” as the amount of an expense. This is because most purchases are made at a retail price. However, if the registered party pays less than a retail price, the expense to report for the property or service is its full commercial value.

## Who can incur expenses?

The chief agent can incur the registered party's expenses. Other registered agents authorized in writing by the chief agent can also incur the registered party's expenses, but only in accordance with that authorization.

An expense is incurred when the party becomes legally obligated to pay. The timing will vary based on how the property or service is procured. For example:

- Where a written contract is executed, such as an office lease or a loan agreement, the expense is incurred when the contract is signed.
- Where there is no written contract, the expense is incurred when a verbal agreement is reached. Generally, this is when property or services are ordered or, for retail purchases, at the point of sale.

For a non-monetary contribution of property or services, the expense is incurred when the party accepts the contribution.

## Who can pay expenses?

Only the chief agent and authorized registered agents can pay registered party expenses in most cases.

There is one exception to this rule. A person authorized in writing by the chief agent or an authorized registered agent can pay petty expenses for office supplies, postage, courier services and other incidentals from the petty cash. The chief agent or registered agent must set the maximum amount that may be paid.

**Note:** If the candidate is a party leader, a registered agent of the registered party can also incur expenses for the leader's campaign as a candidate and pay them from the party's bank account.

## Invoices

If an expense of \$50 or more was incurred by the registered party, either the chief agent or the authorized registered agent who incurred the expense must keep a copy of the supplier invoice (or other document evidencing the expense) setting out the nature of the expense. Once it is paid, the agent must also keep the proof of payment.

If an expense of less than \$50 was incurred by the registered party, either the chief agent or the authorized registered agent who incurred the expense must keep a record of the nature of the expense. Once it is paid, the agent must also keep the proof of payment.

For payments made from the petty cash, the person who is authorized to pay petty expenses has to provide the documents mentioned above to the chief agent or registered agent within three months after the date the petty expense was incurred.

## Auditor's fees

Fees charged by the auditor to audit the registered party's returns are an expense of the party. The *Canada Elections Act* does not provide a subsidy in relation to audit services for a registered party.

## Repaying and reporting unpaid claims

All invoices for claims have to be submitted to the chief agent or authorized registered agents. Claims have to be paid within 36 months after payment is due.

The party's annual financial return must include the following schedules related to unpaid claims:

- statement of unpaid claims (claims past due as of December 31 or claims with no due date)
- previously reported claims that have been paid in full since the last fiscal period
- statement of claims that remain unpaid 18 or 36 months after their due date

### *OGI reference*

For a detailed discussion of this topic, please refer to Elections Canada's interpretation note 2018-09, *Unpaid Claims and Reporting Requirements*, on the Elections Canada website.

## 8. Partisan Advertising Expenses for the Pre-election Period

*This chapter discusses the rules for partisan advertising that a registered party conducts during a pre-election period, including how to administer expenses, and gives examples of activities. It covers the following topics:*

- *What is partisan advertising?*
- *What qualifies as partisan advertising on the Internet?*
- *Partisan advertising expenses*
- *Limit on partisan advertising expenses*
- *Partisan advertising conducted by a registered party*
- *Partisan advertising conducted by an electoral district association on behalf of a party*

**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.

## What is partisan advertising?

### Definition

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 the ad 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).

Traditional methods of advertising include signs, billboards, flyers, pamphlets, radio, television, newspapers or magazines. Letters addressed to a named elector are not advertising.

**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.

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

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

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

Partisan advertising conducted by the party, or by another entity on its behalf, must be authorized by the chief agent or another registered agent of the party. This authorization has to be mentioned in or on the message—for example, “Authorized by a registered agent of the XYZ Party of Canada.”

## What qualifies as partisan advertising on the Internet?

Election 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 X 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 party's website (the ongoing expenses for creating and maintaining a website are not placement costs)

**Note:** If the registered party decides to sponsor or boost social media content that was originally posted for free, it will become partisan advertising and require a tagline.

### Do posts by social media influencers qualify as partisan advertising?

Influencers are people with a strong online presence who are sometimes used by marketers to promote brands. They can be any person with an online reach that others are willing to pay for. Influencers regularly post unpaid and paid content to their social media accounts, which serve both personal and commercial purposes. As with any individual, if an influencer independently chooses to post their personal political views on the Internet without being paid, the communication is not partisan advertising.

If the registered party pays a social media influencer to post a message on the influencer's account in a pre-election period, it is partisan advertising. Influencer advertising does not have to be captured in an online platform registry, but it is subject to the tagline requirement.

A registered party simply asking for and receiving a free endorsement from an influencer will not trigger regulation. But if the party wants to discuss the posts with the influencer, see the rules and restrictions in Chapter 12, **Interacting with Third Parties in the Pre-election and Election Periods**.

### Tagline

The chief agent or another registered agent of the party has to authorize any partisan advertising, and this authorization must be mentioned in or on the advertisement—for example, "Authorized by a registered agent of the XYZ Party of Canada."

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.

### 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 registered 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 party must provide it with:

- an electronic copy of the advertisement
- the name of the registered 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

A partisan advertising expense is an expense incurred in relation to:

- producing a partisan advertising message
- transmitting a partisan advertising message

It includes the following:

- 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
- a non-monetary transfer accepted to the extent that the goods or services are used in relation to producing or transmitting a partisan advertising message

### Limit on partisan advertising expenses

The *Canada Elections Act* imposes a limit on partisan advertising expenses of registered parties for a pre-election period.

The limit for 2019 was \$2,046,800. (This is the base amount of \$1.4 million multiplied by the inflation adjustment factor in effect on June 30 of that year.)

The limit applies to the total of all partisan advertising expenses of a registered party, whether paid, unpaid or accepted as non-monetary contributions or transfers.

**Note:** Registered parties must not do anything to circumvent the partisan advertising expenses limit, including by colluding with affiliated political entities or third parties.

## Partisan advertising conducted by a registered party

When a registered party conducts partisan advertising during a pre-election period, the expenses to produce and distribute the advertising are partisan advertising expenses subject to the limit, regardless of when the expenses were incurred.

If the advertising was conducted only partly within the pre-election period, the expense for distribution may in some circumstances be allocated over the different periods (for example, when advertising is charged per day).

The expense for production is never allocated over the different periods. If the advertising is conducted during the pre-election and election periods, the full production expense counts toward both limits.

**Note:** An eligible party that becomes registered during a fixed-date general election is deemed to have been registered from June 30. This means the party must be prepared to report on its partisan advertising and respect the partisan advertising expenses limit.

### Examples

1. From June 26 to July 5 in the year of a fixed-date election, the registered party runs a TV ad that opposes the leader of another party. The ad displays an authorization statement from the chief agent. The cost to produce the ad was \$15,000, and the cost to broadcast the ad for 10 days was \$20,000, or \$2,000 a day. The chief agent must report a partisan advertising expense of \$27,000 ( $\$15,000 + (\$2,000 \times 6 \text{ days})$ ), subject to the limit. The remaining distribution expense of \$8,000 is a registered party expense not subject to a limit.
2. In early June in the year of a fixed-date election, the registered party installs signs across the country promoting itself. The signs remain in place during the pre-election period and display an authorization statement from the chief agent. The cost to produce the signs was \$15,000, and the cost to install them was \$5,000. Even though the signs were installed before the pre-election period, the full expense of \$20,000 is a partisan advertising expense subject to the limit. If the signs stay up during the election period, the same expense of \$20,000 is also an election expense subject to the limit.

## Partisan advertising conducted by an electoral district association to promote or oppose a party

An electoral district association of a registered party, whether the association is registered or not, can incur expenses and conduct partisan advertising to promote or oppose a party. This can be done without impacting its affiliated party's limit if the advertising is conducted only or mostly in the association's own electoral district.

However, if an association plans to conduct such advertising outside its electoral district, the advertising can only be done on behalf of the affiliated party, and the expenses incurred are subject to the party's limit. The association must obtain the agreement of the party beforehand. After incurring the expenses:

- if the association is registered, the property or services that the expense is incurred for must be sold or transferred to the party
- if the association is unregistered, the property or services that the expense is incurred for must be sold to the party

The party must receive a copy of the original supplier invoice for the partisan advertising expense. The expenses for partisan advertising conducted during the pre-election period, including the cost of production and distribution, are partisan advertising expenses of the party.

Partisan advertising done on behalf of the registered party must receive prior written authorization from a registered agent of the party. This authorization has to be mentioned in or on the message—for example: "Authorized by a registered agent of the XYZ Party of Canada."

For more information on how the partisan advertising rules apply to electoral district associations, see Chapter 7 of the *Political Financing Handbook for Electoral District Associations and Financial Agents*.

### Examples

1. A registered association of the party plans to produce flyers promoting the party leader and distribute them in ridings across the region during the pre-election period. Because the advertising will be distributed widely outside the association's riding, it is a partisan advertising expense of the party. The association must obtain prior written authorization from a registered agent of the party, and this authorization must be mentioned on the flyers. The association must then transfer or sell the advertising to the party. The financial agent sends an invoice to the party, along with copies of the original supplier invoices, and the party reports the production and distribution costs as partisan advertising expenses subject to the limit.
2. A registered association of the party produces flyers promoting the party leader and mails them to households in its riding, with some overlap into adjacent ridings that share postal codes. This is not a partisan advertising expense of the registered party. The flyers display an authorization statement from the financial agent of the association, and the expenses are reported in the association's annual financial return.

## 9. Election Expenses

*This chapter explains what election expenses are, describes how limits are calculated and applied, and gives examples of typical election expenses. It covers the following topics:*

- *What are election expenses?*
- *Limits on election expenses*
- *Reimbursement of election expenses*
- *Typical election expenses (election advertising, voter outreach, travel, etc.)*
- *Use of existing resources (intellectual property, office expenses, websites, etc.)*

### What are election expenses?

An election expense is:

- any cost incurred or non-monetary contribution received by a registered party to the extent that the property or service that the cost was incurred for, or that was received as a non-monetary contribution, is used to directly promote or oppose a registered party or its leader during an election period
- any non-monetary transfer received from a registered association or a candidate of the registered party to the extent that the property or services are used to directly promote or oppose a registered party or its leader during an election period

The concept of “directly promoting or opposing a registered party or its leader” is not limited to election advertising. It is to be understood broadly and includes expenses for running a campaign, such as office rental, telecommunication services, etc.

This means that most expenses reasonably incurred for property or a service used during the election period in relation to an electoral campaign are election expenses, unless they are:

- non-promotional fundraising expenses (see Chapter 6, **Fundraising**)
- accessibility expenses (see Chapter 10, **Accessibility Expenses**)

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

## Limits on election expenses

The *Canada Elections Act* imposes a limit on election expenses to facilitate a level playing field among registered parties.

The limit applies to the total of all election expenses, whether paid, unpaid or accepted as non-monetary contributions or transfers.

The chief agent and any person authorized in writing by the chief agent to incur expenses all have to respect the election expenses limit. They cannot enter into contracts or incur election expenses that exceed the limit.

