

# **Guide for the official representative of a party and a party authority**



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# Main changes to the *Election Act*

Bill 7 was assented to on December 10, 2021, and came into force on March 10, 2022. It amends certain provisions of the *Election Act* in respect of political financing and the control of expenses. The main changes relating to the role and responsibilities of the official representative are as follows:

## **Election expenses incurred by the official representative**

- The official representative or their delegate may incur election expenses deemed paid out of an election fund, in accordance with sections 403, 419 and 420 of the *Election Act* (s. 414).
- During a by-election, an election expense may be authorized by the official representative of the party, where the party does not have an authorized party authority, as long as no candidate of the party has filed his or her nomination paper and before the expiry of the period prescribed for the filing of nomination papers (s. 420).

## **Entrance fee for fundraising and political activities**

- Exclusion of the entrance fee for a fundraising activity as a political contribution, when it does not exceed the real cost of that activity, up to one admission per person (s. 88(5.1)).
- Inclusion of the entrance fee for the participant's minor children to his or her entrance fee to a political activity, without this cost constituting a political contribution (s. 88(6)).

## **Contributions**

- Electors may now make political contributions by means of a debit card issued by a credit card company (s. 95).

## **Reimbursement of audit fees and PCI DSS certification fees**

- Increase in the limit on reimbursement of the cost incurred for the audit of the financial report and addition of a reimbursement for the cost related to obtaining PCI DSS certification (s. 112).

# Introduction

Your political party or party authority authorization has been granted by the Chief Electoral Officer and you have agreed to act as its official representative. As such, you are required to comply with certain rules governing financing and expenses control enacted in chapters I and II of Title III of the *Election Act* (CQLR, c. E-3.3).

The purpose of this guide is to help you understand and comply with the applicable provisions of the *Election Act*. The electronic version of this guide is available on the Élections Québec website at: **[electionsquebec.qc.ca](http://electionsquebec.qc.ca)**.

The provisions of the *Election Act* dealing with financing and expenses are numerous and require constant attention. However, we believe that once you have carefully read this guide, taken the mandatory training given by the Chief Electoral Officer and, if required, consulted a political financing coordinator, you will be able to effectively and adequately carry out your responsibilities.

The interpretations presented in this guide do not take precedence over the provisions of the *Election Act* and are not intended to replace the official text. When interpreting or applying the *Election Act*, you should always refer to the text published by the Éditeur officiel du Québec, which is available at: **[legisquebec.gouv.qc.ca](http://legisquebec.gouv.qc.ca)**. Where applicable, references to the provisions of the *Act* are given in parentheses.

If you have any questions about how the provisions of Chapters I and II of Title III of the *Election Act* apply to you, as the official representative of an authorized political party or a party authority, please contact a political financing coordinator at:

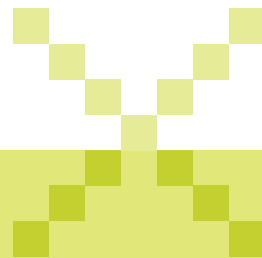
## **Direction du financement politique**

Élections Québec  
1045, avenue Wilfrid-Pelletier, bureau 200  
Québec (Québec) G1W 0C6  
Telephone: 418-644-3570 (Québec City area)  
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Website: **[electionsquebec.qc.ca](http://electionsquebec.qc.ca)**





# 1 Role and responsibilities

Any political party and party authority must hold an authorization from the Chief Electoral Officer granted under Chapter I of Title III of the *Election Act*. This authorization allows them to solicit or collect contributions, incur expenses or take out loans. An application for authorization may be submitted to the Chief Electoral Officer at any time.

- Both an authorized political party and authorized party authority are authorized entities (s. 43).
- A party authority is the organization of a political party at the level of an electoral division, a region or the province of Québec (s. 52).

## 1.1 Role

(ss. 41, 42 and 405)

As the official representative of a political party or a party authority, you are in charge of political financing, expenses incurred outside of an election period and for filing the annual financial report. During an election period, the official representative of an authorized political party also acts as the official agent unless the party leader designates another person in writing. The official agent is responsible for incurring and authorizing election expenses as well as for filing the return of election expenses. To learn more about the role and responsibilities of the official agent, see the *Guide for the official agent of a party and of a party candidate*.

## 1.2 Appointment

(ss. 1, 42 to 45 and 48)

The official representative of a party or a party authority is designated in writing by the party leader or the person designated in writing by the leader to make such appointments.

The official representative of an authorized political party may appoint, with the written approval of the party leader, a delegate for each electoral division.

The role of official representative or delegate cannot be held by a person who:

- is not a qualified elector;
- is a candidate or a party leader;
- is an election officer or an employee of an election officer.

→ **Is a qualified elector any person who:**

- has attained 18 years of age;
- is a Canadian citizen;
- has been domiciled in Québec for six months;
- has not lost their right to vote due to a tutorship;
- has not been convicted, within the last five years, of an offence constituting a corrupt electoral practice pursuant to the *Election Act*, the *Referendum Act*, the *Act respecting elections and referendums in municipalities*, or the *Act respecting school elections to elect certain members of the boards of directors of English-language school service centres*.

## 1.3 Resignation and replacement

(s. 46)

If you or your delegate realize that one is not complying with one or more of the above conditions, you or your delegate must resign immediately. The official representative or his or her delegates may also resign for any other reason by giving written notice to the party leader or the person designated by the former. A copy of the notice must be sent to Élections Québec to the attention of the Direction du financement politique.

The official representative who ceases to perform his or her duties must file, with the party or party authority, within 30 days after resigning, a financial report covering the period during which he or she performed his or her duties and which is not covered by an earlier report. The report must be accompanied by all supporting documents relating to party business.

Where a political party or party authority no longer has an official representative, another person shall be immediately appointed, and the Chief Electoral Officer must be notified in writing.

→ For more information regarding appointments and resignations with respect to the various roles, please refer to the *RAPEQ Guide* (DGE-216).

## 1.4 Mandatory training provided by the Chief Electoral Officer

(ss. 45.1 and 65)

Within 30 days of their appoint, official representatives and their delegates must undergo training provided by the Chief Electoral Officer on political financing rules.

When the official representative is also the official agent, the latter must also undergo training provided by the Chief Electoral Officer on the rules governing the control of election expenses, within the same 30-day period following his or her appointment.

The training is available online. To access the training sessions, persons concerned must provide an email address at the time of their appointment. The email address will be used to confirm the identity of the participant and will allow for the transmission of all communications related to the access, use and follow-up of the training.

An entry will be made in the Register of authorized political entities of Québec (RAPEQ) beside the name of each person required to take compulsory training, indicating whether he or she has completed the training by the prescribed deadlines. This information is publicly available on the Élections Québec website.

For more information on the Chief Electoral Officer's compulsory training, refer to Directive **D-27**.

## 1.5 Summary of main responsibilities

(ss. 65, 92, 102-104 and 113)

- Manage the funds of the party or party authority;
- Control the amounts collected;
- Authorize and pay expenses of the party or party authority;
- Produce the annual financial report;
- Provide the Chief Electoral Officer with the information required to update the Register of authorized political entities of Québec (RAPEQ).

## 1.6 Extranet

Élections Québec provides you with an online platform—the extranet of provincial political entities—where all documents required for your role as official representative are accessible i.e., all guides, directives, reports and other forms. On this website you can, among other things:

- take the mandatory training;
- access the political contribution processing portal;
- receive news about political financing and the control of election expenses.

You can access your extranet at the following address: **[pes.electionsquebec.qc.ca](https://pes.electionsquebec.qc.ca)**. Your login information is the same as that used to complete your mandatory training.



# 2 Manage funds and control sums collected

## 2.1 Funds of the party or party authority

(ss 81, 93, 104 and 112)

The official representative is responsible for all sums collected on behalf of an authorized political entity. He or she must therefore ensure that only the sums collected in accordance with the *Election Act* are deposited in an account opened in the name of the entity in a Québec branch of a bank, trust company or financial services cooperative.

→ Directive **D-5** details the information needed to open an account at a financial institution. The account of the official representative must be separate and distinct from that of the official agent (s. 414).

