



INFORMATION SHEET 7

REGISTERED ELECTORAL DISTRICT ASSOCIATIONS

DISCLAIMER

These information sheets set out Elections Canada's current interpretation of the *Canada Elections Act* and are issued to assist the public in understanding the Act. The views expressed in information sheets are not law and are not intended to replace the official text of the Act. How the Act applies to any particular case will depend on the individual circumstances of that case. Elections Canada reserves the right to reconsider any interpretations expressed in information sheets, either generally or in light of the actual circumstances of any case, and in accordance with continuing legislative and judicial developments.

Introduction

1. An electoral district association is defined as “an association of members of a political party in an electoral district.”¹
2. The amendments to the *Canada Elections Act* that take effect January 1, 2004, allow electoral district associations of registered parties to register with the Chief Electoral Officer.
3. Unless registered, electoral district associations may not engage in certain activities. Upon registering, electoral district associations become eligible for certain benefits. However, registration also entails certain obligations.

Unregistered Electoral District Associations

4. Electoral district associations may continue to exist without registering, but they are restricted in their activities.
5. Unless registered, electoral district associations of registered parties may not:
 - 5.1 accept contributions
 - 5.2 provide goods or services or transfer funds to a candidate endorsed by the registered party, to the registered party, or to a registered association of a registered party
 - 5.3 accept surplus campaign funds from a candidate, leadership contestant, or nomination contestant²

¹ S. 2(1) “electoral district association”, *Canada Elections Act*.

² S. 403.01, *Canada Elections Act*.

6. Electoral district associations of registered parties may still receive unlimited transfers from the party with which they are associated, whether or not they are registered.³
7. Electoral district associations of unregistered parties may collect contributions and transfer money to the unregistered party, as these parties are not subject to the restrictions on contributions set out in the Act. However, electoral district associations of an unregistered party are restricted in their ability to transfer money to candidates of the unregistered party.

Registration

8. Only electoral district associations of registered parties can be registered.
9. An electoral district association must apply to the Chief Electoral Officer for registration.⁴
10. An electoral district association may apply for registration either in an existing electoral district, or in an electoral district described in a representation order. In the latter case, the registration will only take effect on the date the writs are issued for the first general election that occurs at least one year after the proclamation of the representation order (see s. 403.22(4) of the *Canada Elections Act* and the *Electoral Boundaries Readjustment Act*). (But see below concerning continuation of existing electoral district associations under new boundaries.)
11. The application must include:
 - 11.1 the name of the association and the electoral district
 - 11.2 the name of the registered party

³ S. 404.2(2)(a), *Canada Elections Act*.

⁴ S. 403.02, *Canada Elections Act*.

- 11.3 the address of the office of the association at which records are kept and to which communications may be addressed, and
- 11.4 the names and addresses of the association's chief executive officer, other officers, auditor, and financial agent⁵
12. The application to register must be accompanied by the signed consents to act of the auditor and financial agent, as well as a declaration by the leader of the party certifying that the association is an electoral district association of the party.⁶
13. If the Chief Electoral Officer finds that the association has met all of the above requirements, he registers the association. If he refuses to register the association, he indicates which requirements have not been met.⁷
14. The Chief Electoral Officer keeps a registry of electoral district associations, which includes the information set out above, other than the signed consents and declaration.⁸
15. The registration of the association takes effect on the date when the Chief Electoral Officer enters the association into the registry of electoral district associations.⁹
16. A registered party may have only one registered association per electoral district.¹⁰

⁵ See ss. 403.1 and 403.11, *Canada Elections Act*, for restrictions on who can perform certain of these functions.

⁶ S. 403.02(2), *Canada Elections Act*.

⁷ S. 403.03(3), *Canada Elections Act*.

⁸ S. 403.08, *Canada Elections Act*.

⁹ S. 403.02(4), *Canada Elections Act*.

¹⁰ S. 403.03, *Canada Elections Act*.