The registered party will need an expense approval process to help ensure that the chief agent and any authorized persons are informed and co-operate when incurring expenses. An expense approval process and a campaign budget created at the beginning of the campaign help to manage finances effectively.

**Note:** A registered party that exceeds its election expenses limit will have its reimbursement reduced based on a sliding scale. See Chapter 15, **Reimbursements**, for details.

### How are the limits calculated?

Elections Canada calculates the election expenses limit for each registered party as follows:

- For electoral districts where the party has endorsed a candidate, \$0.735 is multiplied by the number of names appearing on the preliminary lists of electors or on the revised lists of electors, whichever is greater.
- The limit is then adjusted by the inflation adjustment factor in effect on the day the election is called.

**Note:** During an election, expenses limits are published on the Elections Canada website in the Political Entities section.

## Limits on election expenses for by-elections

When a by-election is called, Elections Canada calculates the registered party election expenses limit for the electoral district.

If multiple by-elections are being held on the same day, the limit for a particular party is calculated by adding the limits for the electoral districts in which the party has endorsed a candidate. A party with candidates in more than one electoral district may distribute its election expenses limit among the electoral districts as it sees fit.

### Limit on election expenses after a candidate's withdrawal

The registered party's final election expenses limit might be affected by a candidate's withdrawal. The allowable expense amount for an electoral district will not be included in the party's final limit if, after the party endorses a confirmed candidate, one of the following happens:

- the candidate withdraws by the deadline (5:00 p.m. on the closing day for nominations) and no replacement candidate is confirmed
- the party withdraws its endorsement of the candidate by the deadline (5:00 p.m. on the closing day for nominations) and no replacement candidate is confirmed

If a withdrawal happens after the deadline, the candidate is still considered a candidate of the party, and the party's final election expenses limit will still include the amount for that electoral district.

## Typical election expenses

The following are examples of typical election expenses.

### Traditional election advertising

#### What is election advertising?

Election advertising is the transmission to the public of an advertising message promoting or opposing a registered party during the election period.

Promoting or opposing a registered 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

Expenses incurred for advertising conducted during the election period, including the expenses for production and distribution, are to be reported as election expenses.

#### Tagline

Advertisements distributed through traditional means such as signs, billboards, flyers, pamphlets, radio, television, newspapers or magazines during an election period are election advertising and have to be authorized by the chief agent or a registered agent of the party.

This authorization has to be mentioned in or on the message—for example, “Authorized by a registered agent of the XYZ Party of Canada.”

#### 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 distributing pamphlets; putting up signs, posters or (non-web) banners; or posting messages on signs, posters or (non-web) banners during that period. Nor does it apply to transmitting a notice of an event that the party leader will attend or an invitation to meet or hear the party leader.

#### Examples

1. In anticipation of an upcoming election, the chief agent purchases flyers before the election is called and distributes them during the election period to promote the party. The expense for the flyers—including their design, printing and distribution—is an election expense. The flyers are election advertising and have to include an authorization statement from the chief agent.
2. The chief agent purchases an advertisement that is broadcast during the election period on a radio station, promoting the party. The expense for the advertisement—including its design, recording and transmission—is an election expense of the party. The advertisement is election advertising and has to include an authorization statement from the chief agent.

## Election signs

Election signs are election advertising and are subject to the tagline requirement mentioned above for traditional election advertising. They are not subject to the blackout requirement.

Expenses incurred to obtain election signs for the registered party's campaign are election expenses. Even if some signs are never installed, the expense to obtain the signs counts toward the election expenses limit.

Sometimes election signs are vandalized or stolen. If the party has many affected signs, it may want to report the expense to replace vandalized or stolen signs as a registered party expense not subject to the limit instead of an election expense. This can be done if the party:

- replaces the vandalized or stolen signs with signs of the same cost (or, if the signs are more expensive, reports the increase in cost as an election expense)
- files a police report that includes a description of the signs, their location and costs
- keeps the police report and evidence of the vandalism or theft in its records (for example, photographs or a statement from the property owner)

Signs are often used for more than one election. For details, see the **Use of existing resources** section below.

**Note:** Because uninstalled signs count toward the election expenses limit, a registered party should be mindful to purchase only the quantity of signs that it intends to install.

## Election advertising on the Internet

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

Election 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 X 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 party's website (the ongoing expenses for creating and maintaining a website are not placement costs)

However, any associated costs are election expenses. See the **Websites and web content** section below.

**Note:** If the registered party decides to sponsor or boost social media content that was originally posted for free, it will become election advertising and require a tagline.

## Do posts by social media influencers qualify as election advertising?

Influencers are people with a strong online presence who are sometimes used by marketers to promote brands. They can be any person with an online reach that others are willing to pay for. Influencers regularly post unpaid and paid content to their social media accounts, which serve both personal and commercial purposes. As with any individual, if an influencer independently chooses to post their personal political views on the Internet without being paid, the communication is not election advertising.

If the registered party pays a social media influencer to post a message on the influencer's account in an election period, it is election advertising. Influencer advertising does not have to be captured in an online platform registry, but it is subject to the tagline requirement and blackout period.

A registered party simply asking for and receiving a free endorsement from an influencer will not trigger regulation. But if the party wants to discuss the posts with the influencer, see the rules and restrictions in Chapter 12, **Interacting with Third Parties in the Pre-election and Election Periods**.

### Tagline

The chief agent or a registered agent has to authorize any election advertising, and this authorization must be mentioned in or on the advertisement—for example, “Authorized by a registered agent of the XYZ Party of Canada.”

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.

**Note:** The chief agent has to report as election expenses all the expenses related to the design, development and distribution of online communications used during an election period, regardless of whether or not they are election advertising.

### 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 registered 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 party must provide it with:

- an electronic copy of the advertisement
- the name of the registered 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.

## 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 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 registered party is able to control the transmission date—for example, a paid social media or search engine advertisement—the blackout must be respected.

The blackout also does not apply to transmitting a notice of an event that the party leader will attend or an invitation to meet or hear the party leader.

### Examples

1. The party hires a media firm to place web banners on websites and social media platforms during the election period, directing users to a video posted on YouTube. Because the web banners have a placement cost and promote the party, they are election advertising and have to be authorized by the chief agent or a registered agent. They are subject to the blackout on election day. Because there is no placement cost to post the video, it is not election advertising, but all expenses related to designing and developing the video are election expenses.
2. A group page has been created for the party on a free social networking site. Volunteers manage the page and post articles related to the party. This is not election advertising. As long as the volunteers are helping outside their regular working hours and are not self-employed in the business of managing social media, the volunteer labour is not an expense.
3. The chief agent hires a media firm to post content on the party's website during an election, promoting the party. The content is not election advertising, but all expenses related to designing, developing and posting the content are election expenses.
4. A registered party asks a social media influencer for a free endorsement during the election period. The influencer, who is active on video platforms and supports the party's policies, agrees to the request. The influencer independently decides on the content of a short video, films it with their own equipment and posts it on Instagram for free. This is neither election advertising nor a contribution to the party.

### OGI reference

For a detailed discussion of this topic, please refer to Elections Canada's interpretation note 2020-05, *Partisan and Election Advertising on the Internet*, on the Elections Canada website.

## Websites and web content

Registered parties commonly use their websites as a promotional tool during elections. This means some portion of the costs to design, host and maintain the websites are election expenses. Social media accounts might also be used to promote the registered party during the election period.

### New or pre-existing website

For a general election, the election expense is calculated by:

- determining the commercial value of designing an equivalent website (or the actual expense incurred to produce the website, whichever is lower)
- adding the prorated cost to host and maintain the website

For a by-election, the election expense is calculated by:

- identifying the pages that contain by-election content 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

In both cases, the backend costs for contribution pages and online stores are excluded because non-promotional fundraising expenses are excluded from election expenses.

#### **Example**

The registered party keeps its website online during a general election. The website's design, maintenance and hosting cost must be reported as an election expense. The chief agent calculates the expense in three parts:

- The party paid to produce the website several years ago, so the chief agent determines the commercial value of designing an equivalent website and includes it as an election expense.
- He excludes backend costs for the contributions page and online store.
- He adds the prorated cost to host and maintain the website for the length of the election period.

The chief agent determines separately the election expense for pre-existing content on the website and its social media pages.

### New web content

Expenses to produce and distribute web content are usually election expenses when the content is first posted during an election period to promote or oppose a party or its leader. 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 party is an election expense. This may include materials, equipment rental or paid labour.

If a registered party and its affiliated entities share each other's web content for free online, the expense to create the web content is reported only by the political entity that first created it (or the political entity that commissioned the content, if it was created on that entity's behalf).

## Examples

1. The registered party produces a promotional video and posts it online during the election period. The video contains footage created by the party and footage obtained at no cost in the public domain. The full expense to create, assemble and edit all parts of the video must be reported as an election expense. The footage obtained at no cost, if it would be available for free to any other registered party, is not included in the calculation. If a segment of one video is recycled into other videos of the party in the same election, the production cost of that segment is counted only once.
2. One of the registered party's volunteers attends a speaking event of the leader outside her working hours and records a short video on her cell phone. She then posts the video for free on the party's social media accounts. There is no expense to report for producing and distributing this web content.
3. During the election period, one of the registered party's candidates posts a video of himself speaking at a rally on his Instagram account. The party decides to share the video on its own Instagram account for free. The candidate's campaign reports the production and distribution cost of the video, if any, as an election expense. The party does not report an election expense for sharing an affiliated political entity's web content.

## Pre-existing web content

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

- incurred the expense to produce the content for the election, or
- promoted the content during the 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.

For greater certainty:

- If the party directs users to the home page of its website or social media accounts (for example, "Visit us online at party.ca or facebook.com/party"), only content produced for the election that is displayed on that page is an election expense.
- Despite the above, if the party directs users to a page of its website or the home page of its social media account that hosts only videos (for example, "Visit us online at party.ca/videos or youtube.com/party"), all the videos on the linked page are election expenses.
- To limit the number of videos that will count as election expenses, the party could set up a separate page for videos it intends to promote (for example, by creating a YouTube playlist or a party.ca/electionvideos page on its website) and direct users to that particular page.
- Social media icons that appear in a communication (for example, at the end of an email) are not in themselves a means of promotion, even if they contain a link to the related home page.
- Coordinated promotion includes any agreement or any other form of coordination—written or otherwise, express or implied—under which another entity, person or group promotes the party's pre-existing web content that the party is not otherwise promoting (for example, by agreeing to post links to the content).

It is important to note that, unlike election advertising, promotion can be considered to have taken place even if there was no placement cost.

Despite the above, there will be no election expense if the party can show that the content was clearly promoted solely for an event or circumstance other than the election, such as a leadership or policy convention.

### **Example**

At the end of a general election, the registered party has 200 of its own videos across its website and social media accounts, of which 180 were posted before the election period. The chief agent must determine which of these pre-existing videos are election expenses.