The funds of a political party or party authority may, among other things, consist of:

- contributions from electors;
- membership fees (membership cards);
- loans;
- amounts collected at fundraising or political activities;
- subsidiary revenue;
- amounts from transfers between entities of the same party;
- reimbursement of election expenses.

In addition, the funds of a political party may consist of:

- reimbursement of the annual financial report audit fees and PCI DSS certification fees;
- matched revenue;
- payment of allowances.

## 2.2 Contributions

(ss. 87, 88, 90, 93, 93.1, 95, 95.1, 96, 97, 98 and 99)

### Definition

(s. 88)

Contributions are money donations, services rendered (excluding volunteer work) and goods provided free of charge to an authorized political entity.

→ Only an elector may make a contribution to an authorized political entity. Every contribution must be made by the electors themselves out of their own property. In addition, the contribution must be made voluntarily, without compensation and for no consideration, and may not be reimbursed in any way (s. 90).

Contributions may be remitted to the official representative, his or her delegates and to canvassers designated in writing. Each contribution must be accompanied by a contribution slip and deposited in the account opened by the official representative.

Contributions may also be submitted by electors to the Chief Electoral Officer. To do so, each elector must attach a duly completed contribution slip to their payment.

Once a contribution has been processed, it is deemed to have been paid by the elector who made it and received by the authorized entity for which it is intended. A commitment to contribute does not constitute a contribution. For example, a post-dated cheque is not a contribution until it is processed or processable. Accordingly, the official representative must ensure that all contributors are qualified electors not only at the time they submit their contribution but also at the time it is processed by the Chief Electoral Officer.

Lastly, all contributions must be disclosed in the financial report by indicating the full name and domiciliary address of each elector who made one or several contributions and the total amount of the contributions.

## Maximum contribution permitted under the *Election Act*

(ss. 91 and 127.8)

→ The total contributions in money, goods and services for the benefit of each party including their authorities, as well as for each authorized independent candidate or authorized independent Member, by the same elector during the same calendar year cannot exceed **\$100**. This amount is separate from the amount that an elector may contribute during a party leadership campaign.

## Additional contribution during an election

(s. 91)

In addition to the regular contributions limit of \$100 during the year, an elector in an electoral division in which an election is being held can make, for that election, additional contributions of up to **\$100** for the benefit of each of the parties, including their party authorities, authorized independent candidates and independent Members.

These additional contributions can be made:

- Throughout the entire calendar year in which the general election is held on the first Monday of October in the fourth calendar year following the year that includes the polling day of the last general election;
- Throughout the entire calendar year in which the general election is held and the entire previous calendar year, when a postponed poll is held on the first Monday of April in the fifth calendar year following the year that includes the polling day of the last general election;
- From the day after the issue of the government order instituting the holding of the election until the 90<sup>th</sup> day following the day of the poll; for any election set for a fixed date by order of the government prior to the expiry of a legislature;
- During by-elections, from the date on which the seat becomes vacant up to the 30<sup>th</sup> day after polling day, by the electors of the electoral division in election.

When?	Who?	Maximum contribution
Every year	All electors	\$100 per entity (authorized party, candidate or independent Member)
General elections year	All electors	Additional \$100 per entity
For a by-election, from the time of notice of vacancy up to the 30 <sup>th</sup> day after polling day	All electors in the electoral division in election	Additional \$100 per entity

### Contribution of more than \$50

(ss. 93, 95, 95.1, 96, 97 and 99)

Any contributions of more than \$50 must be made by cheque or other order of payment signed by the elector and drawn on his or her personal account in a financial institution having an office in Québec. The cheque or order of payment must be made payable to the Chief Electoral Officer of Québec. The elector must indicate on the back of the cheque or in the “Reference” section, located in the lower left-hand corner, for the benefit of which authorized political entity the contribution is made.

A contribution may also be made using a credit card or debit card issued by a credit card company. In order to use this payment method, you must comply with the rules mentioned in Directive **D-16**.

To benefit from the online contribution payment service provided on the Élections Québec’s website, the party must send to the Chief Electoral Officer, for its authorities and for itself, a specimen cheque from the account held by the official representative of the party. The banking information will also be used to pay allowance revenue and matched revenue, the reimbursement of election expense as well as the reimbursement of audit fees and PCI DSS certification fees.



→ Contributions of more than \$50 cannot be made in cash or by means of a postal money order, bank draft or electronic transfer.

In addition, please note that it is not permissible to circumvent the *Act* by breaking down a contribution of more than \$50 to allow it to be paid, for example, in cash. Where the elector's intention is to allow an authorized political entity to benefit from an amount greater than \$50, the amount paid cannot be split for the purpose of avoiding payment by cheque, by other order of payment signed by the elector and drawn on the elector's bank account or, under certain conditions, by credit card.

### **Contribution of \$50 or less**

*(ss. 93, 93.1, 95.1 and 99)*

Notwithstanding the means permitted to make contributions of more than \$50, only cash is accepted for contributions of \$50 or less. All contributions must be deposited by the official representative in the account of the authorized entity, and a contribution slip signed by the contributor must be completed and forwarded to the Chief Electoral Officer.

### **Contribution in goods and services**

*(ss. 87, 88 and 91)*

A good or service provided free of charge (excluding volunteer work) to an authorized entity is a contribution. Like any other contribution, contributions in goods and services must be solicited or obtained under the authority of the official representative, delegate or canvassers. Only an elector may make contributions in goods or services, and he or she must respect the maximum amount allowed by the *Act*.

This good or service is evaluated at the current market price i.e., at the lowest market retail price offered to the general public in the normal course of business, in the region and at the time it is provided. In addition, an invoice describing the good or service and attesting to its value must be produced by the elector and given to the official representative. A contribution slip including a brief description of the good or service provided must also be completed, signed by the elector, and forwarded to the Chief Electoral Officer.

The value of contributions in goods and services must be reported in the party's or authority's financial report as a contribution as well as an expense in goods and services.

### **Illegal contributions**

(ss. 100, 100.0.1 and 488 (2.1))

Any contribution made contrary to the provisions of the *Election Act* (e.g., contribution by a company [legal person], contribution exceeding the maximum allowed by the Act, etc.) must, as soon as the fact is known, be remitted to the Chief Electoral Officer, and will be forwarded to the Minister of Finance. The Chief Electoral Officer contact an authorized entity in writing to claim any political contributions received and deemed to be non-compliant.

Thirty days after submitting such a claim, the Chief Electoral Officer will publish on its website the fact that a contribution or part of a contribution has been claimed from the political entity concerned, to enforce sections 100 and 100.0.1, and will publish the payment-related information.

### **Canvasser**

(ss. 92, 93, 94, 116.1 and 117)

As the official representative, you are responsible for contributions solicited, collected or cashed. You may, however, appoint people in writing (canvassers) to assist you in with this task. You must then provide each of them with a signed certificate attesting to their capacity as canvassers and keep a copy. The certificate of a canvasser is valid for one year.

Every canvasser must, upon request, show this certificate, a template of which can be found in Directive **D-22**.

The official representative must submit the annual list of persons designated to solicit contributions jointly with the financial report of the party or authority. All canvassers holding a valid canvasser certificate (even for only one day) during the calendar year covered by the financial report must be included on the list. In addition, the list of persons designated to solicit contributions must be produced and submitted, even if no such appointments were made.

The delegate of the official representative of an authorized political party has, for the electoral division for which he or she is appointed, the powers conferred on the party's official representative with respect to the solicitation of contributions.

## Contribution slip

(s. 95.1)

Every contribution must be accompanied with a contribution slip. The contribution slips used must be those provided by the Chief Electoral Officer or have been previously approved by the Chief Electoral Officer. For more information, see **Bulletin B-2** on standards for contribution slips.

The contribution slip must include the contributor's given name, surname and domiciliary address, the amount of the contribution and a signed declaration stating that the contribution is being made out of the elector's own property, voluntarily, without compensation and for no consideration, and that it has not and will not be reimbursed in any way.

Contribution slips allow for the management of the various contributions collected. For any contribution, not exceeding the maximum permitted by the *Election Act*, the official representative, delegate or canvasser must give the contributor his or her copy of the contribution slip, duly completed and signed by the contributor. When a donator makes a contribution that is not accompanied by a slip, the official representative or the canvasser must take the necessary steps to complete the slip before sending it to the Chief Electoral Officer.

