

Political Activities Update for Registered Charities

February 08, 2019

The Liberal Government recently announced that it has withdrawn its appeal of the **decision of the Ontario Superior Court in *Canada Without Poverty v. Attorney General of Canada***, which found that the rules on political activities infringe on the constitutional **right to free expression**. For more information on the ruling, see BLG bulletin: [Court Declares 10 Per Cent Limit on Political Activities by Charities Unconstitutional](#)

Following the Court's decision, which was released on July 16, 2018, the Government **introduced amendments to the Income Tax Act (Canada) to remove the quantitative limits on political activities**. These amendments were included in Budget Implementation Act, 2018, No. 2, which received Royal Assent on December 13, 2018. The changes allow a registered charity to pursue "public policy dialogue and development activities" (PPDDAs) in furtherance of its stated charitable purpose. There are no limits on the amount of PPDDAs a charity can engage in. However, charities are still required to have an exclusively charitable purpose and the restrictions against partisan political activities remain.

On January 22, 2019, the Canada Revenue Agency (CRA) issued for consultation a **draft guidance document CG-027**, Public policy dialogue and development activities by charities. This document describes PPDDAs and explains how the CRA expects to **administer the changes to the Income Tax Act (Canada)**. According to the CRA, PPDDAs can be described as activities a charity carries on to participate in the public policy development process, or facilitate the public's participation in that process. Generally, PPDDAs involve seeking to influence the laws, policies, or decision of a government, whether in Canada or a foreign country. For more information, see: https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/policies-guidance/public-policy-dialogue-development-activities.html?utm_source=charities&utm_medium=eml&utm_campaign=PPDDA
The CRA is accepting comments on the guidance document until April 23, 2019.

By

[Ryma Nasrallah](#)

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BLG Offices

Calgary

Centennial Place, East Tower
520 3rd Avenue S.W.
Calgary, AB, Canada
T2P 0R3

T 403.232.9500
F 403.266.1395

Ottawa

World Exchange Plaza
100 Queen Street
Ottawa, ON, Canada
K1P 1J9

T 613.237.5160
F 613.230.8842

Vancouver

1200 Waterfront Centre
200 Burrard Street
Vancouver, BC, Canada
V7X 1T2

T 604.687.5744
F 604.687.1415

Montréal

1000 De La Gauchetière Street West
Suite 900
Montréal, QC, Canada
H3B 5H4

T 514.954.2555
F 514.879.9015

Toronto

Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada
M5H 4E3

T 416.367.6000
F 416.367.6749

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