First, she determines which of the 180 party videos were promoted during the election. The party had linked to its pre-existing videos in the following ways:

- It posted links to its YouTube election playlist in emails and social media posts. The playlist contained 10 pre-existing videos.
- It embedded 5 other pre-existing videos in its Facebook and X posts.
- It posted links to 6 other pre-existing videos on its website.
- It displayed social media icons at the bottom of its digital communications. This does not count as promotion of the pre-existing content.

This means that 21 of the 180 pre-existing videos were promoted during the election and are likely election expenses. The chief agent does not find any videos to exclude based on their being clearly promoted solely for an event or circumstance other than the election.

Next, by looking at the totality of circumstances, the chief agent determines which of the 159 remaining pre-existing party videos were produced for the election:

- Among the 159 videos, 40 were posted in the 12 months before the general election, when the party began ramping up its election strategy.
- The chief agent looks at those 40 videos and finds that 30 were not produced for the election—they are speeches from a leadership contest, holiday messages from the previous year, etc.
- The chief agent determines that the other 10 videos are election expenses because they mention voting in the next election or are policy videos posted shortly before the election.

As a result, the chief agent reports the production and distribution costs incurred for the 31 pre-existing videos as election expenses.

### **OGI reference**

For a detailed discussion of this topic, please refer to Elections Canada's interpretation note 2018-04, *Pre-existing Web Content of Registered Parties in an Election*, on the Elections Canada website.

## **Broadcasting time**

During an election period, every broadcaster must make broadcasting time available for registered parties to purchase for the transmission of political announcements and other programming.

In addition, selected broadcasters must also provide a certain amount of free broadcasting time for registered parties.

The amount of broadcasting time is determined by the Broadcasting Arbitrator. For details about how the broadcasting time is allocated, please consult the Broadcasting Guidelines on the Elections Canada website.

## Voter contact calling services

Voter contact calling services 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 or its leader, or any position on an issue with which a registered party 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 view on a registered party or its leader or on any issue with which a registered party or its leader is associated
- raising funds for a registered party

Expenses incurred for voter calls conducted during the election period, including the cost of production and distribution, are election expenses.

**Note:** A registered party must register with the Canadian Radio-television and Telecommunications Commission (CRTC) if it uses a calling service provider or automatic dialing-announcing device to make voter calls during an election period. Refer to the CRTC's Voter Contact Registry web page for details.

### *OGI reference*

For a detailed discussion of this topic, please refer to Elections Canada's interpretation note 2019-11, *Application of Partisan and Election Advertising Rules to Telephone Calls*, on the Elections Canada website.

## Mass text messaging

When a registered party sends mass text messages during the election period to promote itself or oppose another party, the expenses incurred for production and distribution are election expenses.

While they may result in election expenses, text messages sent by a registered party are generally not regulated by the CRTC under Canada's Anti-Spam Legislation. The messages are covered only if they are commercial in nature, excluding a text whose primary purpose is to solicit a contribution. This means that text messages promoting or opposing a registered party, asking for an elector's vote or asking for a contribution are not subject to CRTC rules.

Since a text message is not election advertising, there is also no requirement to identify the sender under the *Canada Elections Act*, though we recommend it as a best practice.

**Note:** For more information on text messaging, please refer to the CRTC's web page entitled "Frequently Asked Questions About Canada's Anti-Spam Legislation."

## Rental of a temporary party office

The registered party may rent temporary office space for the duration of the campaign. The portion of the rent incurred before and after the election period has to be recorded as a registered party expense. Only the portion of the rent used during the election period is an election expense.

### **Example**

The party rents an office on March 1, a month before the election is called. The rental agreement is for three months and the rent is \$300 a month. The election period is 37 days. The election expense to be recorded is the rent for the month of April, plus the rent for 7 days in May:  $\$300 + (7/31 \times \$300) = \$367.74$ . The remaining amount, \$532.26, has to be recorded as an expense of the party.

The expense incurred to install items used during the election period is an election expense even if the installation takes place before the election is called, as long as the item itself is an election expense. Installation expenses cannot be prorated.

Other office expenses include the cost of buying office supplies, such as paper or toner cartridges, or supplying refreshments during meetings.

### **Example**

The registered party pays \$500 in labour for a worker to install telephones, computers and printers in the office before the election starts. The full \$500 is an election expense because the installed equipment is used during the election period.

The campaign also pays a monthly rate of \$200 for telephone usage. The prorated cost for days during the election period is an election expense.

## Cell phones

A registered party might provide its campaign workers with cell phones for use during the election period. If the party supplies the phones, the election expense is the cost of the cell phones and monthly usage plans, prorated for the length of the election period, plus any additional fees.

If personal cell phones are used during the election period, there are two ways that the expenses may be accounted for:

- Campaign workers may ask the party to reimburse expenses that they incurred because of the election. These costs are election expenses for days during the election period.
- Campaign workers may make a non-monetary contribution of the use of their phone. If the incremental expenses that they incurred because of the election are \$200 or less (for example, additional fees per monthly phone bill) and the person is not in the business of providing cell phone service, then the contribution amount is deemed to be nil and no expense is reported.

### **Examples**

1. The registered party rents cell phones for its workers at a cost of \$30 per day over a 40-day election period. The rental company charges a usage fee per transaction. The election expense is \$1,200 ( $40 \times \$30$ ) plus any transaction fees incurred on days during the election period.
2. Ling, a campaign worker, uses her own cell phone for campaigning during an election period. On top of her usual monthly fee, she incurs an extra \$50 for data overage while campaigning door to door. Because the incremental expense that she incurred for the election is \$200 or less, Ling could make a non-monetary contribution of the data overage, and it would be deemed nil. However, the party agrees to reimburse the \$50 and reports it as an election expense.

## Voter databases, surveys and research

### Voter databases

An expense that a registered party incurs for the use of voter database software during an election period is an election expense.

The table below shows how to determine the party's election expense, based on the software arrangement. It also shows how to determine the candidate's election expense for use of the party's software, since the service must be transferred or invoiced to the campaign.

Software arrangement	Political entity	Election expense
Registered party has an ongoing contract with a supplier for use of the database software	Registered party	Amount charged by the supplier for ongoing use, prorated for the election period
	Candidate using the registered party's software	Amount charged by the supplier for additional access per candidate, prorated for the election period
Registered party owns the database software outright (customized or off-the-shelf solution)	Registered party	Commercial value of renting a similar asset for the election period* or actual purchase price, whichever is less
	Candidate using the registered party's software	Commercial value of the party renting additional access per candidate during the election period (building on the commercial value of the party renting software for itself)* or actual purchase price of the software, whichever is less
*The commercial value is the lowest amount that a supplier would normally charge for the use of database software with equivalent functions (e.g. generates canvassing lists) and capacity (e.g. holds information on 100,000 electors) over the election period. A quote should be obtained from a subscription-based software supplier.		

### Examples

1. A registered party has an annual contract with a supplier to use its voter database software at a cost of \$250,000. The cost includes access, support and customization. During a 40-day general election, the party uses the database to carry out its campaign activities. The chief agent reports an election expense of \$27,397 ( $\$250,000 / 365 \times 40$ ) for use of the database software.
2. A registered party has voter database software that it developed and customized over the years at a cost of \$2 million. During a general election, the party uses the database to carry out its campaign activities. Since the database is a capital asset, rather than reporting \$2 million as an election expense, the chief agent gets a quote from a software-as-a-service supplier to establish the commercial value of renting software with equivalent functions and capacity over the election period. The quote is for \$30,000. The chief agent reports \$30,000 as an election expense. **Note:** If the party intends to give its candidates access to the database during the election period, it should ask the supplier to include a quote for additional access, which candidates must report as their election expense.
3. A candidate is endorsed by a registered party that offers access to its central database. The party has an annual contract with a supplier for its voter database software, and the supplier charges the party an extra \$100,000 for its 338 candidates to have access during the election period. The candidate receives an invoice for \$296 ( $\$100,000 / 338$ ) from the party's chief agent to account for the access fee. This can be sent as a non-monetary transfer or as an invoice to be paid. The official agent reports \$296 as an election expense for use of the database software during the election period.

## Surveys and research

Whether an expense for a survey or research is an election expense depends on when it was conducted. The date that a registered party conducts a survey or research is the date that it receives the data. If the party conducts a survey or research:

- during an election period, it is an election expense
- outside an election period, it is not an election expense, even if the data is used during the election period

Expenses to add data to a database and clean the data during the election period, and for system support during the election period, are also election expenses.

In some cases, a registered party might incur data expenses centrally on behalf of its candidates. If a candidate's official agent agrees to buy the property or services from the party, a prorated amount for their electoral district is the candidate's election expense rather than the party's election expense.

### **Examples**

1. A registered party engages Election Polling Inc. to conduct a survey of electors for \$1,500. The party receives the survey data during the election period. The chief agent reports an election expense of \$1,500.
2. A registered party conducts surveys using its paid staff at a cost of \$15,000 before an election period and \$30,000 during the election period. The chief agent reports a registered party expense of \$15,000 and an election expense of \$30,000.
3. During an election period, a registered party buys phone numbers from a data broker on behalf of its candidates to support their get-out-the-vote activities. Each candidate's official agent agrees to buy the data from the party. The chief agent sends candidates an invoice for their share of the expense, and the official agents report the amount as an election expense.
4. During an election period, a registered party buys phone numbers from a data broker and uses them for centralized get-out-the-vote activities. The data expense does not have to be reported by the party's candidates if it was not incurred on their behalf. The chief agent reports the full amount as an election expense.

### Data from an external source

When a registered party receives data for free or at a discount from an external source, it is accepting a contribution.

An external source is a person or group other than:

- the registered party, its candidates and its registered associations
- a person providing volunteer labour to the above-mentioned political entities (see **Volunteer labour is not a contribution** in Chapter 3, **Contributions**)
- Elections Canada, when it is providing data to parties as required by law

If an external source is an ineligible contributor or an individual who would exceed their contribution limit, the party must be invoiced for the data at commercial value. The commercial value is the lowest amount charged by a business for a dataset with a similar number of entries and data fields and with a similar level of quality and currency.

If the external source is not in the business of selling data and collected data specifically for the party, the invoiced amount must be the actual expenses incurred.

Registered parties coordinating activities with third parties should be aware of potential risks. See **Activities conducted by others in coordination with the party may be contributions** in Chapter 3, **Contributions**.

#### **Example**

During an election period, an advocacy group offers a registered party its members list. The list is a spreadsheet with names, addresses and phone numbers of 100 people who support an issue that the party is associated with. The advocacy group is an ineligible contributor, so the party cannot accept this list for free. However, the party determines that an equivalent dataset would be sold by a broker for \$500 and asks the advocacy group to invoice that amount. The chief agent pays and reports an election expense of \$500 for the data.

#### **OGI reference**

For a detailed discussion of this topic, please refer to Elections Canada's interpretation note 2022-03, *Voter Databases and Election Expenses*, on the Elections Canada website.

### Party leader's travel expenses

Expenses incurred for the party leader's travel, and for any staff accompanying the leader, are considered election expenses of the party to the extent that the expenses are incurred to promote or oppose the party or its leader during the election period. This includes a return trip after the election period.

The party leader's temporary lodging and meals are also election expenses for days during the election period.