Rights upon Registration

The Appointment of Electoral District Agents

17. Upon registration, a registered association may appoint electoral district agents according to such terms and conditions as the registered association specifies.¹¹ These electoral district agents, along with the financial agent of the association (who is also by definition an electoral district agent), may accept contributions on behalf of the association. They are the only individuals who may accept contributions and pay and incur expenses on behalf of the registered association.¹²
18. When a registered association appoints an electoral district agent, it must, within 30 days, provide the Chief Electoral Officer with a report, certified by the financial agent, that includes the name of the person appointed and any terms and conditions on which the appointment is made. The Chief Electoral Officer enters this information in the registry of electoral district associations.¹³

Holding Nomination Contests

19. A registered association is permitted to hold and report on nomination contests.¹⁴
20. If the contest is not held by a registered association, it must be reported by the registered party.¹⁵
21. When a registered association holds a nomination contest, it must provide the Chief Electoral Officer, within 30 days after the selection date, with a report setting out:
 - 21.1 the name of the electoral district, the registered association and the party that the contest concerns

¹¹ S. 403.09(1), *Canada Elections Act*.

¹² Ss. 403.28(1), (2) and (3), *Canada Elections Act*.

¹³ S. 403.09(2), *Canada Elections Act*.

¹⁴ S. 478.02(1), *Canada Elections Act*.

¹⁵ S. 478.02(1), *Canada Elections Act*.

- 21.2 the date on which the contest began and the selection date
- 21.3 the name and address of each contestant as of the selection date, and
- 21.4 the name of the person selected¹⁶

Receipt of Contributions

- 22. Registered associations may accept contributions through the financial agent or other electoral district agents.¹⁷
- 23. Individuals may make contributions of up to \$5,000* per year in total to a registered party, its registered associations, candidates, and nomination contestants.¹⁸ With some limited exceptions, corporations, trade unions and unincorporated associations (fundraisers) may make contributions up to \$1,000* per year in total to all registered associations, candidates and nomination contestants of the same political affiliation.¹⁹ For more information on eligibility to make contributions and contribution limits, refer to the information sheets on contributions by the various entities.
- 24. All contributions of more than \$25 received by the registered association must be receipted, and the agent must keep a copy of that receipt.²⁰
- 25. In addition, if the leader of the registered party has provided a written authorization to the financial agent, the electoral district agents of registered associations may issue tax receipts for contributions to the registered association.²¹

¹⁶ S. 478.02(1), *Canada Elections Act*.

¹⁷ S. 403.01(a), *Canada Elections Act*.

¹⁸ S. 405(1), *Canada Elections Act*.

¹⁹ S. 404.1(1), *Canada Elections Act*.

²⁰ S. 404.4(1), *Canada Elections Act*.

²¹ See the *Income Tax Act*, s. 127(3.2), as amended by s. 73, S.C. 2003, c. 19.

26. In certain circumstances, the financial agent must forward the contribution to the Receiver General.²² Contributions must be forwarded if:
- 26.1 the financial agent cannot determine to which class (individual, corporation, trade union, or unincorporated association) the contributor belongs; or
 - 26.2 the name of a contributor of more than \$25 is not known, or the name or address of a contributor of more than \$200 or the name of the chief executive officer or president of a numbered company that has made a contribution are not known.
 - 26.3 the financial agent becomes aware that he or she has received a contribution made in contravention of the individual contribution limits,²³ the prohibition against contributions made in accordance with certain agreements,²⁴ or the prohibition against making a contribution that comes from the money, property or services of another given for the purposes of making a political contribution,²⁵ and cannot return the contribution unused²⁶ to the contributor;²⁷ or
 - 26.4 the financial agent becomes aware that he or she has received a contribution from an ineligible contributor, and the agent is unable to return the contribution to the contributor.²⁸

²² S. 403.36, *Canada Elections Act*.

²³ Ss. 405(1) and 405.4, *Canada Elections Act*.

²⁴ Ss. 405.2(4) and 405.4, *Canada Elections Act*.

²⁵ Ss. 405.3(1) and 405.4, *Canada Elections Act*.

²⁶ The concept of “unused” here is meant to prevent a person or entity receiving a contribution before an event such as an election, using the money or goods in the event, and then returning the equivalent amount.

