

*Special Issue 2019-1
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2019 Election Finance Rules Q & A – Issue 1

Dear candidates and official agents:

With the Federal Election call for October 21, 2019, we have been fielding several interesting questions regarding the finance rules pertaining to the campaign. The 2019 Canada Elections Act introduced many changes to the election rules and many existing sections were replaced. This periodical newsletter is produced to share our response to these questions with you. If you have any questions related to the financial aspects of the election, please contact us.

Q1: What are the contribution limits for the 2019 Election?

A: As per the Political Financing Handbook for Candidates and Official Agents published by Elections Canada:

Contribution, Loans and Loan Guarantee Limits		
Political Entity	2019 Annual Limit*	Limit per election called between Jan 1 – Dec. 31, 2019
To each registered party	\$1,600*	N/A
Total of all registered associations, nomination contestants and candidates of each registered party.	\$1,600*	N/A
In total to all leadership contestants in a particular contest	\$1,600*	N/A
To each independent candidate	N/A	\$1,600*

* Limits increase by \$25 on January 1 in each subsequent year.

Note that there are separate amounts to the Party and to all other elements of the Party including the Candidate. Candidates may also contribute up to \$5,000 to their own campaign and up to \$1,600 to another campaign of their choosing.

Q2: What is considered an election expense?

A: Election expenses are:

- Any cost incurred or non-monetary contribution received by a candidate to the extent that the property or service that the cost was incurred for, or that was received as a non-monetary contribution, is used to directly promote or oppose a candidate during an election period
- Any non-monetary transfer received from a registered party or a registered association of the registered party to the extent that the property or services are used to directly promote or oppose a candidate during an election period

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Q3: Why is it important to classify election expenses?

A: Election expenses are subject to spending limits which varies from riding to riding and are eligible for up to a 60% reimbursement if the following conditions are met:

- The candidate was elected, or received at least 10% of the valid votes;
- Filed the Candidate's Electoral Campaign Return, the Auditor's Report, and the Checklist for Audits within the original or extended filing deadline; and,
- The expenses were paid by the Official Agent from the campaign bank account.

Q4: Who needs to register with the Voter Contact Registry?

A: You must register if one or more of the following scenarios apply to you:

- You are making calls using an automatic dialing-announcing device (ADAD), also known as robocalling;
- You have entered into an agreement with a calling service provider to make either live or ADAD calls, for voter contact calling services;
- You are a calling service provider who is providing voter contact calling services in accordance with an agreement; and,
- You are a third party (for example, a corporation or group other than a registered political party or a registered association) and you are

making live calls using your internal services.

Q5: When is the 2019 Election period?

A: The election period starts on the day the election is called and ends on the election day when the polls close. For the 2019 Election, the election period will run from September 11, 2019 till October 21, 2019.

Q6: What are the changes regarding auditor appointments?

A: Candidates are no longer required to appoint auditors with the filing of their nomination papers to the returning officer. However, if contributions received are in excess of \$10,000 or if electoral campaign expenses incurred are in excess of \$10,000 or if the candidate receives 10% or more of the valid votes cast in their electoral district, an auditor **MUST** be appointed immediately. Since the likelihood of the limits being met are high, you should consider appointing us as your auditor immediately (if you have not already don so). We are here to assist you and your official agent through this process.

Resources available

Elections Canada has set up a special line (1-800-486-6563) for Political Finance Purposes but you do have to identify the candidate and Party.

IMPACT CPAs LLP is available to assist our clients. Please email your queries to service@impactcpas.ca and we will reply within 1 business day. If it is a common query, we will include it in a future edition of this newsletter.