If any security expenses are incurred for the party leader's travel, see the **Security expenses** section below for more information.

## Campaign workers and related expenses

The registered party may have to report various election expenses related to their paid workers and volunteers: incidental expenses, travel and living expenses, and compensation.

**Note:** If salaried employees of the party are working on the election campaign, see also **Use of existing resources** later in this chapter.

### Incidental expenses of campaign workers

Whether campaign workers are volunteering or being paid, some incidental expenses related to their work during the election period, such as for local transportation and refreshments, are election expenses of the party.

If a worker pays for incidentals and is not reimbursed, the amount is a non-monetary contribution and an election expense. However, if the amount is \$200 or less and the individual is not in the business of providing that property or service, the non-monetary contribution is deemed to be nil and no expense has to be reported. Each incidental expense is measured individually against the \$200 threshold to determine whether the contribution is deemed nil.

The party may provide gift cards to its workers specifically to cover incidental expenses, such as gas and food, during the election period. These gift cards are reported as election expenses, not as gifts to workers. To support the expenses, workers who make a purchase of \$50 or more with a gift card should get an invoice (or other document evidencing the expense) showing the date, amount and items purchased, while workers who make a purchase of less than \$50 with a gift card should record the date, amount and nature of the expense.

#### **Examples**

1. Late one night during the election period, volunteers help at party headquarters to prepare thousands of flyers for mailing. A volunteer orders pizza and pays the delivery person \$85 with their personal credit card. The registered party reimburses the volunteer a few weeks later. The amount of \$85 is an election expense.
2. A volunteer is driving around in her own car to deliver flyers during the election period. She pays \$30 to fill up her car. If the amount is not reimbursed by the campaign, the volunteer made a non-monetary contribution. However, because the amount is \$200 or less, the non-monetary contribution is deemed nil and no expense is reported.
3. The party gives 10 volunteers a \$50 gift card each to buy meals while they help during the election period. The volunteers use their gift cards to make multiple purchases under \$50. They record the date, amount and nature of each expense, and give these records to the chief agent. The chief agent keeps the records, along with the invoice and proof of payment from the original purchase of the gift cards, as supporting documents.

## Travel and living expenses

Campaign workers, whether volunteering or being paid, might travel to help at events or be relocated for the election period.

No matter when travel happens, if the work performed at the destination is an election expense, the travel expense in both directions is an election expense. This includes return trips after the election period.

Temporary lodging and meals (or per diems) are also an election expense but only for days during the election period.

It is advisable to have a written contract or other documentation about a campaign worker's travel and living expenses to support the amount of election expenses being reported.

Travel and living expense	Timing	Reported as
Travel to and from destination	Days during or outside election period	Election expense
Lodging and meals	Days during election period	Election expense
	Days outside election period	Registered party expense

**Note:** If a worker pays for travel and living related to the campaign and is not reimbursed, the amount is a non-monetary contribution and a reportable expense. However, if the amount is \$200 or less and the individual is not in the business of providing that property or service, the non-monetary contribution is deemed to be nil and no expense is reported.

**Note:** If workers have travelled to a particular destination for a purpose unrelated to the election and help with the campaign while there, only incremental expenses incurred are election expenses.

### Examples

1. The party rents a bus to transport volunteers to one of the party leader's speaking events during the election period. It spends \$600 on the rental and another \$100 on refreshments for the volunteers. The \$700 is an election expense.
2. The party relocates a campaign worker, Gordon, from party headquarters to a regional office for the election period. The round-trip flight is \$800. It is an election expense even if Gordon flies outside the election period. Gordon has free lodging with a relative and receives a per diem of \$25. Since he travelled for 30 days during the election period and 2 days outside it, the per diems result in an election expense of \$750 ( $\$25 \times 30$ ) and a registered party expense of \$50 ( $\$25 \times 2$ ). The total election expense for Gordon's relocation is \$1,550 ( $\$800 + \$750$ ).

## Compensation of workers

The registered party may choose to pay compensation to its campaign workers, including paying volunteers for part of their work.

If a campaign worker is not receiving regular pay (i.e. a salary or hourly wage), please see information on paying volunteers for part of their work under **Volunteer labour is not a contribution** in Chapter 3, **Contributions**.

For work performed during the election period, compensation is almost always an election expense. Before the election period, it is occasionally an election expense. It is never an election expense after the election period. The table below provides examples.

An agreement must be in place before the work is performed. Once an agreement is in place, the registered party is liable for the related expenses.

An invoice is required for payments of \$50 and over, setting out the nature of the expense. Because compensation expenses can vary widely, it is advisable to also have a written agreement or other documentation about a campaign worker's compensation to support all amounts being reported. Note that if a campaign worker has been added to the party's payroll, they are treated as a regular staff member (see the **Office expenses** section below), and an employment agreement can be used in place of an invoice.

Timing	Compensated work: examples	Reported as	Why
<b>Before election period</b>	Planning, budgeting, creating contact lists	Registered party expense	Research-style activities are election expenses only during the election period
	Canvassing homes, distributing flyers a week before the election period	Registered party expense	The communication has been fully transmitted before the election period
	Installing signs, designing flyers for use during the election period	Election expense	The communication will be used during the election period to promote/oppose a party
<b>During election period</b>	General campaign work	Election expense	Most work during the election period is done to promote/oppose a party
	Converting a website to an accessible format	Accessibility expense	Accessibility-related work is excepted from election expenses (see Chapter 10)
	Processing contributions	Registered party expense	Certain fundraising work is excepted from election expenses (see Chapter 6)
<b>After election period</b>	Any work	Registered party expense	Work done after the election does not promote/oppose a party during an election period

## Compensation of parliamentary staff

If employees on the staff of a parliamentarian engage in political activities to support a registered party during the election period, the salaries of these persons are election expenses of the party and non-monetary contributions from the parliamentarian.

However, if the employees work on the party's campaign outside their normal working hours or are on unpaid leave (or paid, if the leave was earned under regular terms of employment that do not specify leave for the purpose of helping a political entity), their involvement is volunteer labour and is therefore neither an election expense nor a non-monetary contribution.

## High-profile campaigners and invited guests

Parliamentarians, candidates or celebrities will sometimes campaign with a party leader at in-person events. The party might also invite a high-profile guest to play an official role in an event.

When it comes to expenses, high-profile campaigners and guests are treated in the same way as campaign workers. This means their travel and living expenses associated with the event are election expenses. Any compensation paid to them (or the commercial value of a service that they are not eligible to provide as a volunteer) is also an election expense.

If they have travelled to a particular destination for purposes unrelated to the election and help with the campaign while there, only incremental expenses incurred to help are election expenses.

Some celebrities charge appearance fees to take part in events, though as individuals they often make the personal choice to participate for free in other events. As with any individual, if a celebrity is self-employed as a speaker but chooses to express their personal political views at a registered party's event without being paid, they may do so without making a non-monetary contribution.

However, there is a difference when the celebrity is asked to provide a service other than speaking or appearing, such as participating as an emcee or a performer. In that case, the commercial value of the service is an election expense, whether paid by the party or contributed by the celebrity.

Note that a celebrity's participation in a registered party event is not captured as a third party partisan activity, since the registered party organizes the event and reports the expenses.

### **Examples**

1. The party invites Faiza, a celebrity who sometimes charges for speaking engagements, to give a speech at a campaign rally. Faiza supports the party and can choose to speak for free. She does not have to charge for her participation or make a contribution of its commercial value. Faiza did not have to travel to attend the event, and the party incurred no additional expenses for her to participate. There is no contribution or election expense to report for her participation.
2. Clydie G, a famous Canadian musician, is touring during the election and plays a show in Vancouver. The next day, he flies to Victoria to join a party leader on stage at a rally and performs a song. He then flies back to continue his tour. The cost of the round-trip flight is \$400. It is an election expense that must be paid by the party or contributed by Clydie G. For the performance itself, because Clydie G is self-employed as a musician, he cannot volunteer the service. The commercial value of the performance is an election expense that the party must pay or Clydie G must contribute.

For examples involving parliamentarians and candidates, see Chapter 11, **Working with Other Entities**.

## Security expenses

The prime minister and other high-profile members of Parliament may incur mandatory expenses related to security when they travel. For example, the prime minister is expected to take military flights in some circumstances, and some parliamentarians have a government-issued security detail.

The full costs are not election expenses. For secure air travel, the election expense to report is the commercial value of an equivalent commercial flight. The government-issued security detail is not reported as an election expense at all.

If the party pays a security expense and the government later reimburses it, the expense and revenue are reported in the party's annual financial statements with the amounts netting out to zero.

### *OGI reference*

Guidance on this topic is being expanded in the forthcoming interpretation note 2024-05, *Security Expenses of Registered Parties, Candidates and Contestants*. Please check the Elections Canada website for more information in spring 2025.

## Replacement or repair of damaged property

A registered party might incur unanticipated expenses during an election period because of property damage, including to a campaign vehicle or office equipment. The expenses to repair property, or to obtain an equivalent replacement for the property or for the service it provided, are registered party expenses rather than election expenses. This is because the repair or replacement is not being used to promote the registered party beyond the original expense.

If the replacement has upgraded features that are used to further promote the party and has a higher commercial value than the original property, then the difference needs to be reported as an election expense.

For damaged or stolen election signs, parties can choose to report the replacements as a registered party expense or an election expense. See **Election signs** earlier in this chapter.

### *Example*

The registered party charters a bus for the election period at a cost of \$6,000. The bus is damaged two days into the election period and can no longer be used. The party charters a replacement of the same kind and size at a cost of \$8,000 for the remainder of the election. The original expense of \$6,000 is an election expense. The second expense of \$8,000 is a registered party expense, which is not subject to the spending limit or eligible for reimbursement.

## Communications during a by-election

### **When does a communication expense count as an election expense for a by-election?**

As part of their everyday operations, registered parties may conduct activities that sometimes overlap with a by-election period. Expenses incurred by the registered party to produce a communication and distribute it during a by-election period are election expenses only if the communication was distributed for the by-election.

The totality of circumstances should be considered, including whether the content mentions the by-election or an issue of particular interest in the electoral district, how many days into the election period it was transmitted, whether the communication was planned close to the 180-day limit for the by-election being called, and how the communication fits into the party's overall strategy.

## Calculating the expense for production and distribution

If a communication is distributed during and for the by-election, 100% of the production cost (or the commercial value, if it was contributed or transferred) is an election expense. This is true even if the communication is distributed to a broader area than the by-election riding.

If the communication is distributed to a broader area than the by-election riding, the election expense for distribution 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 an election expense.

If multiple by-elections are underway at the same time, and the same election advertising is transmitted in more than one electoral district, a party may allocate the election expense among the affected electoral districts.