Under certain conditions, amounts collected through memberships and fundraising or political activities may constitute political contributions for which contribution slips must be completed and issued. For more information, consult the sections of the guide that address those funding sources.

## Transmission of contribution slips

(ss. 93 and 95.1)

For any contribution made by cheque, order of payment signed by the contributor and drawn on his or her account (pre-authorized debit), credit card or debit card issued by a credit card company, a contribution slip signed by the contributor must be forwarded along with the payment to Élections Québec. For cash contributions of \$50 or less and contributions made in goods and services, only the contribution slips must be sent to Élections Québec.

To ensure the efficient processing of contributions and slips forwarded to the Chief Electoral Officer, the official representative must enclose with the mailing a transmission voucher used to verify that the documents sent are all present at the time of their receipt. The contribution slips transmission form (**GCEBT-2**) is available on the extranet. This document includes the number of contribution slips issued with respect to the different payment methods and the total revenue for each method.

### **Payment of contributions**

(ss. 93, 93.1 and 99)

When the Chief Electoral Officer receives a contribution, it immediately notifies the party for whose benefit the contribution has been paid. After verification of the compliance of the contribution, the Chief Electoral Officer processes it and deposits it in the account held by the official representative of the party. Any contribution made by means of a cheque or order of payment without sufficient funds or any contribution made by means of a credit card and subsequently cancelled by the card issuer may be recovered by the Chief Electoral Officer. All administrative fees potentially incurred by this transaction shall also be recovered by the Chief Electoral Officer.

The Chief Electoral Officer shall, no later than 30 business days after a contribution is processed, make the following information available on its website:

- the elector's name;
- the city and postal code of the elector's domicile;
- the contribution amount;
- the name of the authorized entity receiving the contribution.

### **Contribution receipts**

(s. 96)

The Chief Electoral Officer shall issue a receipt to the contributor at the start of the year following the year in which the contributions were made. The receipt indicates the elector's domiciliary address, given and surname, and the total amount of contributions paid.

Contributions made to a provincial political entity are not eligible for an income tax credit.

## Keeping contribution-related vouchers

(s. 118)

The official representative of an authorized party authority or party must, for a period of seven years following the date of filing of the financial report, keep the vouchers needed to verify compliance with the provisions respecting the payment of contributions.

## Volunteer work

(s. 88(1))

An individual can provide personal services and the use of his or her vehicle without compensation and for no consideration as long as it is done freely and not as part of his or her job in the service of an employer. Therefore, volunteer work is work done by an individual personally, voluntarily and without consideration. Provided these conditions are met, volunteer work and the results of that work are not political contributions or election expenses.

Personally: work done **“personally”** means work done by a natural person, who may or may not be a qualified elector because volunteer work is not considered a contribution.

Voluntarily: work done **“voluntarily”** means work done freely and without constraint, including the absence of penalties or reprisals from the employer or anyone else if the person decides not to perform the work.

Without consideration: work done **“without consideration”** means work for which the person concerned does not receive, directly or indirectly, any remuneration or any financial or tangible benefit from a party, a candidate, his or her an employer or any other person.

Volunteer work can be done by two types of people: those who are not self-employed, and those who are self-employed.

### Volunteer work of a person who is not self-employed

A person who has a job who intends to do volunteer work must do so while on vacation or in his or her spare time.

The person could also provide his or her services at any other time as long as he or she performs his or her regular tasks for his or her employer, without claiming, for example, remuneration for overtime.

If the employer grants leave during normal working hours so that the person can work for an authorized political entity, the hours or days thus worked must be deducted from the bank of leave to which the person is entitled.

Otherwise, when employees work for a political party or a candidate during their regular or normal work hours and receive their full wages from their employer without a deduction of the corresponding hours or days from their accumulated leave, the work is not considered volunteer work, but rather a contribution by the employer. Such a contribution may be illegal (s. 87, 88 and 91 of the *Election Act*).

### Volunteer work of a self-employed person

It may be a person who can manage his or her own time, or a person who is his or her own employer, self-employed or business owner. In that case, volunteer work can be performed any given time, whereas the work done by this person for political purposes results either in a loss of remuneration or a recovery of lost professional time without additional remuneration.

### Free air time or space

(s. 88(7))

Air time on the radio or television or space in a newspaper, periodical or other printed matter may be made available free of charge outside an election period, without it being considered a contribution, by any radio, television or cable broadcaster or any owner of a newspaper, periodical or other printed material to authorized political parties. Such service must be offered equitably as to quality and quantity to the parties represented in the National Assembly and to the parties which received at least 3% of valid votes in the last general elections. Under these conditions, the service rendered is not considered a contribution.

## 2.3 Party membership

(s. 88(5))

Political parties can collect an annual amount of no more than \$25 paid by a natural person for his or her membership. This amount is not considered a contribution, but rather membership income. Therefore, any amount more than \$25 a year will constitute a contribution, regardless of whether the membership is intended for a period of more than one year.

For example, if a political party charges a natural person \$15 annually to obtain or renew a membership card, this amount must not be treated as a contribution. However, if the membership card is \$15 and the elector pays \$25, a contribution slip must be issued for the extra \$10.

Lastly, if the price of a party membership card is \$35, only the amount exceeding \$10 is a contribution.

A political party may offer several categories of membership cards at different rates. However, these categories must be known, well identified and consistently applied.

## 2.4 Fundraising and political activities

(ss. 88 (5.1) (6) (6.1), 100 and 114)

→ The official representative is responsible for the amounts received in connection with a fundraising or political activity. Subject to the rules applicable to the payment of political contributions, revenue generated from an activity must be deposited into the account held by the official representative and reported in the financial report.

### Fundraising activity

(s. 88(5.1))

The purpose of a fundraising activity is to generate a surplus over the expenses incurred in conducting the activity. Any person who wants to participate in a fundraising activity and who makes a political contribution must **be a qualified elector**. Based on the unit cost of a ticket and the annual amount already contributed by a participant, the revenue collected through ticket sales may correspond to a political contribution, an entrance fee that does not exceed the real cost of the activity, or a combination of both.

The person responsible for holding the activity may establish the ticket price in one of three ways:

ESTABLISHING THE TICKET PRICE	TYPE OF REVENUE COLLECTED	SPECIFICS
<b>Political contributions only</b>	<b>Contribution revenue</b>	<ul style="list-style-type: none"> <li>• The ticket price must be less than the annual contribution limit for an elector, especially if the elector has already made contributions during the year.</li> <li>• The contribution made must be included in the contributor's total annual contributions.</li> <li>• A contribution slip must be issued to each contributor.</li> <li>• The persons responsible for ticket sales must hold a valid canvasser's certificate.</li> </ul>
<b>Entrance fee that does not exceed the real cost of the activity only</b>	<b>Contribution revenue</b>	<ul style="list-style-type: none"> <li>• The compensation revenue collected must never exceed the real unit cost of participation estimated on the basis of the actual expenses associated with holding the activity: <ul style="list-style-type: none"> <li>– All expenses related exclusively with holding the activity must be considered (room rental, food, entertainment, etc.);</li> <li>– Each participating elector can only purchase a single ticket.</li> </ul> </li> <li>• Contributions may be collected at the activity, separately from ticket sales. All legal requirements associated with the payment of contribution must be complied with (contribution slip, maximum amount, canvasser's certificate, etc.).</li> </ul>
<b>Political contributions</b>  <b>AND</b>  <b>Entrance fee that does not exceed the real cost of the activity</b>	<b>Contribution revenue</b>  <b>AND</b>  <b>Compensation revenue</b>	<ul style="list-style-type: none"> <li>• The ticket price must be paid in two separate payments: one for the contribution portion and one for the entrance fee portion.</li> <li>• The portion of the ticket price that is a political contribution must not exceed the annual contribution limit, and a contribution slip must be issued to the contributor.</li> <li>• The portion of the ticket price that corresponds to the entrance fee must not exceed the real unit cost of participation as estimated according to the actual expenses associated with holding the activity.</li> </ul>



**Illustration:**

During a regular (non-election) year, the organizer of a fundraising activity establishes that the total organizing cost is \$60 per participant, and decides that the ticket price is \$160, in order to generate a profit after having covered the total cost per participant.

