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Public policy dialogue and development activities by charities

i The Canada Revenue Agency is accepting [feedback](#) on this draft administrative guidance until April 18, 2019.

For a general overview of the changes to the rules governing the political activities of charities, see the [Questions and answers](#).

Guidance

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This guidance replaces Policy statement CPS-022, Political activities.

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To be eligible for registration, the Income Tax Act requires a charity to be constituted and operated exclusively for charitable purposes, and all the charity's resources must be devoted to charitable activities carried on by the charity itself. ¹ Charitable activities include public policy dialogue and development activities (PPDDAs) that further a charitable purpose. PPDDAs generally involve seeking to influence the laws, policies, or decision of a government, whether in Canada or a foreign country.

As long as a charity's PPDDAs are carried on in furtherance of its stated charitable purpose(s), the Income Tax Act places no limits on the amount of PPDDAs a charity can engage in. ² In this context, a charity may devote up to 100% of its total resources to PPDDAs that further its stated charitable purpose.

Furthering a stated charitable purpose

The Income Tax Act permits a charity to fully engage without limitation in PPDDAs that further its stated charitable purpose, provided they never directly or indirectly support or oppose a political party or candidate for public office (see [Prohibited: Supporting or opposing a political party or candidate](#)). In other words, under the Income Tax Act, a charity is free to advocate for any change to a law, policy, or decision of government that would further its stated charitable purpose.

Meaning of stated charitable purpose

A stated charitable purpose is a purpose that meets the following three criteria:

- the purpose appears in the charity's [governing documents](#)
- the purpose falls within one of the four categories of charity (see [Annex A](#))
- the purpose provides a benefit to the public (see [Policy statement CPS-024, Guidelines for registering a charity: Meeting the public benefit test](#))
 - this includes a requirement that any private benefit conferred is necessary, reasonable, and proportionate (see also [Guidance CG-013, Fundraising by registered charities](#))

The requirement to have a stated charitable purpose

The Income Tax Act requires a charity's stated purposes to be charitable. ³ Accordingly, the purposes stated in a charity's governing document may not refer to influencing the laws, policies, or decisions of a government. This is the case even if most or all of a charity's activities are PPDDAs.

Instead, a charity's purposes should be drafted so that they focus on the charitable purposes the PPDDAs are meant to achieve, rather than the PPDDAs themselves. A stated charitable purpose could include, for example:

- to relieve poverty by providing social services for the working poor
- to advance education by building more schools for students

to advance religion by offering religious instruction to elementary school students

- to relieve conditions associated with disability by providing support to caregivers who are family members

The requirement for PPDDAs to further a charitable purpose

A charity's PPDDAs further a stated charitable purpose if they satisfy both of the following criteria:

- the PPDDAs relate to the charity's stated charitable purpose
- the PPDDAs, when considered together with the charity's stated charitable purpose, would provide a benefit to the public (see [Policy statement CPS-024, Guidelines for registering a charity: Meeting the public benefit test](#))

In this context, a charity could, for example, carry out PPDDAs to:

- relieve poverty by contributing to government policies in matters relating to poverty relief
- advance education by contributing to government policies in matters relating to the regulation of education
- advance religion by either of the following methods:
 - contributing to government policies in matters relating to religion
 - constituting a targeted attempt to manifest, promote, sustain, or increase belief in the religion furthered by the purpose in a manner that is clearly and materially connected to the teachings, doctrines, or observances of the religion identified in the stated purpose

Examples of PPDDAs that further a stated charitable purpose

A charity provides information to the public about the benefits of enhancing social assistance programs for the impoverished, to further its purpose of relieving poverty.

A charity makes representations to elected representatives to lobby for increased provincial funding for post-secondary education, to further its purpose of advancing education.

A charity calls on its supporters to contact elected representatives of all parties and urge them to support provincial funding for religious schools of a certain faith through the public education system, to further its purpose of advancing religion.