### Examples

1. There are by-elections underway in three ridings. A registered party purchases election advertising for the by-elections that is transmitted in the broadcast area where the by-elections are underway. The party splits the production and transmission expenses evenly among the three ridings and reports them as election expenses.
2. There is a by-election underway in Scarborough–Agincourt. The party runs an ad on XYZ News across Ontario, in part to influence voters in that by-election. An election expense must therefore be reported. The 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 total election expense is therefore \$5,600 (\$4,000 production + \$1,600 distribution).
3. There are by-elections underway in Victoria and St. John's East. The registered party sponsors a Facebook post opposing a registered party, targeted to Canadian users aged 18 to 65 with an interest in politics, in part to influence voters in the by-election ridings. An election expense must therefore be reported. The party paid \$500 to produce the post and \$8,000 to sponsor it for one week.

Because sponsored posts can be targeted by postal code, and ridings can be linked to postal codes, the smallest distribution areas for this advertising are the postal codes linked to Victoria and St. John's East. In this case, prorating the cost based on targeted users in the two ridings is a reasonable way to arrive at the actual cost for distribution:

- Targeted Facebook users: Canada, 4,000,000; Victoria, 12,000; St. John's East, 7,000
- $\$8,000 / 4,000,000$  users in distribution area  $\times$  12,000 users in Victoria = \$24 election expense for distribution
- $\$8,000 / 4,000,000$  users in distribution area  $\times$  7,000 users in St. John's East = \$14 election expense for distribution

The production cost of \$500 is split evenly between the two electoral districts. The total election expense for Victoria is therefore \$274 (\$250 production + \$24 distribution). The total election expense for St. John's East is \$264 (\$250 production + \$14 distribution).

4. There is a by-election underway in Winnipeg Centre. Before the by-election was called, the registered party had planned to send a national fundraising email to its supporters with an embedded video that solicits contributions. After the by-election is called, the party adds content to the email about issues of particular interest in the by-election riding. The cost to produce the email, including the video, is \$2,000. Because the registered party adjusted its content for the by-election, the production cost of \$2,000 is an election expense. The party used a free email service to send the message, so there is no election expense for distribution.

#### *OGI reference*

For a detailed discussion of this topic, please refer to Elections Canada's interpretation note 2018-05, *Communication Expenses of Registered Parties in a By-election*, on the Elections Canada website.

## Use of existing resources

### Office expenses

The party, as an ongoing political entity, might maintain national or regional offices. Office expenses incurred during an election period are considered election expenses. These include a portion of the rent or property tax, utility cost, insurance, maintenance services, etc.

The chief agent should allocate the office expenses incurred in accordance with the basic activities carried out by that office. The chief agent must consider the purpose of each activity to determine whether the costs incurred to carry out the activity qualify as election expenses.

For the salaries of staff members or the cost of facilities, the method of allocation can be based on any breakdown that results in a reasonable allocation of costs.

The chief agent should make a reasonable allocation for each component of costs: salary, equipment, supplies, materials, printing equipment and computers.

#### *Examples*

1. During a by-election, the registered party assigns some of its existing staff to perform work directly related to the campaign. The chief agent has to determine the compensation and benefits paid to these employees for the hours spent working on the campaign and report them as election expenses. As well, the employees' campaign work is tied to overhead expenses such as office space, computers, supplies and printers. The chief agent has to allocate overhead expenses for these employees on a reasonable basis and include them as election expenses.
2. During a by-election, volunteers use the registered party's office after hours to perform work directly related to the campaign. No compensation is paid to the volunteers. However, their campaign work is tied to overhead expenses such as office space, computers, supplies and printers. The chief agent has to allocate overhead expenses for these volunteers on a reasonable basis and report them as election expenses.

## Capital assets

The party, as an ongoing political entity, might own capital assets that are used in more than one election.

Under the *Canada Elections Act*, a capital asset is any property with a commercial value of more than \$200 that is normally used outside an election period other than for the purposes of an election (for example, buildings, computers, software, printing equipment and furniture).

If the registered party purchases a capital asset and uses it during the election period, the election expense is the lower of the commercial value of renting a similar asset for the same period or the purchase price.

A capital asset may be eligible for an election expenses reimbursement after one or more elections, depending on how the asset is reported. For example:

- If the asset is reported at the commercial value of renting a similar asset during the election period, it may be eligible for a reimbursement each time it is used in an election.
- If the asset is reported at the purchase price, it may be eligible for a reimbursement only once, after the election for which it was obtained.

For non-capital assets such as office supplies, the purchase price must be recorded as an election expense.

Property other than capital assets (for example, signs) can also be used for more than one election. If a registered party uses such property in a subsequent election, the election expense to be recorded is the current commercial value of equivalent property. Such election expenses are not eligible for the election expenses reimbursement.

**Note:** Amortization may not be used as a method of calculating the commercial value of the use of the asset.

## Used signs

If a registered party uses signs in a subsequent election, the amount of the election expense to be recorded is the current commercial value of equivalent signs.

## Billboards

The commercial value, including design, production and installation costs, of any pre-existing billboards that remain in place during the election period are election expenses. Billboards include the sign and the supporting structure. Elections Canada will accept the commercial value of an equivalent sign (that is, the same size and design) that would be temporarily installed just for the election period.

Similarly, with respect to the supporting structure, Elections Canada will accept the commercial value of an equivalent structure that would typically be used for an election period rather than the commercial value of a structure designed to be more permanent in nature. Note that the commercial value of the structure is the lower of its purchase price or its rental cost for the length of the election period.

## 10. Accessibility Expenses

*This chapter discusses the registered party's accessibility expenses and reporting requirements. It covers the following topics:*

- *What are accessibility expenses?*
- *What are not accessibility expenses?*
- *Typical accessibility expenses (accessible website, sign language interpretation, communication products, construction and renovation)*

### What are accessibility expenses?

Accessibility expenses to accommodate persons with disabilities are:

- any cost incurred by the registered party for property or a service that is used solely to make materials used or activities held during an election period accessible
- the difference between the cost incurred for the property or service to make the materials or activities accessible, and the value of the property or service if the materials or activities had not been accessible
- a non-monetary contribution or transfer received by the registered party that is used solely to make materials used or activities held during an election period accessible
- the difference between the value of a non-monetary contribution or transfer received to make the materials or activities accessible, and the value of the property or service if the materials or activities had not been accessible

Accessibility expenses do not count against the election expenses limit. They may be eligible for partial reimbursement. See Chapter 15, **Reimbursements**, for more information.

### What are not accessibility expenses?

The following are not accessibility expenses:

- an expense related to a registered party's fundraising activity
- an expense for material used or an activity held outside the election period only
- an expense that the registered party would have incurred for property or a service regardless of whether or not it was accessible
- an expense used for a purpose other than making material or an activity accessible

#### *OGI reference*

For a detailed discussion of this topic, please refer to Elections Canada's interpretation note 2019-07, *Accessibility Expenses and Disability-Related Personal Expenses*, on the Elections Canada website.

## Typical accessibility expenses

The following are examples of typical accessibility expenses that the registered party might incur.

### Accessible websites

A fully accessible registered party website is one that can be properly read by a screen reader, allows for navigation using a keyboard, gives the same information in alternative formats, uses adequate colour contrast, and so on.

Additional expenses to create an accessible website, to convert an inaccessible website, or to make some features accessible during an election are accessibility expenses.

See the World Wide Web Consortium's *Web Content Accessibility Guidelines* for internationally recognized standards.

#### **Example**

The registered party creates a website and pays to run accessibility diagnostics on the site during the election. When the diagnostics show that several web pages need to be recoded for accessibility, the party hires a web designer to make the improvements. The diagnostics tool and web designer fees are accessibility expenses.

### Sign language interpretation

The registered party might have a sign language interpreter at events where the party leader is speaking or at locations where information is being offered during an election, so that events and information are accessible to people who are deaf or hard of hearing.

The expense for interpretation services that make material or an activity accessible during an election period is an accessibility expense.

**Note:** If an activity is directly linked to fundraising (for example, a ticketed fundraiser or auction), the expense for accommodation is not an accessibility expense. It is a registered party expense not subject to the limit.

### Communication products in adapted or alternative formats

Registered parties often distribute or publish communication products in print, audio, video and other formats during an election. To make a communication accessible, the party may need to add an alternative format or adapt an existing format. For example, printed products can be reproduced in Braille, large text and audio; audio can be transcribed into text; and video can be captioned or transcribed into text.

The expense to add or adapt communication products to make them accessible during an election is an accessibility expense.

#### **Example**

The registered party produces a video for \$5,000 that is used to promote the party leader during an election. The production cost includes captioning that makes the video accessible to persons who are deaf or hard of hearing. The video would have cost \$4,700 to produce without the captions. As a result, the chief agent reports an election expense of \$4,700 and an accessibility expense of \$300 (\$5,000 – \$4,700).

## Construction and renovation

Some buildings do not have level access or may be temporarily inaccessible to persons with a mobility impairment. The registered party might construct a temporary ramp for their campaign offices to provide wheelchair access or make other renovations that provide access to persons with a disability.

The expense for construction or renovations to make material or an activity accessible during an election is an accessibility expense.

### ***Example***

The registered party opens local offices during the election. One of the buildings it rents has three steps before the entrance. To make the office accessible to wheelchair users, the party hires a contractor to build a wooden ramp. The cost of materials and labour is \$500. This is an accessibility expense.



## 11. Working with Other Entities

*This chapter discusses how transactions are regulated when the registered party engages in shared activities or shares expenses with another political entity, especially candidates during an election. It covers the following topics:*

- *Property or services provided to another political entity*
- *Prohibition on transferring expenses*
- *Typical shared activities (leader's tour, campaigning by a parliamentarian or a candidate)*

### Property or services provided to another political entity

The registered party may provide property or services to an electoral district association, a candidate, a nomination contestant or a leadership contestant of the party. The property or services can be sent as non-monetary transfers or can be paid by the other political entity. Non-monetary transfers must be offered equally to all contestants.

If the property or service is being paid by the other political entity, a copy of the original supplier invoice as well as the invoice from the party must be sent to that other entity. The documentation should confirm the amount reported in the financial returns.

See Chapter 5, **Transfers**, for more information on rules and restrictions.

#### **Examples**

1. The registered party purchases signs from Signs Inc. for \$1,500 and resells them to the candidate's campaign for \$1,500. The party sends the candidate a copy of the original invoice from Signs Inc. for \$1,500 as well as an invoice from the party for \$1,500.
2. The registered party creates a web page on its site for each leadership contestant. The commercial value of creating the web pages is \$150 per contestant. The party sends each contestant an invoice for \$150 and reports a non-monetary transfer of \$150 to each contestant.
3. The registered party subscribes annually to a web application that makes it easier to distribute content across social media accounts. The supplier charges the party an extra \$10,000 for its 338 candidates to have access during the election period. The party sends each candidate a copy of the original invoice as well as an invoice from the party for \$29.59 ( $\$10,000 / 338$ ) for access to the application.

### Expenses cannot be transferred

It is important to differentiate between the candidate's electoral campaign expenses and the expenses of the candidate's registered party. The *Canada Elections Act* specifies separate expenses limits for the registered party and each of its candidates.

The Act prohibits the transfer of expenses without accompanying property or services. Each entity has to report the expenses that it incurred for property and services used to promote that entity in the campaign.

## Typical shared activities

The following are examples of typical activities where various entities work together and might share expenses.