- The ticket price for elector A (\$160), who has made no contribution to the entity during the year, comprises the entrance fee that does not exceed the real cost of the activity (\$60) and the maximum allowable contribution amount (\$100). These amounts must be paid in two separate payments, and a contribution slip in the amount of \$100 should be issued to the contributor.
- The ticket price for elector B, who has already contributed the maximum allowable annual contribution (\$100) to the political entity, cannot exceed the actual cost per participant in the activity (\$60) and constitutes compensation revenue for the entity. No contribution slip should be issued.
- The ticket price for elector C, who has already contributed \$75 to the political entity the year, consist of a \$60 entrance fee that does not exceed the real cost of the activity and \$25 as a contribution. These amounts must be paid in two separate payments, and a contribution slip in the amount of \$25 should be issued to the contributor.

→ The person responsible for the activity may also establish a price list with different ticket categories, for example, one for participants who have already paid the maximum allowable contributions and one for those who have not reached that maximum. Please refer to Directive **D-35** for additional details on organizing a fundraising activity.

**Political activity**

(ss. 88 (6), (6.1) and 100)

A political activity is not intended to generate income through political contributions, but rather to cover the costs associated with holding the activity. As a result, the amount collected from ticket sales represents political activity revenue, as opposed to contribution revenue.

Any person, whether or not he or she is a qualified elector, may pay the required entrance fee up to one ticket per person. In this case, no contribution slip should be issued.

However, because any amount greater than the price of a ticket is considered to be a contribution, only a qualified elector can pay for more than one entrance. A contribution slip must then be issued for the amount exceeding the first entrance fee. In accordance with section 100 of the *Election Act*, any non-compliant revenue must be remitted to the Chief Electoral Officer.

- Exceptionally, a participant may also pay the entrance fee for his or her minor children, without the cost of the additional tickets being considered a political contribution.

### Revenue from a political activity exceeding 5% of actual costs

(s. 88(6))

- When the official representative holds a political activity, the total amount collected from the entrance fee paid by the participants must not exceed the total real costs of the activity by more than 5%.

The official representative must remit to the Chief Electoral Officer, within 30 days after having been required to do so, any amount exceeding that percentage.

### Accounting requirements and supporting documents

The person responsible for holding an activity must work with the official representative to duly file either a *Fundraising activity report* (DGE-266) or a *Political activity report* (DGE-234) **for every activity during which revenue were collected.**

The report must include the following information:

- name of the authorized entity;
- date of the activity;
- address where the activity was held;
- nature of the activity;
- number of tickets sold and their unit price;

- amounts collected:
  - arising from ticket sales, specifying whether they constitute:
    1. contribution or compensation revenue;
    2. political activity revenue;
  - in contributions received in addition to ticket sales;
  - in subsidiary revenue (beverages, promotional items, cloakroom, etc.);
- the statement of expenses incurred for the activity;
- the list of participants in the activity, including their surname, given name and address.

The person responsible for the activity must remit to the official representative the amounts he or she holds as well as the report produced. The activity report must be countersigned by the official representative. All the information related to the conduct of the activity must be included in the political entity's financial report.

→ The activity report and all supporting documents related to organizing a fundraising activity, including invoices and proof of payments, must be submitted to the Chief Electoral Officer within 30 days of the activity.

For the holding of a political activity, the activity report and the related supporting documents must be submitted to the Chief Electoral Officer upon request.

Directive **D-35** addresses all the rules governing the organization of a fundraising activity or political activity as well as all related accounting requirements.

## Subsidiary revenue

(s. 88(6.1))

Subsidiary revenue can be collected during a fundraising or political activity. This type of revenue must be reasonable, i.e., limited, non-recurring, and proportionate to the number of participants in the activity. Subsidiary revenue must be reported in the political entity's financial report.

Directive **D-23** sets the conditions under which subsidiary revenue is not considered contribution revenue.

## Payment of expenses

(ss. 404 (8.1), 413 and 414)

All expenses related to an activity must be paid from the account held by the official representative of the authorized political entity or from petty cash from that account.

→ During an **election period**, expenses incurred to conduct a fundraising or political activity are election expenses, with the exception of the cost of the food and beverages served at the activity where the cost is included in the entrance fee paid by participants. Please note that all election expenses must be:

- incurred or authorized by the **official agent**;
- entered on the return of election expenses;
- paid by the official agent out of the election fund, which is separate from the account held by the official representative.

## 2.5 Advance on the reimbursement of election expenses of a party candidate

(ss. 451, 452, 456.1 and 457)

Upon receipt of the results of the vote count, the elected candidates and those who have obtained at least 15% of valid votes may benefit without delay from an advance equal to 35% of the election expenses limit established by the *Election Act*.

The advance is paid by means of a funds transfer to an account held by the official representative. Where the advance is made by cheque, the payment is made jointly to the candidate and the official representative of the party authority or, should there be no party authority, to the candidate and the official representative of the party.

The official representative of the authority and the candidate may assign their right to the advance and to the reimbursement of election expenses to the official representative of the party, by jointly notifying the Chief Electoral Officer in writing.

To avoid an overpayment of the advance on the reimbursement of election expenses, the official agent of the party must waive the advance for candidates of the party who do not report any expenses on their return of election expenses.

The official agent must indicate the name of those candidates on the attestation of the estimated amount of election expenses that must be submitted to the Chief Electoral Officer.

## 2.6 Reimbursement of election expenses

(ss. 426, 453, 454, 455, 457 and 457.1)

Following receipt and verification of the return of election expenses, the Chief Electoral Officer shall reimburse an amount equal to 50% of election expenses entered on the return, provided the expenses were incurred and paid in accordance with the *Election Act*. The reimbursement is made to the to a candidate who was elected or who obtained at least 15% of valid votes and to a political party that obtained at least 1% of valid votes.

Where applicable, the advance payment will be deducted from the reimbursement of election expenses. Furthermore, any overpayment made as part of an advance must be repaid to the Chief Electoral Officer within 30 days of the notice sent to the official representative.

The election expenses eligible for reimbursement may not exceed the following limits pursuant to the *Election Act*:

### RATES EFFECTIVE FROM APRIL 1, 2022, TO MARCH 31, 2023

#### Election expenses limit for the official agent of a candidate:

- \$0.82 per elector during general elections
- \$1.03 per elector in the electoral divisions of Duplessis, Rouyn-Noranda-Témiscamingue, René-Lévesque and Ungava
- \$1.83 per elector in the electoral division of Îles-de-la-Madeleine

#### Election expenses limit for the official agent of a political party:

- \$0.75 per elector in all electoral divisions where the party has an official candidate, but only during general elections

During a **by-election**, the rate used to determine the election expense limit for the electoral division is increased by \$0.75.

The election expense limits are adjusted on April 1 of each year based on the previous year Consumer Price Index (CPI) variation. The Chief Electoral Officer publishes the result of this adjustment in the *Gazette officielle du Québec* and posts it on the website of Élections Québec.

## 2.7 Advance on the reimbursement of election expenses of a political party

(ss. 456.1 and 457.1)

In order for a party to receive an advance, the official agent must produce and submit to the Chief Electoral Officer an attestation of the estimated amount of election expenses incurred. Upon receipt of the attestation, a party that obtained at least 1% of valid votes may benefit without delay from an advance on the reimbursement of 35% of the lesser of:

- the established election expenses limit;
- the estimated amount of election expenses incurred.

On the attestation, the official agent of the party must indicate the candidates who have not declared any expenses on their return of election expenses in order to waive the advance provided for them.

The advance shall be paid into the account held by the official representative of the party.

## 2.8 Transfers of funds

(ss. 88 (8), 414 and 441)

The following are not contributions: transfers of funds between:

- the party and its authorities;
- the authorities of the same party;
- the party or its authorities and the official agent of a candidate of the party.

These transactions should therefore be recorded in the income statement as transfer revenue.

### **Funds transfer from the party or an authority**

Depending on the financial needs of a party and its authorities, or on the rules established between them, any of the authorized entities constituting the party may receive from another entity an amount that is not related to a good or service. For the entity receiving the funds, this is a transfer revenue, while for the entity disbursing the funds, it is a transfer expense.

When the cost of a good or service provided by an external supplier is shared by two or more authorized entities, coordination is required among them to ensure that the cost is reported only once in the financial reports.

