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The Liberal Government recently announced that it has withdrawn its appeal of the decision of the Ontario Superior Court in *Canada Without Poverty v. Attorney General of Canada*, which found that the rules on political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On January 22, 2019, the Canada Revenue Agency (CRA) issued for consultation a draft guidance document CG-027, *Public policy dialogue and development activities by charities*.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

Expertise

Tax

BLG | Canada's Law Firm

As the largest, truly full-service Canadian law firm, Borden Ladner Gervais LLP (BLG) delivers practical legal advice for domestic and international clients across more practices and industries than any Canadian firm. With over 800 lawyers, intellectual property agents and other professionals, BLG serves the legal needs of businesses and institutions across Canada and beyond – from M&A and capital markets, to disputes, financing, and trademark & patent registration.

blg.com

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

The information contained herein is of a general nature and is not intended to constitute legal advice, a complete statement of the law, or an opinion on any subject. No one should act upon it or refrain from acting without a thorough examination of the law after the facts of a specific situation are considered. You are urged to consult your legal adviser in cases of specific questions or concerns. BLG does not warrant or guarantee the accuracy, currency or completeness of this publication. No part of this publication may be reproduced without prior written permission of Borden Ladner Gervais LLP. If this publication was sent to you by BLG and you do not wish to receive further publications from BLG, you may ask to remove your contact information from our mailing lists by emailing unsubscribe@blg.com or manage your subscription preferences at blg.com/MyPreferences. If you feel you have received this message in error please contact communications@blg.com. BLG's privacy policy for publications may be found at blg.com/en/privacy.

© 2026 Borden Ladner Gervais LLP. Borden Ladner Gervais LLP is an Ontario Limited Liability Partnership.