### Leader's tour

The party leader's tour expenses are election expenses of the party and may not be election expenses of the candidates. In addition to the expenses of transportation, the party has to include the expenses of all other related items, such as meals, refreshments, salaries of party staff assigned to the tour, and communications equipment rented for the media.

If a candidate's campaign incurs expenses to attend the leader's tour event, such as transporting campaign staff, volunteers or supporters to the event, these are expenses of the candidate.

**Note:** If a leader attends a candidate event unrelated to the leader's tour, the expenses are those of the candidate, not of the party. Any incremental expenses incurred by the leader to attend such an event are to be reported as a transfer from the party to the candidate's campaign.

#### *Example*

The leader's tour has planned stops in Toronto and Ottawa on Thursday and Friday. A candidate asks the party leader to join an event in Hamilton on Thursday night. The incremental expenses for the party leader to attend the Hamilton event, such as added travel costs, are a transfer from the party to the candidate's campaign.

## Campaigning by a parliamentarian or a candidate

If a parliamentarian or a candidate campaigns on behalf of the registered party, the expenses related to that person's involvement in the campaign are election expenses and have to be authorized in advance by the chief agent or a registered agent.

#### *Examples*

1. The registered party asks a candidate, Niall, to visit different cities across the country to campaign with the candidates there. This could be an election expense of the party or of the local candidates, depending on who authorizes the expenses. In this case, the chief agent confirms with Niall's official agent that the party authorizes the expenses for Niall to promote the party. With the chief agent's written authorization, Niall's campaign books his travel and accommodations and pays all related expenses. These are the party's election expenses. The party can either reimburse Niall's campaign for the expenses or accept the property or services as a non-monetary transfer from his campaign.
2. A senator plans to go door-knocking with a party leader from her home province. The senator was already in the province, but she pays \$100 in gas to drive to the riding being canvassed. This is a non-monetary contribution from the senator. Because it is \$200 or less, it is deemed nil and no expense is reported.

See also **High-profile campaigners and invited guests** in Chapter 9, **Election Expenses**.

## 12. Interacting with Third Parties in the Pre-election and Election Periods

*This chapter outlines what registered parties should take into consideration from a political financing perspective when interacting with third parties in the pre-election period and election period. It covers the following topics:*

- *What is a third party?*
- *What is collusion?*
- *Prohibition on colluding with third parties during a pre-election period*
- *Prohibition on colluding with third parties during an election period*
- *What is collusion for the purpose of influencing a third party's regulated activities?*

**Note:** This chapter applies only to the pre-election and election periods, but registered parties should be mindful of how they interact with third parties at all times to avoid accepting possibly ineligible or illegal contributions. See **Activities conducted by others in coordination with the party may be contributions** in Chapter 3, **Contributions**.

### 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 in the prohibition sections below.

### What is collusion?

The *Canada Elections Act* sets rules on how registered parties can interact with third parties during a pre-election period or election period. It specifically prohibits collusion with a third party.

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.

### Prohibition on colluding with third parties in relation to a pre-election period

During a pre-election period, a third party is a person or group other than a:

- registered or eligible party
- registered association
- potential candidate
- nomination contestant

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

- circumvent the registered party's partisan advertising expenses limit, or
- influence the third party in its partisan activities, its partisan advertising or its election surveys conducted during a pre-election period, including by sharing information

See Chapter 8, **Partisan Advertising Expenses for the Pre-election Period**, for more information on the pre-election period and partisan advertising rules.

## Prohibition on colluding with third parties in relation to an election period

During an election period, a third party is a person or group other than a:

- registered party
- electoral district association of a registered party
- candidate

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

- circumvent the registered party's election expenses limit, or
- influence the third party in its partisan activities, its election advertising or its election surveys conducted during an election period, including by sharing information

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

Any agreement, express or implied, between a registered party and a third party 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.

When a third party invites a party leader or other party representative to an event during a pre-election or election period, and the invitation can reasonably be seen to have the purpose of promoting the registered party, the event is regulated. It is either a third party partisan activity or a contribution (see **Activities conducted by others in coordination with the party may be contributions** in Chapter 3, **Contributions**).

A regulated event is a partisan activity if the third party organizes it independently and on its own initiative. It is prohibited for a registered party to collude with a third party to influence such an activity, including by sharing information, or to circumvent the election expenses limit.

Basic communication between a third party and registered party about an event does not affect the third party's independence and does not amount to collusion. The third party can seek agreement about logistics (date, time and the leader's topic), provided that these communications are not strategic discussions to maximize the benefit to the registered party's wider campaign. The third party can also inform the registered party about the venue, audiovisual equipment, other speakers and the audience.

Each situation must be examined on its own facts.

### **Examples**

1. A registered party 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 registered party emails a third party and asks it to support the party's campaign. Some of the party's key platform messages are included in the email. The third party decides that it wishes to support the party and does so by forwarding the platform messages to its contact list. This is not prohibited because there was no agreement to influence 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 to influence the third party's regulated activities.
4. A registered party asks a social media influencer (who, as any other individual, is a third party) for a free endorsement during the election period. The influencer asks the party what they would like the endorsement to say and when it should be posted. The influencer is permitted to post their personal political views without the posting being election advertising. However, the registered party cannot share information about their preferred content and timing. This would be collusion to influence the third party's regulated activity. If the party wants to direct the content and timing, it must pay the influencer as an advertiser or accept the commercial value of such an advertisement as a non-monetary contribution.
5. A third party organizes a BBQ to promote a registered party during the election period. It informs the party of the event date in case the party leader or others wish to attend. The party leader decides to show up and gives a short, informal speech. This is not prohibited because there was no agreement to influence the third party's regulated activities.
6. 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.
7. During an election period, a labour union holds a members' meeting on the next round of collective bargaining. The union invites a party leader who it supports to address members for 15 minutes, but there is no coordination beyond the event time and topic. This is not prohibited because basic communication about the event is not an agreement to influence the third party's regulated activity.
8. 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.
9. 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.

#### *OGI reference*

For a detailed discussion of this topic, please refer to Elections Canada's interpretation note 2021-01, *Participating in Third Party Campaign-Style Events During Pre-election and Election Periods*, on the Elections Canada website.



## 13. Leadership and Nomination Contest Finances

*This chapter explains the financial aspects of leadership and nomination contests from the registered party's perspective. It covers the following topics:*

- *Leadership and nomination contest rules*
- *Leadership and nomination contest fees*
- *Directed contributions received for leadership contestants*

### Leadership and nomination contest rules

Registered parties usually set their own rules, in addition to those in the *Canada Elections Act*, for holding leadership and nomination contests. They may provide other restrictions on political financing aspects of the contest, which they administer themselves (e.g. expenses limits for leadership contestants).

As long as these rules do not conflict with the requirements of the *Canada Elections Act*, this is not problematic.

### Leadership and nomination contest fees

Leadership and nomination contestants might be required to pay a contest entry fee or other service fees to the registered party. These fees are reported by leadership contestants as other leadership campaign expenses and by nomination contestants as other nomination campaign expenses. They are recorded by the party as revenue in accordance with the party's normal accounting practices.

The fees may be refunded to contestants at the discretion of the party.

**Note:** When a refundable compliance deposit is required, it is recorded as a transfer from the contestant to the registered party rather than as an expense. If the deposit is refunded, the party does not send it back as a transfer. The contestant records it as other cash inflow.

**Note:** When a non-refundable contest fee is \$1,000 or more for nomination contestants or over \$10,000 for leadership contestants, nomination contestants will automatically have to file a campaign return (unless they withdraw before the selection date) and leadership contestants will automatically have to file interim returns (unless they withdraw before the reporting deadlines).

## Directed contributions received for leadership contestants

### What is a directed contribution?

A directed contribution is a contribution made to a registered party that the contributor requests, in writing, to have transferred to a particular leadership contestant. It may be one part of a larger contribution—for example, if the contributor decides to send \$2,000, with \$1,000 for the party and \$1,000 directed to a contestant.

The contestant has to register with Elections Canada before the party can transfer a directed contribution to them.

Unlike contributions made from a contributor to a leadership contestant, directed contributions through a registered party are eligible for a tax receipt. The party issues the receipt.

The full amount of a directed contribution is deemed to be a contribution to the contestant's campaign, even if the party retains part or all of the directed amount. The *Canada Elections Act* does not restrict the portion of the directed contribution that may be retained by the party.

**Note:** The directed contribution is subject to the limit on contributions made to leadership contestants, not the limit on contributions made to the party.

### Example

Roger supports Annie's bid to be a party leader. After Annie registers as a leadership contestant, Roger sends a cheque for \$1,000 to the registered party with written instructions to forward the amount to Annie's leadership campaign. The party normally charges a processing fee of \$20 for directed contributions. The chief agent therefore transfers \$980 to the leadership contestant. Annie's financial agent records a directed contribution of \$1,000 and an other leadership campaign expense of \$20. The chief agent issues a tax receipt to Roger for \$1,000, the full amount of his contribution.

### Recording directed contributions

The registered party must provide each leadership contestant's campaign with a *Statement of Directed Contributions Received and Transferred to a Leadership Contestant* when it transfers contributions to the campaign. This form includes:

- the name and address of each contributor
- the amount and date of the contribution
- the amount of the directed contribution
- the amount that the party has transferred
- the date of the transfer

The statement sent to the campaign includes only those directed contributions that were transferred, in whole or in part, to the contestant.

When it comes to reporting directed contributions in financial returns:

- the party must report all directed contributions in its financial returns, whether or not it transferred an amount to the contestant
- leadership campaigns report only the directed contributions out of which an amount was transferred to them—campaigns do not report contributions that the party fully withheld, even though those contributions count toward the limit on contributions made to contestants

## Registered party's retention of a directed contribution

Registered parties will often retain all or part of a directed contribution in two situations:

- the party charges a processing fee for directed contributions
- the party withholds part or all of the contribution to cover a contestant's contest fee or other administrative expenses

In rarer situations, parties may choose to retain directed contributions without using them to cover an expense.

**Note:** The *Canada Elections Act* does not restrict the portion of the directed contribution that may be retained by the party.

The financial agent or an authorized leadership campaign agent must authorize the campaign's expenses that are being paid using withheld contributions. This can be done in advance through an agreement with the party (for example, the campaign can be informed that, by registering for the contest, it agrees to incur a contest fee and processing fees).

When the party withholds an amount to cover a fee or other expense, the party must provide the leadership campaign with an invoice or other document evidencing the expense. There is no expense if the directed contribution was withheld without property or services being provided in return.

As mentioned above, the campaign does not report a **contribution** that is fully withheld. It reports an **expense** in any case where property or a service was provided. The expenses are recorded as having been paid through withheld contributions.

There may be differences in reporting when tickets for a fundraising event are sold through the registered party. For more information, see the section **Contributions received through ticket sales** below.

**Note:** Expenses paid through withheld contributions count toward the \$10,000 threshold for filing interim returns and an auditor's report.