### **Funds transfer from the official agent**

The official representative of a political entity must take into account the amounts received from an official agent as transfer revenue received from the official agent.

When a good or service provided by an authorized political entity is used for election purposes, the official representative must charge the official agent the value associated with that good or service at the current market price, which the lowest market retail price offered to the general public in the normal course of business, in the region and at the time it is provided. The official agent must then pay the official representative and include this expense in the return of election expenses.

After filing the return of election expenses, the official agent must also remit to the official representative of the party or authority, as the case may be, the sums remaining in his or her election fund and the goods in his or her possession.

If the official representative of the entity has paid election expenses, they are deemed to have been paid out of an election fund and will be included in the return of election expenses. These expenses will not be reimbursed to the official representative by the official agent and therefore do not constitute a funds transfer from the official agent. For more information on the election expenses paid by the official representative, see section 3.3 of this guide.

## **2.9 Loans and suretyships**

(ss. 88 (4), 88 (4.1), 104, 104.1, 105 and 105.1)

As an official representative, you are the only person authorized to take out a loan, whether from an elector or a financial institution. Candidates can also grant a loan to the official representative of an authority or the party since they are, in principle, qualified electors. Any loan granted by an elector must be made by cheque or other order of payment signed by the elector and drawn on the elector's account in a financial institution having an office in Québec.

The loan agreement or contract of suretyship must also include a declaration by the elector stating that the loan is being granted (or the suretyship contracted) out of the elector's own property, voluntarily, without compensation and for no consideration, and that it will not be reimbursed in any other way than as stipulated in the loan agreement.

Only an elector may stand surety for a loan. The total amount of outstanding principal on loans granted by an elector plus the amount for which the elector stands surety on loans cannot exceed \$25,000.

Pay special attention to surety contracts. In financial institutions, suretyships consist of joint suretyships, unless otherwise indicated. Hence, when an elector wants to stand surety for a loan, he or she must ensure that the loan agreement stipulates that the surety will apply up to \$25,000.

→ All loans must be taken out at the current market interest rate and **be agreed to in writing**. The loan agreement must include the following information:

- name and domiciliary address of the lender;
- date, amount and term of the loan;
- interest rate of the loan;
- terms and conditions for repayment of the principal and payment of interest;
- a declaration by the elector stating that the loan is being granted (or the suretyship contracted) out of the elector's own property, voluntarily, without compensation and for no consideration, and that it will not be reimbursed in any other way than as stipulated in the loan agreement.

Templates of loan agreements and suretyship declarations are available on the provincial political entities extranet.

## Line of credit

As an official representative, you are the only person who may negotiate a line of credit to pay for the day-to-day expenses of the party or party authority as well as to replenish the election fund made available to the official agent of the party or the candidate of the party.

The amount owing on a line of credit must be included in the loans.

## Current market interest rate

(s. 88(4))

The current market interest rate for a loan or a line of credit is the interest rate established by a financial institution in the normal course of business, at the time the rate is granted. This rate takes into account the circumstances, potential for repayment, risk, and guarantees offered by the borrower. To determine the rate established by a



financial institution, you must identify the rate that the institution would charge the public for a loan of the same amount, with the same repayment guarantees.

When a loan granted by an elector is contracted at a rate lower than the current market rate of interest, the difference between the amount of interest charged by this elector and the amount of interest that a financial institution would charge to the public for this same loan constitutes a contribution. Therefore, this contribution must be recorded the same way as every other contribution and is subject to the same rules.

### **Payment of interest**

(s. 106)

The official representative shall, at least once a year, pay the interest due on the loans he or she has taken out.

### **Inability to repay the lender**

(s. 106)

Where the official representative is unable to remit the sums due to the lender because the latter cannot be found, the official representative must remit them to the Chief Electoral Officer, who shall pay them over to the Minister of Finance.

## **2.10 Public funding of political parties**

(ss. 81 to 84)

The Chief Electoral Officer provides to political parties funding that may be used to pay expenses relating to day-to-day administration, the propagation of a political program and the coordination of political activities of the members or supporters. These amounts may also be used to pay election expenses and to repay the principal of loans. Eligible parties may obtain public funding in the following ways:

- annual allowance;
- additional allowances for general elections;
- annual matched revenue;
- additional matched revenue during general elections.

The Chief Electoral Officer pays the amounts to which a party is entitled by means of a transfer of funds to an account held by the official representative. Under the *Election Act*, these amounts may also be paid by cheque made payable to the official representative of the party.

## **Annual allowance paid to authorized political parties**

(ss. 81 and 82)

The Chief Electoral Officer pays an annual allowance to the authorized political parties based on the percentage of valid votes obtained by each party in the last general elections. The allowance is paid monthly, or quarterly after consultation with the party concerned, and adjusted on January 1 of each year according to the variation in the consumer price index for the previous year. The allowance in force is published in the *Gazette officielle du Québec* and is also available at all times on the website of Élections Québec.

## **Additional allowance during general elections**

(ss. 82 and 82.1)

In general elections, the Chief Electoral Officer pays an additional allowance to political parties based on the percentage of valid votes obtained by each party in the last general elections. The allowance is paid out within 10 days following the order instituting the general elections. The total additional allowance is calculated at the rate of \$1 per registered elector on the list of electors for the last general elections.

## **Annual matched revenue**

(s. 82.2)

The Chief Electoral Officer shall pay matched revenue to political parties, calculated at the rate of:

- \$2.50 for every dollar raised as contributions, up to an annual contribution revenue amount of \$20,000 per party;
- \$1 for every dollar raised as contributions, over and above the first \$20,000, up to an annual contribution revenue amount of \$200,000 per party.

During a year in which no general elections take place, a political party can therefore receive a maximum of \$250,000 in matched revenue.

## Additional matched revenue paid during general elections

(s. 82.2)

During general elections, after a political party has received the maximum annual matched revenue of \$250,000, the Chief Electoral Officer may provide to that party additional matched revenue, calculated at a rate of:

- \$2.50 for each additional dollar raised as contributions, up to a maximum contribution revenue amount for these general elections of \$20,000 per party;
- \$1 for every additional dollar raised as contributions, over and above the first \$20,000, up to a maximum contribution revenue amount for these general elections of \$200,000 per party.

Please refer to Directive **D-28** for more information on the terms applicable to the payment of additional matched revenue during general elections.

## Matching revenue of a newly authorized party

(ss. 81 and 82.3)

To become eligible for the payment of matching revenue, a political party that was authorized since the last general elections and that is not entitled to receive the annual allowance must provide the Chief Electoral Officer with the **names and addresses** of a certain number of its members. Such a party has two options:

- Submit at least 1,000 members who are qualified electors and who hold a valid membership card (s. 82.3[1] reference to 51.1);
- or
- Submit at least 500 members who are qualified electors, who hold a valid membership card and who come from at least 10 different administrative regions. In this case, a minimum of 25 members must come from each administrative region (s. 82.3[2]).

We recommend using the slips titled *Signature of a member of a provincial political party* when collecting supporting signatures from members; these slips are available upon request. Once the required number of members has been reached and a request has been properly submitted, the Chief Electoral Officer will pay out the matching revenue to which the party is entitled. This amount will be calculated based on the contribution income collected by the party since its application for authorization was accepted.

After the first general election following the authorization of a new party, the party will automatically qualify for the payment of matching revenue. In this case, the reference period for calculating matching revenue will begin on the day after the poll.

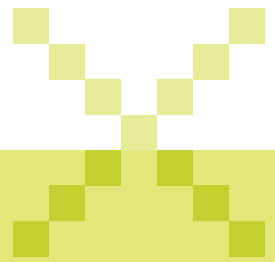
## 2.11 Reimbursement of annual financial report audit fees and PCI DSS certification fees

(s. 112)

The Chief Electoral Officer shall reimburse the authorized political parties one-half (50%) of the cost incurred for the audit of the annual financial report and one-half (50%) of the cost related to obtaining the required security standard certification, in keeping with security requirements, for the collection, processing and storage of bank data in connection with the payment of a contribution by means of a credit card (PCI DSS). The total reimbursement is up to a maximum of \$21,000.

