

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The Liberal Government recently announced that it has withdrawn its appeal of the decision of the Ontario Superior Court in *Canada Without Poverty v. Attorney General of Canada*, which found that the rules on political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On January 22, 2019, the Canada Revenue Agency (CRA) issued for consultation a draft guidance document CG-027, *Public policy dialogue and development activities by charities*.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.

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