### Example

The leadership campaign has agreed to incur expenses that the party charges for contest entry and contribution processing. During the contest, the following happens:

- The party sends the campaign a *Statement of Directed Contributions Received and Transferred to a Leadership Contestant*, indicating that the party received \$50,000 in directed contributions for the contestant and has transferred \$48,000 to the campaign. The party also sends an invoice showing that \$2,000 was withheld to cover processing fees.
- The campaign later receives an invoice from the party, indicating that an additional \$25,000 in directed contributions were fully withheld to cover the contestant's contest fee. These contributions do not appear on the statement of directed contributions received from the party because they were fully withheld, but there is still an expense to report.

In total, the financial agent reports \$50,000 in directed contributions; \$48,000 in amounts transferred to the campaign; and \$27,000 in other leadership campaign expenses, paid through withheld contributions (\$2,000 for processing fees and \$25,000 for the contest fee). The party reports the full \$75,000 in directed contributions received for the contestant in its own financial return.

## Contributions received through ticket sales

Because only directed contributions are eligible for tax receipts, it is common practice during leadership campaign fundraising events for individuals to remit contributions to the registered party, with written instructions requesting that the amount be forwarded to the leadership contestant as a directed contribution.

In the case of a ticketed fundraising event, the contribution amount is the ticket price less the value of the benefit that the ticket entitles the bearer to receive. Since a party may only transfer directed contributions to leadership contestants (no other monetary amount may be transferred from the party to a leadership contestant), only the contribution portion of the ticket price may be sent to the party and directed for transfer to a leadership contestant. For example, a ticket sold for \$100 may result in an \$80 directed contribution. The party is only able to transfer \$80 of the ticket revenue directly to the contestant.

There are different ways that a registered party and leadership contestant might choose to manage the situation when an individual purchases a ticket for a fundraiser:

- The individual may be asked to issue two payments: one, paid to the party, for the contribution portion of the ticket price; and another, paid to the leadership campaign, for the difference between the ticket price and the contribution amount.
- The individual may be asked to send the full amount to the party, and the party may retain the benefit portion of the ticket price to offset any future processing fees.
- The individual may be asked to send the full amount to the party, and the leadership campaign may invoice the party for the benefit portion of the ticket price.
- The individual may be asked to send the full amount to the party, and the party may directly pay the leadership campaign's event expenses, up to the benefit portion of the ticket price (as long as this service is offered equally to all contestants).

### Examples

1. Tickets are sold at \$100 each for a fundraising event organized by a leadership contestant's campaign. The contribution portion of each ticket is \$80, calculated by subtracting \$20 (the value of the benefit to be received during the event) from the ticket price (\$100). Ticket purchasers are asked to issue two payments: one for \$20, paid to the campaign; and the other for \$80, paid to the registered party with written instructions requesting that the amount be forwarded to the leadership contestant as a directed contribution. The registered party issues tax receipts for the contribution amounts and transfers the funds as directed contributions to the leadership contestant.
2. Tickets are sold at \$100 each for a fundraising event organized by a leadership contestant's campaign. The contribution portion of each ticket is \$80, and the benefit portion is \$20. Fifty individuals buy tickets directly from the registered party, resulting in \$4,000 in directed contributions that the party can choose to transfer to the leadership campaign and \$1,000 in other revenues that cannot be directly transferred. The following happens:
  - The registered party withholds 10% of the \$4,000 in directed contributions as a processing fee. It sends an invoice of \$400 to the campaign, which reports the processing fee as an other leadership campaign expense paid through withheld contributions.
  - For the leadership campaign to access the remaining \$1,000 to offset its event expenses, the campaign sends an invoice to the party for the \$1,000 benefit portion, and the party pays \$1,000 to the campaign. Alternatively, the party directly pays the campaign's event expenses up to the \$1,000 benefit portion (and offers this same service equally to all contestants). In the latter case, the party reports the transaction as a non-monetary transfer to the campaign, while the campaign reports a non-monetary transfer received and an other leadership campaign expense.

**Note:** The contribution rules apply to contributions made through ticketed fundraising.

## 14. Reporting

This chapter describes the financial and registry reports that an eligible party or a registered party must complete and submit by set deadlines under the Canada Elections Act. It covers the following topics:

- Reporting timeline
- Additional reporting if corrections or revisions are required
- Submitting reports to Elections Canada
- Requesting a filing deadline extension

**Note:** Registry information and financial returns submitted to Elections Canada are published, in whole or in part, on the agency's website.

### Reporting timeline

Reports in this table must be submitted to Elections Canada, unless otherwise noted. Forms and instructions are available on the Elections Canada website.

Deadline	Mandatory document	Description	Who is responsible
6 months after becoming a registered party	<b>Registered Party's Statement of Assets and Liabilities</b> (EC 20232) With auditor's report	The statement lists the registered party's assets and liabilities as of the day before the effective date of registration.	Chief agent
30 days after a change of registry information	<b>Political Party's Changes to Registry Information</b> (EC 20401) Including a change in the policy for the protection of personal information	The registered party or eligible party must report changes to its registry information, such as an address change, new appointments or a new party leader.  The registered party must publish the updated policy for the protection of personal information on the party's website as soon as feasible.	Party's representative
30 days after the end of a quarter	<b>Registered Party's Quarterly Financial Transactions Return</b> (EC 20211) (if applicable)*	The registered party's quarterly return includes the following: <ul style="list-style-type: none"> <li>• party information and declaration, signed by the chief agent</li> <li>• contributions and transfers received</li> <li>• directed contributions received for transfer to a leadership contestant</li> <li>• returned contributions</li> </ul>	Chief agent
*Required if the candidates endorsed by the party received at least 2% of the valid votes cast at the most recent general election, or 5% of the valid votes cast in the electoral districts where the party endorsed a candidate.			

## Reporting timeline (continued)

Deadline	Reports and documents	Description	Who is responsible
June 30	<b>Contributions to a Registered Party or to a Registered Association— Information Return</b> (T2092—CRA)	The registered party must use the form available on the Canada Revenue Agency (CRA) website to report contributions received and received.  A link to the form is posted on the Elections Canada website.	Chief agent  Submitted to the CRA
June 30	<b>Registered Party's Annual Financial Transactions Return</b> (EC 20239)  With auditor's report and supporting schedules	The registered party's annual return includes the following: <ul style="list-style-type: none"> <li>• same information as the quarterly return (above)</li> <li>• by-election expenses and transfers sent</li> <li>• status of unpaid claims and loans</li> <li>• financial statements</li> </ul>	Chief agent
June 30	<b>Political Party's Annual Confirmation of Registry Information</b> (EC 20402)	The registered party or eligible party must certify that its registry information is accurate or provide updates.  The party leader must sign the declaration about the party's fundamental purpose to participate in public affairs.	Chief agent and party leader
June 30 every third year (due in 2025)	<b>Political Party's Triennial Confirmation of Members – Member's Declaration</b> (EC 20407)	The registered party or eligible party must submit the names, addresses and declarations of at least 250 electors who are party members by June 30 every third year.	Party's representative
5 days before a regulated event held outside a general election	<b>Notice of Regulated Fundraising Event</b> (EC 20092)	The notice provides basic information on a regulated fundraising event held outside a general election.	Registered party
30 days after a regulated event held outside a general election	<b>Regulated Fundraising Event Report</b> (EC 20093)	The report provides information on a regulated fundraising event held outside a general election, including beneficiaries, organizers and attendees.	Chief agent

## Reporting timeline (continued)

Deadline	Reports and documents	Description	Who is responsible
Within 10 days after a general election is called	<p><b>Political Party's Report of Information at a General Election</b> (EC 20404)</p> <p><b>Names of Persons Entitled to Endorse Candidates</b></p>	<p>The registered party or eligible party must certify that its registry information is accurate or provide updates.</p> <p>The party must also provide the names of the designated party representatives for endorsing candidates.</p>	Party's representative
60 days after election day	<p><b>Regulated Fundraising Event Report</b> (EC 20093)</p>	The report provides information on all regulated fundraising events held during a general election, including beneficiaries, organizers and attendees.	Chief agent
8 months after election day	<p><b>Registered Party's General Election Return</b> (EC 20240)</p> <p>With auditor's report and supporting schedules</p>	<p>The registered party's general election return includes the following:</p> <ul style="list-style-type: none"> <li>party information and declaration, signed by the chief agent</li> <li>statement of general election expenses</li> </ul>	Chief agent
30 days after a nomination contest held by the party	<p><b>Nomination Contest Report</b> (EC 20188)</p>	<p>The registered party must file this report if the party (and not the association) held a nomination contest. It is required if the contest was open to more than one person, even if only one person entered.</p> <p>After receiving the report, Elections Canada starts sending notices to the nomination contestant and financial agent about reporting obligations.</p>	Party's representative
Before or immediately after a leadership contest starts	<p><b>Registered Party's Leadership Contest Report</b> (EC 20405)</p>	This report indicates the start and end dates of a planned leadership contest.	Chief agent
When directed contributions are transferred to the leadership contestant	<p><b>Statement of Directed Contributions Received and Transferred to a Leadership Contestant</b> (EC 20250)</p>	<p>If the registered party receives and sends directed contributions to a leadership contestant's campaign, it must send the statements of those contributions with the transfers.</p> <p>This provides leadership contestants with the necessary information to fulfill their reporting obligations.</p>	<p>Chief agent</p> <p>Submitted to the leadership contestant</p>
<p><b>Note:</b> It is very important to give the auditor enough time to properly audit a financial return. The chief agent should submit the completed return to the auditor well before the reporting deadline.</p>			

## Additional reporting if corrections or revisions are required

The party may need to file an amendment to one of these reports because of an error or omission:

- *Registered Party's Annual Financial Transactions Return*
- *Registered Party's General Election Return*
- *Regulated Fundraising Event Report*

Corrections or revisions requested by Elections Canada	Corrections or revisions requested by the registered party
<p>On review, Elections Canada may request the chief agent to correct or revise the annual financial return or general election return.</p> <p>The chief agent must submit the corrected or revised report within the specified period.</p>	<p>The chief agent may become aware of a need to correct or revise an annual financial return (for example, to add some omitted contributions), a general election return or an event report that has been filed.</p> <p>The chief agent has to apply to Elections Canada for authorization to file an amended report, using the <i>Request for Amendment</i> form.</p> <p>An amended report must be submitted within 30 days after the correction or revision is authorized.</p>

## Submitting reports to Elections Canada

Financial forms, registry forms and instructions are available on the Elections Canada website.

Elections Canada has developed free software to help with the preparation of financial returns: the Electronic Financial Return (EFR) software. It can be accessed from the Political Entities Service Centre.

The EFR software is updated regularly. Check for the latest version before preparing a return.

**Note:** Using EFR to complete or update the registered party's financial returns and general election returns makes reporting much easier because EFR validates the entries and creates a submission file with the required fields populated.

### Options for submitting reports to Elections Canada

#### Option 1—Online (Political Entities Service Centre)

##### Log in

- Log in to the Political Entities Service Centre at [csep-pesc.elections.ca](http://csep-pesc.elections.ca). (Use the email address that Elections Canada has on file for you in the Registry of Political Parties.)
- Click on the Electronic Financial Returns tab.

