

# News Release



## Consultation on new CCRA policy: “Registered Charities – Political Activities”

OTTAWA, January 22, 2003... Elinor Caplan, Minister of National Revenue, has released for comment a draft policy entitled “Registered Charities – Political Activities”. The draft policy is available on the Canada Customs and Revenue Agency (CCRA) Web site at [www.ccra.gc.ca/charities](http://www.ccra.gc.ca/charities). Comments can be submitted until March 31, 2003.


“This consultation is part of the CCRA’s commitment to greater openness and dialogue with registered charities and the Canadian public,” said Minister Caplan.

Under the law, a registered charity’s primary function is to provide direct relief. However, charities can also dedicate a certain portion of their funds and activities to what are called “political activities.”

“Because charities are active ‘on the ground’, directly serving and helping those in need, they’re wonderfully placed to see the effect of government policies on the lives of real Canadians,” said Minister Caplan. “That makes charities a vital source of information for governments at all levels as they develop new policies and legislation or review existing ones.”

In general terms, a registered charity’s activities are considered political when they call for a law, policy, or decision to be retained, opposed, or changed (regardless of the level of government, in Canada or abroad). Canadian law requires that such political activity be non-partisan and that it be related to the charity’s primary purposes.

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The draft policy provides clearer definitions of the allowable limits, under the *Income Tax Act*, on registered charities' political activities. Of significant note is a proposal that charities be allowed greater involvement in public-awareness campaigns. This represents a major shift because, to date, public-awareness campaigns have been viewed as political and have therefore been significantly restricted. The draft document also explains the administrative framework used by the CCRA to distinguish between political activities and charitable activities.

"The CCRA has worked much more closely with the voluntary sector in recent years. In our discussions with them, it was clear that many people felt that the *Income Tax Act's* current interpretations of political activities didn't let registered charities adequately participate in developing public policy," said Minister Caplan. "In developing this new policy for consultation, the CCRA considered these and other views, as well as recent case law related to political activity and the existing provisions of the Act."

This draft document is intended to help registered charities more effectively contribute to the development of public policy, while at the same time helping them respect the legislative and regulatory requirements surrounding their activities.

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