A charity expresses views on social media platforms against a municipal government's zoning decision to permit smoking on restaurant patios, to further its purpose of promoting health.

A charity must keep records that demonstrate its primary consideration in carrying on PPDDAs is to further its stated charitable purpose and provide a public benefit. 4

Public policy dialogue and development activities

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. A charity can also transfer resources to another qualified donee to support the recipient's PPDDAs. As long as a charity's PPDDAs further its stated charitable purpose, the Income Tax Act places no limit on the amount of PPDDAs a charity can engage in.

For the purposes of this document, **public policy** means the laws, policies, or decisions of a government, in Canada or a foreign country. The Canada Revenue Agency (CRA) considers PPDDAs to include: 5

Providing information – charities may provide information to their supporters or the general public related to their charitable purposes (including the conduct of public awareness campaigns) in order to inform or persuade the public in regards to public policy. Such information must be truthful, accurate, and not misleading.

Research – charities may conduct research into public policy, distribute the research, and discuss the research and findings with the media and with others as they see fit. Note that to advance education as a charitable purpose, a charity's research must meet the criteria in [Policy statement CPS-029, Research as a charitable activity](#).

Disseminating opinions – charities may express opinions on matters related to their charitable purposes to participate in developing public policy, as long as they draw on research and evidence and are not contrary to hate speech laws or other legitimate restrictions on freedom of expression.

Advocacy – charities may advocate to keep or change a law, policy, or decision, of any level of government in Canada, or a foreign country.

Mobilizing others – charities may call on supporters or the general public to contact politicians of all parties to express their support for, or opposition to, a particular law, policy, or decision of any level of government in Canada or a foreign country.

Representations – charities may make representations in writing or verbally to elected officials, public officials, political parties, and candidates, and appear at parliamentary committees, to bring their views to the public policy development process, and may release such materials publicly. Note that a charity engaging in this type of activity may be required to register as a lobbyist organization. See [Other legal requirements](#).

Providing forums and convening discussions – charities may invite competing candidates and political representatives to speak at the same event, or may request written submissions for publication, to discuss public policy issues that relate to the charity's purposes.

Communicating on social media – charities may express their views, and offer an opportunity for others to express their views, in regards to public policy, on social media or elsewhere.

Prohibited: Supporting or opposing a political party or candidate

The Income Tax Act prohibits a charity from devoting any part of its resources to the direct or indirect support of, or opposition to, any political party or candidate for public office. ⁶ Any activity that supports or opposes a political party or candidate is not a PPDDA, and a charity cannot carry on such an activity to any degree.

This requirement is particularly important to remember during an election period, when charities may want to express their views on the policy issues that matter to their supporters. Beyond the requirements of the Income Tax Act, charities are also subject to other legislation governing election and activities surrounding representation to parliamentarians, such as the Canada Elections Act and the Lobbying Act (see [Other legal requirements](#)).

Under the Income Tax Act, a charity may publicly agree or disagree with a decision or position of a government, but in doing so must not support or oppose any political party or candidate for public office. As a general guideline, a charity's communications should focus on the policy issue under discussion, and not refer to any candidate or political party.

The CRA considers a **candidate** to be a person who meets that specific definition in the applicable election legislation. For example, a candidate in a federal election would be a person that meets the definition in The Canada Elections Act. ⁷

In the context of subsections 149.1(6.1) and (6.2) of the Income Tax Act, the CRA does not consider the term candidate to include **potential** candidates. A potential candidate would include, for example, individuals who publicly announce their intention to run for public office without having filed nomination papers or otherwise met the criteria in the relevant election legislation.