##### Annual and quarterly financial transactions returns / General election return

- Upload the submission files created by the EFR software (in PDF and XML formats) and any supporting documents.
- Follow the on-screen steps to apply digital consent and submit the return.

##### Statement of assets and liabilities

- Upload the report (in PDF format) and any supporting documents.
- Follow the on-screen steps to apply digital consent and submit the report.

**Extension and amendment requests**

- Where signatures are required, sign the pages by hand and scan the form.
- Upload the form (in PDF format) and any supporting documents.

**Note**

- Other forms of electronic submission may not be accepted. If you are not using the Political Entities Service Centre to apply digital consent, handwritten signatures are required.
- The party can print a confirmation of its submission and track the status in the Political Entities Service Centre.
- When submitting online, there is no need to send physical copies by mail. We recommend keeping a copy of all documents submitted.

**Option 2—Mail or fax****Any financial reports**

- Where signatures are required, sign the pages by hand
- Send the reports to Elections Canada by courier, mail or fax.
- Send supporting documents to Elections Canada by courier or mail.

**Mail**

Elections Canada  
30 Victoria Street, Gatineau, Quebec K1A 0M6

**Fax**

Political Financing  
1-888-523-9333 (toll-free)

**Note**

- When submitting by mail or fax, the person making the submission should give their name, role and the party's name.
- We recommend keeping a copy of all documents submitted.

## Requesting a filing deadline extension

### Reports eligible for an extension

If the party is not able to submit the *Registered Party's Annual Financial Transactions Return*, the *Registered Party's General Election Return* or a *Regulated Fundraising Event Report* with all mandatory documents by the deadline, the chief agent may apply to submit the report within an extended period.

**Note:** The *Canada Elections Act* does not allow for extensions on quarterly financial returns, registry reports (including the annual confirmation of registry information or changes to registry information during the year), publishing an event notice or notifying Elections Canada of a regulated fundraising event held outside a general election.

The following table explains which versions of reports are eligible for an extension and from whom.

<b>Registered party returns—extension requests</b>			
<b>Document to submit</b>	<b>Extension from Elections Canada</b>	<b>Additional extension from Elections Canada</b>	<b>Extension from a judge</b>
<b><i>Registered Party's Annual Financial Transactions Return</i></b>			
Original submission, including the auditor's report	Yes	No	Yes
Corrected or revised, as requested by the party	Yes	Yes	No
Corrected or revised, as requested by Elections Canada	No	No	No*
<b><i>Registered Party's General Election Return</i></b>			
Original submission, including the auditor's report	Yes	No	Yes
Corrected or revised, as requested by the party	Yes	Yes	No
Corrected or revised, as requested by Elections Canada	No	No	No*
<b><i>Regulated Fundraising Event Report</i></b>			
Original submission	Yes	No	Yes
Corrected or revised, as requested by the party	Yes	Yes	Yes
*Corrections or revisions requested by Elections Canada are not eligible for extensions and must be filed within the specified period. However, the chief agent can apply to a judge to be relieved of the obligation of complying with the request.			

### Submitting an extension request to Elections Canada

To apply for an extension from Elections Canada to the filing deadline for the annual financial return, the general election return or an event report, the chief agent may use the *Request for Extension of Filing Deadline* form. The request must be received by Elections Canada no later than 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 chief agent'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 for the original submission of the report, or if the chief agent is unable to file the report within the extended period, the chief agent may apply to a judge for an extension.

**Note:** If documents are not filed by the statutory deadline and no extension has been authorized, a registered party may face deregistration.

### Submitting an extension request to a judge

To apply for an extension from a judge, an application must be submitted to one of the courts listed below. Any of the courts can be applied to, no matter where the registered party has its headquarters.

A copy of the application must be sent to Elections Canada by email or fax.

If the chief agent sends a draft of its application to Elections Canada before filing it with the court, Elections Canada staff will verify whether the request will enable the party to fulfill its obligations and provide a letter confirming that it has been notified of the application.

Province or territory	Court that can receive the application
Alberta	Court of King's Bench of Alberta
British Columbia	Supreme Court of British Columbia
Manitoba	Court of King's Bench of Manitoba
New Brunswick	Court of King's Bench of New Brunswick
Newfoundland and Labrador	Trial Division of the Supreme Court of Newfoundland and Labrador
Nova Scotia	Supreme Court of Nova Scotia
Nunavut	Nunavut Court of Justice
Ontario	Superior Court of Justice of Ontario
Prince Edward Island	Supreme Court of Prince Edward Island
Quebec	Superior Court of Quebec
Saskatchewan	Court of King's Bench of Saskatchewan
Northwest Territories	Supreme Court of the Northwest Territories
Yukon	Supreme Court of Yukon

In the application, the registered party has to request a new deadline for submitting the documents to Elections Canada. Sometimes the new deadline will be for a past date. This happens when a party submitted its mandatory documents late before requesting an extension and is now regularizing its filing.

<b>Extension to future date</b>	<b>Extension to past date (retroactive)</b>
The registered party can request any reasonable date as the new filing deadline, based on its circumstances.	The registered party must request the date that all mandatory documents were received by Elections Canada as the new filing deadline.
Make sure the date chosen gives the party enough time to meet its obligations; otherwise, a new application will need to be filed with the court.	Please contact the Political Entities Support Network to get the correct date.

**Note:** If the registered party is not using a lawyer to prepare its application, it may wish to contact the registrar of the court for information on the process or ask a legal clinic for sample documents.

## 15. Reimbursements

*This chapter explains how a registered party becomes eligible for the reimbursement that Elections Canada pays after a general election and how the amounts are calculated. It covers the following topics:*

- *Who is eligible for a reimbursement?*
- *How is the reimbursement calculated?*

### Who is eligible for a reimbursement?

A registered party is eligible for a partial reimbursement of paid election expenses and accessibility expenses for a general election if the following conditions are met:

1. The Chief Electoral Officer is satisfied that the party has complied with the general election expenses reporting requirements with respect to the original return and any amended returns, even if the auditor makes a statement to the contrary in the auditor's report.
2. The auditor's report does not contain a statement indicating any of the following:
  - The return does not present fairly the information contained in the financial records on which the return is based.
  - The auditor has not received all the required information from the party.
  - Based on the examination, it appears that proper accounting records have not been kept.
3. The candidates endorsed by the party received at least:
  - 2% of the valid votes cast in the election, or
  - 5% of the valid votes cast in the electoral districts where the party endorsed a candidate

**Note:** The *Canada Elections Act* does not provide for a reimbursement of by-election expenses.

### How is the reimbursement calculated?

#### Base amount

Eligible parties will receive a partial reimbursement of expenses reported in their general election return, calculated as follows:

- 50% of their paid election expenses, subject to the limit
- 90% of their paid accessibility expenses, up to a maximum of \$250,000

#### Example

The election expenses limit for the XYZ Party of Canada in the general election is \$20 million. The party's paid election expenses in the general election total \$12 million, and their paid accessibility expenses total \$100,000. As a result, the party will receive a reimbursement of \$6,090,000  $(\$12 \text{ million} \times 50\%) + (\$100,000 \times 90\%)$ .

### **Reduction of reimbursement amount**

If the registered party's election expenses exceeded the election expenses limit, the reimbursement amount is reduced as follows:

- by one dollar for every dollar that exceeds the limit by less than 5%
- by two dollars for every dollar that exceeds the limit by 5% or more but by less than 10%
- by three dollars for every dollar that exceeds the limit by 10% or more but by less than 12.5%
- by four dollars for every dollar that exceeds the limit by 12.5% or more

## 16. Redistribution of Electoral Districts

*This chapter explains the process of electoral redistribution and how it affects a registered party and its electoral district associations. It covers the following topics:*

- *What is electoral redistribution?*
- *Existing registered associations—effect and steps to take*
- *New electoral district associations—effect and steps to take*
- *Role of the registered party*

### What is electoral redistribution?

Electoral redistribution is a process that starts after every 10-year census. The number of electoral districts (and therefore seats in the House of Commons) given to each province is recalculated based on a legislative formula.

Independent commissions for each province redraw the electoral boundaries to account for changes in the number of electoral districts or movements in the population. The Governor in Council proclaims the final decisions in a representation order.

The process takes over a year to complete. The representation order and new electoral districts come into effect when Parliament is dissolved for a general election called at least seven months after the representation order is proclaimed.

### Redistribution timeline



## Existing registered associations—effect of redistribution and steps to take

### No change of electoral boundaries

When there is no change to an electoral district's boundaries, there is no change to the status of a registered association in that district. It is automatically continued once the new representation order comes into effect. It does not have to file any paperwork with Elections Canada.

In this situation, if an association wants to be deregistered when the new representation order comes into effect, it will need to notify Elections Canada in writing.

### Change of electoral boundaries

When an electoral district's boundaries change, even slightly, the registered associations in those electoral districts must change as well. A registered association can choose from two options.

#### Option 1—File a notice of continuation with Elections Canada

Filing a notice of continuation allows a registered association to continue without interruption in any new electoral district once the representation order comes into effect. If this notice is filed, it is the only paperwork that an association must submit to make the transition.

Elections Canada must receive the notice **after** the representation order is proclaimed but **before** the day Parliament is dissolved, when the order comes into effect.

The form *Registered Association's Notice of Continuation* and instructions for completing it are published on the Elections Canada website.

**Note:** The deadline for a registered association to file a notice of continuation cannot be extended.

#### Option 2—Do not file a notice of continuation with Elections Canada

If boundaries have changed and a registered association in the electoral district does not file a notice of continuation, it will be automatically deregistered on the day the new representation order comes into effect.

The association can continue to send transfers of funds and property within six months after deregistration to:

- its registered party
- another registered association of the registered party

Within six months after deregistration, the association must submit the *Registered Association's Financial Transactions Return* and, if required, an auditor's report for:

- the fiscal period in which the association became deregistered, up to the date of its deregistration
- any other fiscal period for which the association has not filed a return

**Note:** If an association is deregistered and chooses to register again under the new representation order, the new association is considered a separate entity. The deregistered association must file the reports mentioned above within six months after deregistration, and the new association must file a *Registered Association's Statement of Assets and Liabilities* within six months after registration.

## **New electoral district associations—effect of redistribution and steps to take**

Party members can form a new electoral district association in anticipation of the future electoral districts. The association can apply to register in a new or revised electoral district as soon as the representation order is proclaimed, even if it is not yet in effect.

The association becomes registered once Elections Canada validates the application and enters the association in the Registry of Electoral District Associations. Elections Canada will inform the association of its registration date.

**Note:** Once registered, the new association immediately has all the rights and obligations of a registered association—such as submitting financial returns—even if the new representation order is not yet in effect.

## **Role of the registered party**

Registered parties have a role to play in continuing or registering their associations in future electoral districts, so it is important for them to understand the options and deadlines outlined above.

The party leader's signed consent must accompany an association's notice of continuation or application to register in a future electoral district. The party must also plan to have no more than one registered association in an electoral district at a time.