

April 18, 2019

Mr. Tony Manconi, Director General  
Charities Directorate  
Canada Revenue Agency  
Ottawa, ON K1A 0L5

Dear Mr. Manconi:

Re: Public policy dialogue and development activities by charities

We are writing to share our thoughts on the information posted by the Charities Directorate relating to public policy dialogue and development activities (PPDDA) by registered charities, specifically the guidance document CG-027. We appreciate the opportunity to provide this input.

By and large, we are satisfied with CG-027 as drafted. We believe it is in line with the recent changes to the *Income Tax Act* and that you and your team have made great progress in drafting guidance that is clear, concise, and accessible.

We have identified some points that might benefit from further clarification, and we appreciate your consideration of the following.

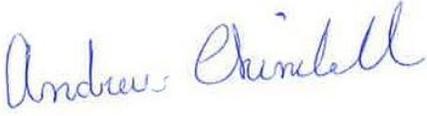
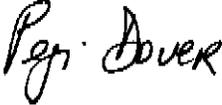
1. In the paragraph immediately following the heading “Furthering a stated charitable purpose,” reference is made to charities being free to “advocate for any **change** to a law...” (emphasis added). Later on, CG-027 references activities to “keep or change” laws, policies, or decisions. We believe the latter construct is in keeping with the intent of the recent legislative changes, and is also more in line with the previous guidance CPS-022 which referred to efforts to “retain, oppose, or change” laws, policies, and decisions. To the extent that the reference early on in CG-027 may inadvertently limit the scope of PPDDAs, we would suggest adding a reference to keeping or retaining laws, policies, etc. so that CG-027 is internally consistent.
2. In the discussion of partisan activities, CG-027 makes reference to candidates for Parliament, provincial and territorial assemblies, municipal councils, and band councils. There is no reference to foreign jurisdictions. As PPDDAs include registered charities’ activities in other countries, clarification on their obligations to remain nonpartisan with regard to those countries may be helpful.

3. It is a long-standing requirement that charities not constituted for research purposes must nonetheless be well-reasoned and truthful in promulgating their positions. In light of this, we would recommend that the guidance be strengthened to make it clear that when charities provide information about issues, they must meet the standards set out in CPS-029; failure to meet that standard could constitute misleading the public or failing to provide a public benefit. Similarly, in disseminating opinions, charities should also be required to meet the standards set out in CPS-029; this would be especially important in cases where a charity may rely on research conducted by a non-charitable entity.
4. CG-027 specifies that where a charity “provides a platform” such as a “website or blog” it has a duty to monitor and remove partisan comments made by others. It is not clear whether this is also intended to apply to a charity’s social media properties. If it does apply to social media, we believe a general distinction should be drawn between situations where a charity is able to monitor and remove comments (such as comments made on its Facebook feed) and situations where a charity is not able to do so (for example, when the charity is “tagged” in a Twitter comment). We also recommend that you consider a stronger statement holding charities responsible for views expressed by others, where the false or abusive content has been brought to the charity’s attention but the charity has chosen to not remove it (where this is technically possible). This would send a clear signal that charities’ responsibility to be reasonable and truthful extends to the platforms they provide to others.
5. We appreciate the very clear statement that support for or opposition to government policies are not in and of themselves partisan activities. However, it may be worth emphasizing that a pattern or support for or opposition to government policies is also not necessarily indicative of partisan activity, if it is in keeping with the charity’s own established positions on issues. A charity constituted for the relief of poverty, for example, should not risk being seen as partisan should it find itself supporting a series of policies to alleviate poverty that a government might undertake.
6. We remain concerned about the language around “direct” and “indirect” partisan activity in the *Income Tax Act*; in our view, an activity is either partisan or it is not and the existence of an “indirect” category continues to sow some confusion. The examples of “indirect” partisan activity in the guidance give some indication of what the Agency considers to be “indirect” activity but we maintain that there will be continuing concerns arising from the use of that terminology. While you are bound

by the *Income Tax Act*, we would appreciate further consideration of the language and examples in the guidance.

Once again, we appreciate the opportunity to provide feedback, and the efforts that the Charities Directorate has made. If you have any questions, please do not hesitate to be in touch.

Yours truly,

 Bruce MacDonald, President & CEO Imagine Canada	 Cathy Taylor, Executive Director Ontario Nonprofit Network
 Hilary Pearson, President Philanthropic Foundations Canada	 Stephen Huddart, President & CEO The McConnell Foundation
 Andrew Chunilall, CEO Community Foundations of Canada	 Russ Dahms, Chair Canadian Federation of Voluntary Sector Networks
 Pegi Dover, Executive Director Canadian Environmental Grantmakers Network	