The CRA considers a **political party** to be an organization with a fundamental purpose to participate in public affairs by endorsing one or more of its members as candidates and supporting their election. ⁸

The CRA considers a candidate for **public office** to include a candidate seeking election to any of the following:

- the House of Commons
- a provincial or territorial legislative assembly, national assembly or parliament, band council, regional or municipal government, or similar entity

Meaning of direct and indirect support or opposition

Direct support or opposition means either of the following:

- the charity's external materials (for example, social media messages, website, print publications) communicate a message that supports or opposes a political party or candidate to the public
- the charity transfers any of its resources (for example, financial, human, or physical resources) to a political party or candidate, or allows a political party or candidate to use its resources without compensation

Examples of direct support or opposition could include:

- endorsing a candidate over social media
- telling people on a charity's website not to vote for a political party
- making a donation to a political party or a candidate's election campaign
- buying tickets to a political party's fundraiser
- sending volunteers, paid staff, or board members to accompany a candidate in a door-to-door election campaign, as representatives of the charity (also see [Representatives of a charity involved in politics on their own personal time](#))
- inviting only one candidate in an election to speak to the charity's supporters, without giving all candidates an equal opportunity to present their views and answer questions
- allowing or assigning paid staff or volunteers to work for a candidate's election campaign, rather than carrying on work for the charity
- allowing a political party to use a charity's premises without compensation

Indirect support or opposition means either of the following:

- the charity's records explicitly reveal it carried on an activity to support or oppose a political party or candidate
- the charity transfers any of its resources to a third party, to be used to support or oppose a political party or candidate

Examples of indirect support or opposition could include:

- The internal minutes of a meeting of the directors of a charity record their explicit decision to oppose a candidate in a provincial election whose views on a policy issue differ from those of the charity, by carrying out PPDDAs that specifically target his riding but do not refer to the candidate.
- A charity temporarily assigns some of its staff members to work for a non-profit organization that it regularly collaborates with, on the understanding the staff members' salaried time will be used to support the election campaign of a candidate who is seeking to address the same social issue as the charity.
- A charity's internal planning documents explicitly confirm that it will oppose a political party that takes a different view on a certain policy issue, by holding a public demonstration in front of the building where the party is gathering for its annual convention.
- A charity develops an internal strategic report that explicitly states the charity will support a political party through its PPDDAs, by publishing research materials that will offer evidence and arguments in favour of the party's position on an issue, without ever referring to the political party in its public materials.

A charity that provides a platform for the public to comment on and discuss issues (for example, a website or blog) must monitor these platforms, and remove messages that support or oppose a political party or candidate for public office. In such a case, a charity might choose to add a notice to its platform that messages that support or oppose a political party or candidate will be removed.

The CRA does not consider a charity to support or oppose a political party or candidate if it merely receives a gift from a party or candidate, or is promoted by a party or candidate. For example, if a political party, candidate, or elected representative donates to a charity, or compliments the charity on social media, the CRA would not as a result consider the charity to support or oppose that political party or candidate.

Allowed: Communicating about policy issues

A charity may carry out PPDDAs that support or oppose a law, policy, or decision of government that a political party or candidate also supports or opposes. A charity can do this at any time, inside or outside of an election period, as long as in doing so the charity does not refer to or otherwise identify the political party or candidate.

The actions a political party or candidate may independently take do not transform the activities of a charity into direct or indirect support of or opposition to that party or candidate. What the CRA considers is the activities of the charity itself. For example, a charity's PPDDAs are not, nor do they become, support of or opposition to a political party or candidate, if a political party or candidate:

- is commonly known or understood to have a specific view on the same issue
- publicly communicates a view on the same issue
- adopts a policy approach suggested by the charity, puts part of the charity's policy research or commentary on their website or other communications platform, or uses part of the charity's research in an activity
- comments positively or negatively on the charity or the charity's PPDDAs

Examples

Allowed PPDDAs, and not prohibited direct or indirect opposition to a political party

A charity that is registered to support newly arrived refugees in Canada posts on its blog its experiences working with these individuals, and its opinions on the refugee system, an issue on which a provincial political party has expressed differing views.

Prohibited direct support for a candidate

The charity tells people to vote for the candidate with a particular view on Canada's refugee system.

Not an activity of the charity, and not typically a concern for the CRA

A candidate in a municipal election calls for new local government programs to help refugees, and cites a charity's publications on the issue as support.