To be eligible for this reimbursement, the official representative of the party must submit an application to the Chief Electoral Officer and enclose the originals of invoices of the expenses incurred and the proof of their payment.

Templates for the application of reimbursement of annual financial report audit fees (DGE-237) and of PCI DSS certification fees (DGE-269) are available on the extranet.



# 3 Authorize and pay expenses

## 3.1 Payment of expenses

(ss. 94, 102 and 103)

→ Expenses paid from the account of the authorized political entity may only be made by the official representative of the party, a delegate at the electoral division level or by the official representative of an authority. These expenses may also be incurred by a person designated in writing by the official representative.

All accounts and invoices must be paid from funds collected in accordance with the *Election Act* within six months of receipt unless you contest them. Expenses must be paid from an account held by the official representative on behalf of the political entity and may be made by:

- cheque;
- bank draft;
- debit or credit card;
- Internet service;
- electronic transfer (e.g., Interac transfer).

The official representative or any person designated in writing by the official representative must sign the cheques for each expense incurred. In addition, you may decide to add a second signature for internal control purposes.

For additional information on the different methods of payment for an expense, refer to Directive **D-34**.

## 3.2 Petty cash

Certain minor expenses may be paid from a petty cash if the following conditions are met:

- the petty cash must be established with the written authorization of the official representative;
- the amounts deposited therein must be determined by the official representative;
- it should only be used to pay for **minor** cash expenses (approximately \$20 or less);
- any amount intended to create or replenish the petty cash must be drawn on the account held by the official representative;
- at all time, the total amount of money and invoices paid must correspond to the amount authorized for the petty cash.

The person in charge of administering the petty cash can request a reimbursement (replenishment) corresponding to the outlays, by appending the invoices paid and the other necessary vouchers to his or her request.

When a person is no longer responsible for administering the petty cash, he or she must prepare a final statement, reconcile it and remit the remaining money to the official representative along with all invoices and vouchers.

A petty cash statement template (DGE-201) is available on the extranet.

## 3.3 Authorization of election expenses

(ss. 403, 414, 419 and 420)

Elections expenses can be authorized before the filing of a nomination paper at the level of a given electoral division:

- during general elections, by:
  - the official representative of the party or his delegate;
  - the official representative of the electoral division's authority in question, if he or she is expressly authorized for that purpose by the official agent of the party.
- during a by-election, by:
  - the official representative of the party authority at the level of the electoral division where the election is being held or, where the party has no authorized party authority, the official representative of the party.

Subject to the above conditions, election expenses paid by the official representative are deemed to have been paid out of the election fund of the official agent of the party or candidate. The official representative must that a detailed statement of the expenses incurred is provided to the official agent. Expenses paid by the official representative must also be entered on the return of election expenses of the official agent on the line “Total election expenses paid by the official representative.” In addition, the official representative must ensure that these expenses are reported in the annual financial report of the political entity.

If the election expenses incurred include advertising expenses, ensure that the latter is identified in accordance with the *Election Act*. For more information, see the “Identification of advertising” section of the *Guide for the official agent of a party and of a party candidate*.

### 3.4 Transfer to the election fund of the official agent

(s. 414)

Only sums held in accordance with the *Election Act* by an authorized political entity may be paid into the election fund at the disposal of the official agent.

### 3.5 Reimbursement of illegal contributions to the Chief Electoral Officer

(ss. 100 and 100.0.1)

When an authorized entity remits to the Chief Electoral Officer non-compliant contributions collected in a previous fiscal year, this disbursement must be reported as an expense in a separate line item on the income statement of the financial report. For more information, consult section 2.2 of this guide regarding contributions.

### 3.6 Authorization of expenses for the holding of a meeting to choose a candidate

(s. 404(4))

The official representative of a party or party authority may, during an election period, authorize expenses up to a maximum of \$4,000 for the holding of a candidate nomination meeting in an electoral division, without such expenses being considered election expenses. The expenses incurred must be for costs that are essential to the holding of the nomination meeting, i.e. the cost of renting a room, convening delegates and advertising on the premises of the meeting. **These costs must not include any other form of advertising.**

However, all expenses related to the convention or meeting held must be considered election expenses if, prior to the nomination meeting: the party leader has designated the candidate in writing in an official capacity, the nomination paper has been filed with the returning officer, or if the election advertising related to the candidate has already been disseminated.

### 3.7 Payment of an expense incurred but not claimed

(ss. 425, 438 and 440)

Election expenses incurred or authorized by the official agent and for which the suppliers have not submitted a claim to the official agent within 60 days after polling day must be included in the return of election expenses. The official agent must also attach to the return a cheque drawn on the election fund, made payable to the Chief Electoral Officer of Québec in trust, covering the total amount appearing at the bottom of the statement of expenses incurred but not claimed. The supplier will then have 120 days following the expiry of this period to submit the claim to the Chief Electoral Officer.

It may happen that the amount set aside by the official agent for the payment of an expense incurred but not claimed is less than the supplier's claim. If the claim is not contested by the official agent, the official representative of the authorized entity must forward to the Chief Electoral Officer any additional amount necessary to cover the claim.



## 3.8 Payment of a contested claim

(ss. 425 and 445)

Before filing his or her return of election expenses, the official agent must have discharged all debts that are subject to the claims (invoices) received within 60 days after polling day, unless the official agent contests them. In this case, it must be mentioned in the return of election expenses.

Therefore, the official agent can contest a claim or a portion of a claim arising from an election expense if the expense was incurred without his or her knowledge or authorization, or if the conditions of the order were not met (quantity, quality, delivery date, price, etc.).

Where a claim has been contested by the official agent, only the official representative may discharge it in execution of a judgment obtained from a court by the creditor after the case has been heard, and not by accepting the claim or agreeing on a settlement.

The Chief Electoral Officer may, however, allow the official representative to pay a debt that has not been discharged due to insufficient funds in the election fund. Chief Electoral Officer may also allow the official representative to pay a claim if the refusal or nonpayment results from an error made in good faith, and no party or candidate objects. A form to request for payment of a contested claim (DGE-227) is available on the extranet of provincial political entities.

## 3.9 Reutilization of advertising material produced and used during a previous election

(ss. 402, 403, 415, 421 and 441)

During an election period, an official agent may decide to reutilize advertising material produced and used during a previous election. The official agent must ensure to pay the entity that owns the material following the notion of “replacement cost,” which is the cost of producing the material if it had been produced at the time of its reuse. The amount should then be divided by the number of elections in which the material was used. Where a political party or one of its authorities is the owner of the advertising material reutilized, the official agent must ask the official representative to provide him or her with an invoice. The official agent must ensure that the expense is paid out of his or her election fund.

As for any other election expense, the official agent must enter on the return of election expenses the amount paid for the purchase of the reutilized advertising material. In addition, where the political party or one of its authorities is the seller of such material, the official representative must enter an equivalent revenue in the annual financial report.

Directive **D-10** addresses all of the rules governing the reutilization of advertising material produced and used during a previous election.

# 4

## Official representative during a leadership campaign

### 4.1 Party leadership campaign expenses

(ss. 127.6, 127.11 [reference to 406], 424, 127.12 and 127.13)

The official representative of the political party is responsible for incurring or authorizing expenses on behalf of the party for purposes of organizing the party leadership campaign.

The account held by the official representative of the party under section 99 of the *Election Act* may be used to pay expenses for the organization of the leadership campaign and, where applicable, to deposit the amount of any loans taken out for that purpose.

Leadership campaign expenses may be incurred on behalf of the party by the official representative of the party, his or her deputies or his or her replacement. The official representative, with the approval of the leader or interim leader, may appoint a sufficient number of deputies and mandate them to incur or authorize campaign expenses up to the amount set out in their deed of appointment. The official representative of the party may change this amount at any time, in writing, prior to filing his or her return of campaign expenses.

Any campaign expense incurred by the deputy of the official representative of the party that does not exceed the amount set out in his or her deed of appointment is deemed to have been incurred by the official representative of the party.

The deputy must provide to the official representative of the party a detailed statement of the expenses that he or she has incurred or authorized.