²⁷ S. 405.4, *Canada Elections Act*.

²⁸ S. 404(2), *Canada Elections Act*. Ineligible contributors would include, for example, persons who are not Canadian citizens or permanent residents, or corporations or trade unions giving other than in accordance with the exceptions in ss. 404.1 and 405.3(2).

Transfers from the Registered Association

27. An electoral district association that is registered is able to give and receive certain resources to and from other affiliated political entities: its registered party, other registered associations of the party, candidates who are endorsed by its registered party, and leadership and nomination contestants of its registered party without having those gifts or receipts counted as contributions. For more information on what can be transferred under this rule and to whom, see Information Sheet 5: *Transfers Between Affiliated Political Entities*.
28. Any such transfers must be reported by the association receiving the transfer, as well as by the transferring person or entity.²⁹

Obligations upon Registration

Financial Reporting upon Registration

29. Within six months of registering, an electoral district association must provide the Chief Electoral Officer with a statement of its assets and liabilities as of the day before its registration, accompanied by a declaration by the financial agent that the statement is complete and accurate.³⁰

Annual Financial Reports

30. Immediately upon registration, a registered association must vary its fiscal period so that it ends on December 31. The current fiscal year must either be extended to 18 months at the longest, or shortened to six months at the shortest. After it is varied, the fiscal year of the association will be the calendar year.³¹
31. Within five months of the end of each fiscal year, registered associations must submit a financial return, along with supporting documents. The return sets out contributions by class of contributor, and includes:

²⁹ See s. 403.35(2)(h), *Canada Elections Act*, for the association's reporting obligation.

³⁰ S. 403.05, *Canada Elections Act*.

³¹ S. 403.07, *Canada Elections Act*.

- 31.1 the names and addresses of all contributors of more than \$200 during that year
 - 31.2 a statement of assets and liabilities
 - 31.3 a statement of disputed and unpaid claims
 - 31.4 a statement of revenues and expenses of the association
 - 31.5 statements of all goods and services provided and funds transferred from the association to the registered party, other registered associations and candidates endorsed by the registered party
 - 31.6 a statement of the commercial value of goods and services provided and funds transferred from the registered party, and its other registered associations, candidates, leadership contestants and the nomination contestants to the registered association, and
 - 31.7 a statement of loans and security received by the association, as well as contributions received but returned³²
32. The financial transactions return must be accompanied by an auditor's report if the registered association has, during the fiscal period, received contributions of \$5,000 or more or incurred expenses of \$5,000 or more.³³
- 32.1 Notwithstanding that not all registered associations will require an auditor's report, all registered associations must always have an auditor listed in the registry of electoral district associations.
33. An auditor will include in his or her report any statement he or she thinks necessary if the return does not present the information fairly or if proper accounting records have not been kept.³⁴

³² S. 403.35, *Canada Elections Act*.

³³ S. 403.37(1), *Canada Elections Act*.

³⁴ S. 403.37(2), *Canada Elections Act*.

34. The auditor must have access to any documents of the association, and he or she may require the financial agent of the association to provide any information or explanation that is, in his or her opinion, necessary.³⁵

Updating Information in the Registry of Electoral District Associations

35. In addition to the financial reporting requirements, registered associations must keep the information in the registry of electoral district associations up to date.

35.1 Within 30 days of a change in the information in the registry, the registered association must inform the Chief Electoral Officer of the change, in writing.³⁶

35.2 If the change involves the appointment of a new auditor or financial agent, the association must provide a copy of the signed consent of the person.³⁷

36. On or before May 31 of every year, the registered association must also file with the Chief Electoral Officer a statement by the chief executive officer of the association confirming the validity of the information in the registry of electoral district associations.³⁸

Deregistration

37. Five things can lead to the deregistration of an electoral district association:

³⁵ S. 403.37(3), *Canada Elections Act*.

³⁶ S. 403.16(1), *Canada Elections Act*.

³⁷ S. 403.16(2), *Canada Elections Act*.