Allowed: Informing the public about the policy positions of political

parties and candidates

Under the Income Tax Act, inside or outside of an election period, a charity may:

- Publish on its website or social media platforms, or otherwise distribute to the public, the policy positions of all political parties or all candidates, or their responses to policy questions. 9
 - This is the case even if it is obvious to an audience that one or more of the parties or candidates share or oppose the views of the charity.
 - The charity must present the information in a neutral fashion, so that no political party or candidate's policy position or response is singled out, favourably or unfavourably. For example, a charity cannot:
 - put red "X"s next to the policy positions of a political party that differ from those of the charity, and green checkmarks next to the policy positions of a political party that align with those of the charity
 - tell people to vote for the party whose response most closely matches the views of the charity on an issue
- Hold candidates' debates, provided all candidates are given an equal opportunity to present their views and answer questions.
 - Generally, the CRA expects a charity to invite all candidates to any debate or forum it organizes. If a charity limits the number of candidates it invites, the charity must be able to show it has a rationale that it applies consistently, to show it is not supporting or opposing any particular candidate or political party.
 - If one or more candidates decline an invitation to a candidates' debate, the CRA does not consider the debate to oppose or support a candidate or political party solely as a result of this circumstance.
- Provide information to its supporters or the public on how **all** the Members of Parliament or the legislature of a province, territory or municipal council voted on an issue connected with the charity's purpose.
 - However, a charity must not single out the voting pattern of any particular political party or candidate on any issue.

Representatives of a charity involved in politics on their own personal time

The Income Tax Act prohibits a charity from directly or indirectly supporting or opposing a political party or candidate, but this requirement does not apply to representatives of a charity, in their own personal, private capacity as individuals. That is, a representative of a charity, such as a director, is not prohibited by the Income Tax Act from being involved with an election, political campaign, or any other political process in their own personal, private capacity as individuals, whether during an election period or not.

However, a charity must not use its resources, such as office space, supplies, phone, photocopier, computer, or publications, and human resources such as employees or volunteers, to support that individual's personal political involvement.

Under the Income Tax Act, representatives of a charity can publicly voice their personal views on political issues, but must not use events or functions organized by a charity, the charity's publications, or other resources as a platform to voice their views on these issues.

In situations outside charity functions and publications, representatives of a charity, particularly leaders, who want to speak or write in their individual capacity are encouraged to indicate that their comments are personal rather than the views of the charity. This is particularly important in the case of social media, where it may be difficult to tell whether a representative's messages reflect his or her personal views, or those of a charity.

A charity's activities other than PPDDAs

The rules in the Income Tax Act regarding PPDDAs, and the flexibility they provide, do not typically apply to other types of charities' activities, such as fundraising.

Other legal requirements

A charity that intends to carry out PPDDAs should be aware of other federal, provincial, or municipal requirements that might apply to these types of activities, such as:

- the Canada Elections Act
- the Lobbying Act
- the First Nations Elections Act
- provincial lobbying and election legislation

Charities should be aware that some provinces may have rules regarding the use of charitable assets that differ from the requirements of the Income Tax Act as they relate to PPDDAs. ¹⁰ A charity that meets the requirements of the Income Tax Act as they relate to PPDDAs is not exempted from meeting any provincial requirements on the use of its resources, such as any restrictions on the use of charitable assets for a political purpose.