The official representative of the party and his or her deputies must ensure that any campaign expense payment is supported by an invoice. The invoice must include, depending on whether the expense is less than \$200 or \$200 or more, the following information:

Less than \$200	\$200 or more
<ul style="list-style-type: none"> <li>• Name and address of the supplier</li> <li>• Invoice date*</li> <li>• Description of goods and services</li> <li>• Total amount</li> </ul>	<ul style="list-style-type: none"> <li>• Name and address of the supplier</li> <li>• Invoice date*</li> <li>• Quantity</li> <li>• Description of goods and services</li> <li>• Unit rate</li> <li>• Total amount</li> </ul>

\* If the date of the invoice falls outside of the leadership campaign period, indicate the dates the goods or services were used and the quantities used during the campaign and sign the invoice.

Any person to whom an amount is owed for an expense incurred by the official representative of the party for the purposes of the leadership campaign must submit a claim to the official representative within 60 days after the day of the vote. If the official representative of the party has died, resigned, or is unable to act, and has not been replaced, the claim must be sent within the same deadline to the party leader or interim leader. If the claim is not submitted within the 60-day period, the debt is prescribed.

Chapter III of Title III of the *Election Act* stipulates the provisions relating to the financing of a political party leadership campaign. For full details, please refer to sections 127.1 to 127.21 of the *Act*, and to the *Guide for the financial representative of a party leadership candidate* (DGE-254).

## 4.2 Exceptions to campaign expenses

(s. 127.11 [reference to 404])

Section 127.11 refers to section 404 of the *Election Act*, which stipulates, with required modifications, that reasonable expenses incurred by a person for lodging, food and travel for the leadership campaign purposes, paid out of the person's own money, are not party campaign expenses if they are not reimbursed.

Similarly, reasonable expenses ordinarily incurred for the day-to-day administration of no more than two of the party's permanent office whose addresses appear in the Chief Electoral Officer's Register, are not campaign expenses. In this regard, Directive **D-17** applies for the purposes of a party leadership campaign.

Reasonable expenses incurred to publish explanatory comments on the provisions and regulations of the *Act*, in particular those relating to the financing of a party leadership campaign, are not campaign expenses, provided that the commentaries are strictly objective and do not contain any advertisement that promotes or opposes a candidate. The person appointed to chair the vote or the official representative of the party may deem it appropriate to incur such expenses.

### 4.3 Loans and suretyships

(s. 127.10)

The official representative of the party may take out a loan to cover the party's leadership campaign expenses and an elector may stand surety for this loan.

The requirements for loans and suretyships are those set out in section 105 of the *Election Act*. Please refer to section 2.9 of this guide for more information on loans and suretyships.

### 4.4 Amounts obtained from the financial representatives of candidates

(ss. 88 (9), 114 (3.2) and 127.11 [reference to 417])

The official representative may act as supplier for the financial representatives of leadership candidates by providing goods and services at current market prices. As for any other campaign expense, the financial representatives of candidates must pay these expenses out of their campaign funds.

Payments received by the official representative of the party for these goods and services do not constitute contributions if the transactions are made in accordance with the *Election Act*. Such payments must be recorded in the financial report of the party as a specific revenue category.

## 4.5 Return of party campaign expenses

(s. 127.19)

The official representative of the party must file a return of the party's campaign expenses with the Chief Electoral Officer within 120 days after the vote. The return must comply with the form prescribed by Directive **D-26** and be filed using form DGE-270 entitled *Return of party campaign expenses*, available on the extranet.

All vouchers relating to the party's return of campaign expenses and, where applicable, the deeds of appointment of the official representative's deputies, including any amendments to those deeds, must be kept by the official representative for a period of seven years and must be provided to the Chief Electoral Officer on request.

## 4.6 Receipt of campaign income and expenses return of leadership candidates

(ss. 127.16, 127.17 and 127.19)

The financial representative of each candidate must file with the official representative of the party, within 90 days after the vote, a return of his or her campaign income and expenses along with any additional return required by the Act.

The official representative of the party then sends his or her return to the Chief Electoral Officer and makes sure to attach all returns of the financial representatives of the candidates that were submitted to him or her. The official representative of the party must also send to the Chief Electoral Officer any additional report received subsequently.

## 4.7 Retaining vouchers

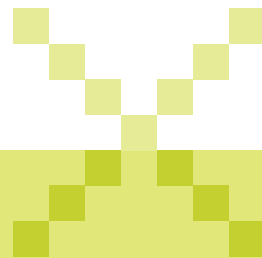
(ss. 127.16, 127.17 and 127.19)

The official representative of the party must keep all vouchers allowing verification of compliance with the provisions of the *Act pertaining to the financing of leadership campaigns* for a seven-year period following the filing date of the returns of leadership campaign income and expenses by the financial representatives of the leadership candidates. The official representative must also keep, where applicable, the written authorizations of the leadership candidates for any loan taken out as well as deeds of appointment of deputies of the financial representatives of candidates, including any documents showing amendments to those deeds. He or she shall provide these documents to the Chief Electoral Officer upon request.

## 4.8 Additional time to file the report

(s. 127.21)

If a party leader or the interim leader demonstrates to the Chief Electoral Officer that a case of irresistible force or a reasonable cause, such as the absence, death, illness, misconduct or physical disability of the party's official representative, prevents the preparation and delivery of the campaign expenses report, the Chief Electoral Officer may grant an extension of no more than 30 days for the preparation and filing of the return. A letter template to apply for additional time is available on the extranet.



# 5 Produce the annual financial report

## 5.1 General information

(ss. 113, 117, 119, 120 and 120.1)

→ The official representative of an authorized political party must file with the Chief Electoral Officer, not later than April 30 of each year, a financial report for the preceding fiscal year ending on December 31.

The official representative of an authorized party authority must file with the Chief Electoral Officer, not later than April 1 of each year, a financial report for the preceding fiscal year ending on December 31.

In certain situations, the *Election Act* stipulates that the deadline for filing the financial report of a party or party authority may be deferred to a later date. This occurs when the deadline coincides with an election period or with the period for filing a return of election expenses, or if the deadline for filing a return of election expenses falls within the period for filing a financial report (ss. 120 and 120.1).

To facilitate preparation of the financial report, you must keep adequate accounting records. To that end, refer to Directive **D-5**.



## 5.2 Financial report of the party

(ss. 47, 110 and 113 to 116.1)

The financial report of the party must be produced in accordance with the model established by the Chief Electoral Officer and in accordance with Canadian accounting standards for not-for-profit organizations. For more information, refer to **Bulletin B-1** available on the extranet. The financial report must include the following:

- a balance sheet, signed by the official representative;
- an income statement;
- a statement of changes in net assets;
- a cash flow statement;
- the document entitled *Reference Framework – Funding Sources and Uses* (DGE-209);
- a list of electors having made one or more contributions and the total amount of these contributions (DGE-212);
- the signatures and declarations of the official representative and the party leader (DGE-241);
- the list of persons designated to solicit contributions (DGE-238), even if no such appointments were made during the year.

The financial report balance sheet must be signed by the official representative whose name appears in the Register of authorized political entities of Québec as at December 31, or by the person who was designated before the filing date of the report.

In order to be considered filed with the Chief Electoral Officer, the financial report must be accompanied by the report of the party's independent auditor (see Chapter 6).

Furthermore, for a party's financial report to be admissible, the sections titled "Signature and declaration of the official representative" and "Signature and declaration of the party leader" must be signed.

→ The \$500 deposit accompanying the application for authorization of a party will be refunded when either a first financial report or a closing financial report is filed. A letter template to apply for the refund of this deposit (DGE-228) is available on the extranet of provincial political entities.

## 5.3 Financial report of an authorized party authority

(ss. 114, 115, 115.1 and 117)

The financial report of a party authority must comply with the Directive **D-8** and be filed using form DGE-210 or the corresponding Excel file (DGE-233) available on the extranet. To this end, we have made available the *User's Guide – Accounting records and annual financial report of a party authority* (DGE-232) as well as a short online training course.

The financial report must include a balance sheet, an income statement and a cash on hand reconciliation. In addition, the report must be accompanied by schedules including the additional information required by sections 114 and 115 of the *Election Act*. The official representative must also attach the list of persons designated to carry out solicitation (DGE-238), even if no such appointments were made during the year.

In order for the report to be admissible, the “Declaration of the official representative” and “Signature and declaration of the member of the National Assembly or the highest-ranking official of the authority” sections must be signed. If the signatory is a person appointed by the official representative, this person's letter of appointment must also be attached to the annual financial report.