³⁸ S. 403.17, *Canada Elections Act*.

CEO has discretion to deregister:

- 38. for failure to file any of several documents or reports that the association is required to file³⁹
- 39. if the association asks to be deregistered⁴⁰

Deregistration is mandatory or automatic when:

- 40. the registered party with which it is affiliated asks the CEO to deregister the association; such an application must be signed by the leader and two of the party's officers⁴¹
- 41. the registered party with which the association is affiliated is deregistered⁴²
- 42. the boundaries of the electoral district are changed by redistribution and the registered association has not filed a notice endorsed by the leader of the party stating that the association will continue as the registered association for a new electoral district⁴³
 - 42.1 Deregistration may be avoided when the boundaries of an electoral district have changed, if the registered association files with the Chief Electoral Officer a notice stating that it will continue as the association for a particular district described in the representation order. Such a notice must be filed before the day on which the representation order comes into effect, and must be accompanied by a consent signed by the leader of the registered party.⁴⁴

³⁹ Ss. 403.18 and 403.19, *Canada Elections Act*.

⁴⁰ S. 403.2(1), *Canada Elections Act*.

⁴¹ S. 403.2(2), *Canada Elections Act*.

⁴² S. 389.2, *Canada Elections Act*.

⁴³ S. 403.22(3), *Canada Elections Act*.

⁴⁴ S. 403.22(1), *Canada Elections Act*.

Process of Deregistration

43. Advance warning notices of deregistration are only provided to an association in the case of failure to file a required document or report.⁴⁵
- 43.1 In the advance warning notice, the Chief Electoral Officer must inform the association and its party of the problem.⁴⁶
- 43.2 The notice includes a demand that the association provide the missing documents within 30 days of receipt.⁴⁷
44. If the association can show the CEO that the omission was not the result of negligence or a lack of good faith, the CEO may waive some or all of the association's responsibilities or require it to comply within a specified time.⁴⁸
45. If the association does not meet the deadlines imposed in the CEO's notices, the CEO *may* deregister the association.⁴⁹

Process Following Deregistration

46. In all circumstances other than where the boundaries are changed by redistribution, the CEO sends a notice to the association and the party stating that the association will be deregistered on a date specified in the notice.⁵⁰
- 46.1 The date of deregistration will be at least 15 days after the day on which the notice is sent.⁵¹

⁴⁵ S. 403.21(1), *Canada Elections Act*.

⁴⁶ S. 403.21(1), *Canada Elections Act*.

⁴⁷ S. 403.21(1)(a), *Canada Elections Act*.

⁴⁸ S. 403.21(2), *Canada Elections Act*.

⁴⁹ S. 403.21(4), *Canada Elections Act*.

⁵⁰ S. 403.23(1), *Canada Elections Act*.

⁵¹ S. 403.23(2), *Canada Elections Act*.

47. After the date of deregistration, the association may no longer accept contributions, provide goods or services or transfer funds to candidates, registered associations or registered parties, or accept surplus funds.
48. Within six months of the date of deregistration, the association must file a final financial report, as well as any outstanding financial reports.⁵²
49. In the case of an association that is deregistered because of redistribution, deregistration is automatic but the association has a period of six months in which it may continue to transfer funds and goods to its registered party or one of that party's registered associations. Within six months of deregistration, it too must file final and outstanding financial reports.⁵³
50. A notice of all deregistrations must be published by the CEO in the *Canada Gazette*.⁵⁴

Special Provisions Regarding Boundary Changes

51. As noted, if the boundaries of an electoral district are changed because of a representation order made under the *Electoral Boundaries Readjustment Act*, a registered association is deregistered.
52. An exception is made if an association has filed a notice with the Chief Electoral Officer, during the time between the proclamation of the representation order and the effective date of the new boundaries, stating that the association will be the new registered association for a particular electoral district described in the new representation order.

⁵² S. 403.26, *Canada Elections Act*.

⁵³ S. 403.22(3), *Canada Elections Act*.

⁵⁴ Ss. 390(1) and 403.24(1), *Canada Elections Act*.