Annex A – Categories of charity

These purposes have already been found to be charitable by the courts, or are analogous to those that have been found to be charitable by the courts:

- [relief of poverty](#)
- [advancement of education](#)
- advancement of religion
- certain other purposes beneficial to the community in a way the law regards as charitable,

including purposes that:

- [protect the environment](#)
- [uphold human rights](#)
- [promote health](#)
- [promote the welfare of animals](#)
- [advance the public's appreciation of the arts](#)
- [provide relief to the victims of natural disasters or other emergencies](#)
- [address or prevent specific problems faced by children, youth, or families](#)
- [provide certain public works, amenities, services, or facilities](#) (cemeteries, libraries, parks, etc.)
- [preserve property of outstanding significance or national importance](#) (cultural property, heritage sites, etc.)
- [promote volunteerism in the community at large](#)
- [address the needs of the Aboriginal people of Canada](#)
- protect human life and property
- [promote industry, trade and commerce](#)
- [promote the efficiency and effectiveness of other registered charities](#)
- [relieve conditions attributable to being aged](#)
- relieve conditions associated with disability
- promote the efficiency and effectiveness of the Canadian military
- uphold the sound administration of the law
- [promote racial equality](#)
- [provide for the rehabilitation of those involved in the criminal justice system](#)
- are otherwise recognized by the courts under this category

Footnotes

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- 1** This includes both charitable organizations and charitable foundations as defined in subsection 149.1(1).
 - 2** In summary, the Income Tax Act deems [PPDDAs](#) carried on in support of a charitable purpose to be carried on in furtherance of those purposes and not for any other non-charitable purpose, such as a political purpose.
 - 3** To be considered charitable, a stated purpose must meet certain requirements laid out by the courts. See *Vancouver Society of Immigrant and Visible Minority Women v Minister of National Revenue*, [1999] 1 SCR 10 at para 159. One of these requirements is that the stated purpose cannot be what the courts have considered to be a political purpose. Subject to the principles expressed in *Vancouver Society of Immigrant and Visible Minority Women v. Minister of National Revenue*, at paragraphs 190 to 192, the [CRA](#) considers a

political purpose to be any purpose that seeks either of the following:

- further the interests of a particular political party; or support a political party or candidate for public office
- retain, oppose, or change the law, policy, or decision of any level of government in Canada or a foreign country

4 See *A.Y.S.A. Amateur Youth Soccer Association v Canada (Revenue Agency)*, [2007] 3 SCR 217, at paragraph 42:

But the government is entitled and indeed obliged to look at the substance of the purposes and activities of an applicant for registered charity status. Rewriting the objects in the Letters Patent or filing a carefully worded application will not be sufficient. The organization, in substance, must have as its main objective a purpose and activities that the common law will recognize as charitable.

5 Generally, PPDDAs include, but are not limited to, the types of activities the Canadian courts have considered to be political activities. See, for example, *Positive Action Against Pornography v The Minister of National Revenue* [1988] 49 DLR (4th). Also, some activities that might fall under the description of PPDDAs may already be charitable, if they meet the relevant criteria. See [Policy statement CPS-029, Research as a Charitable Activity](#), and [Guidance CG-001, Upholding human rights and charitable registration](#).

6 See subsections 149.1(6.1) and (6.2), which state that an entity devoting any part of its resources to the direct or indirect support of, or opposition to, any political party or candidate for public office shall not be considered to be constituted and operated exclusively for charitable purposes and therefore not eligible for registration as a charity. The term “partisan” is sometimes used to describe this requirement, which in its everyday use tends to mean a demonstrated bias towards one political party or candidate. However, the requirements of subsections 149.1(6.1) and (6.2) of the Income Tax Act are not limited to demonstrations of bias, but also include broad support or opposition across more than one political parties or candidates. That is, supporting or opposing all political parties or candidates would violate the requirements of subsections 149.1(6.1) or (6.2) in the same way as supporting or opposing only one political party or candidate would.

7 S.C. 2000, c.9, s.2.

8 Ibid.

9 It may not be possible for a charity’s publications to present the views of all candidates or parties, such as in cases where there are an extremely large number of candidates in an election, or a political party has not yet made its platform public. A charity should be able to show it treated all candidates and parties in the same manner, such as by ensuring they are all asked the same question, and given the same amount of time to respond.

10

See, for example, [Ontario's Office of the Public Guardian and Trustee](#), whose role includes reviewing applications by organizations who wish to be given charitable status to check that the activities of the organization are, in fact, those which the law defines as charitable.

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