## 5.4 Production of the Reference Framework

(ss. 110 and 113 to 116.1)

The official representative must attach to the financial report the document entitled *Reference Framework - Funding Sources and Uses* (DGE-209), the purpose of which is to report the financial information of the party and its authorities.

Specifically, the Reference Framework includes the breakdown of the funding sources of a party and its authorities, an assessment of resources allocated to elections, and an aggregation of their respective financial reports. In particular, the following information must be presented separately:

- all income and funding sources (contributions, activity revenue, reimbursement of election expenses, matched revenue, etc.);
- expenses related to elections and leadership campaigns;

- “pre-election” expenses related to the production and circulation of publicity and to research, data collection and analysis;
- expenses for the day-to-day administration of the party;
- amounts from transfers between entities of the same party.

We recommend that you consult the *Guide for the compilation of financial data of an authorized political party* (DGE-231), available on the extranet, to help you produce the Reference Framework.

## 5.5 Signature of documents using technological methods

The Chief Electoral Officer allows for certain documents to be signed using technological methods if the parties involved agree (e.g., the loan agreement, declaration of suretyship or lease).

However, documents that require a signature under the *Election Act* may be signed electronically or digitally, provided that the platform used offers the required guarantees with respect to document authenticity, integrity and sustainability as well as signatory identity. In this case, please consult Directive **D-33** for complete rules governing the use of electronic or digital signatures for the documents concerned, namely:

- the financial report, including accompanying declarations;
- canvasser’s certificate.

## 5.6 Retaining vouchers related to the financial report

(s. 118)

The official representative of the party or an authority must keep, for a seven-year period after filing the financial report, all vouchers relating to the production of the financial report. At the same time, he or she must make sure to keep invoices and proof of payment for expenses related to the day-to-day administration of the entity, the circulation of a political program and the coordination of the political action of its members or supporters.

## 5.7 Information to be provided at the request of the Chief Electoral Officer

(s. 112.1)

The Chief Electoral Officer shall have access to all books, accounts and documents pertaining to the financial affairs of the authorized political entities. Upon request by the Chief Electoral Officer, the official representative or any other person must provide the required information within 30 days.

## 5.8 Application to correct a return

(s. 443)

The official representative may correct an error noted in a previously filed report at any time before the filing deadline.

After the deadline, the party leader must obtain permission from the Chief Electoral Officer to correct any errors, demonstrating that they were made inadvertently. A template for requesting a correction to the financial report (DGE-236) is available on the extranet.

Upon receipt of a request to correct a return, the Chief Electoral Officer sends a copy to the parties or candidates concerned, informing them that they have 10 days to make their opposition known.

If there is no opposition or if the Chief Electoral Officer considers that the opposition is not justified, the correction will be allowed. Otherwise, the Chief Electoral Officer will refer the parties to the court of competent jurisdiction.

## 5.9 Additional time to file a return

(ss. 127 and 444)

If the party leader demonstrates to the Chief Electoral Officer that a case of irresistible force or a reasonable cause, such as the absence, death, illness, misconduct or physical disability of an official representative, prevents the preparation and delivery of the annual financial report, the Chief Electoral Officer may grant an extension of no more than 30 days for the preparation and filing of the return. A letter template for requesting additional time is available on the extranet.

## 5.10 Withdrawal of authorization

(ss. 67, 73, 75 and 76)

The chief electoral officer may, upon the written request of the leader, withdraw authorization of a party or of any of its authorities. The application for withdrawal must be accompanied by a closing financial report from the entity concerned, for the period elapsed since the date of authorization or since the end of the period covered by the preceding financial report, as the case may be, to the date of the application. If the previous financial report has not been filed, it must also be included with the application for withdrawal. A copy of the resolution adopted in compliance with party by-laws and certified by at least two party officials must accompany the application as well.

The closing financial report must be filed by the official representative or, failing this, by the party leader. The report shall include the same information as the annual financial report.

When withdrawing the authorization of a party authority, without the party ceasing to be authorized, the official representative must, without delay, remit to the official representative of the party the money and assets held by the authority. The party shall succeed to the rights and obligations of the party authority which ceases to be authorized.

The withdrawal of authorization from a party results in the withdrawal of authorization from all of its authorities. The sums and assets of the party and authorities must be remitted without delay to the Chief Electoral Officer by the persons holding them.

In this case, the party and each of its authorities must also forward to the Chief Electoral Officer:

- a closing financial report;
- the list of creditors, including their names and addresses and the amounts due to each;
- any book, account or document relating to the financial affairs of the party and its authorities, when the Chief Electoral Officer so requests;

For any withdrawal of authorization, we recommend that you contact a political financing coordinator at the contact information mentioned in the introduction to this guide.

## 5.11 Accessibility

(s. 126)

The information contained in the financial reports and documents prescribed by Title III of the *Election Act* is public information as of the deadline for their filing, except for:

- the list of persons designated to solicit contributions;
- the lists of members of an authorized party referred to in sections 51.2 and 82.3 of the *Election Act*;
- the information contained in the list of at least 100 members submitted with an application for authorization, excluding the given name and surname of the signing members;
- the information contained in the contribution slip, excluding the contributor's given name and surname, domiciliary address and the amount of the contribution.

However, if the financial reports are filed outside the prescribed deadline, they are accessible from their date of filing.

For example:

The financial report of a party authority filed on March 25 will only be available on April 1<sup>st</sup>. However, if the same report is filed on April 2, i.e., after the deadline prescribed in the *Election Act*, it will be accessible as of that date.



# 6 Independent auditor of the party

(ss. 107 to 112)

The official representative of an authorized party must, with the written approval of the party leader, appoint an auditor from among the chartered professional accountants who hold a public accountancy permit referred to in the *Chartered Professional Accountants Act* (chapter C-48.1). A notice of appointment of the independent auditor is available on the extranet.

A person may not be an auditor if he or she is:

1. a member of the National Assembly or of the Parliament of Canada;
2. an official agent or official representative;
3. a candidate in a current election;
4. the Chief Electoral Officer, a returning officer, an assistant returning officer or one of his or her assistants.

Any partner or member of the staff or personnel of the persons covered in points 1 to 4 are also disqualified from acting as an auditor.

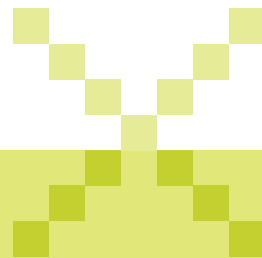
The auditor's report must be addressed to the party leadership. It may also contain comments or observations to explain any departure from accepted accounting standards and the directives issued by the Chief Electoral Officer.

The auditor has access to all the books, accounts and documents related to the financial affairs of the party.

Refer to Directive **D-7** for more information regarding the party's independent auditor's report.

→ The Chief Electoral Officer shall reimburse the authorized political party for one-half (50%) of the audit fees of its financial report and one-half of the fees related to obtaining the PCI DSS certification, up to \$21,000. For more information, consult section 2.11 of the guide.





# 7

## General information

### 7.1 Updating the Register of authorized political entities of Québec

(ss. 51.1, 51.2, 65 and 66)

The official representative, the party leader or any person designated by the latter shall notify the Chief Electoral Officer of the appointment of a new leader or officers, or of the replacement of an official representative or delegate as well as an official agent or deputy. In addition, the Chief Electoral Officer must be notified in writing of any other information required to update the Register of authorized political entities of Québec.

Furthermore, the political party must, no later than April 30 of each year, submit to the Chief Electoral Officer a list of the names and addresses of 100 members who are qualified electors and hold a valid membership card.

Where a new leader is appointed, a notice announcing the appointment must be accompanied by a copy of the resolution to that effect passed in conformity with the by-laws of the party, and certified by two or more officers of the party.

### 7.2 Merger of authorized political parties

(ss. 53 to 58, 113 and 117)

The Chief Electoral Officer must be notified of a merger of authorized political parties. To do so, the party leaders must send a joint application in writing to the Chief Electoral Officer. All the information related to a merger application can be found in the *RAPEQ Guide* (DGE-216), available on the extranet of provincial political entities.

Upon the merger, the parties and their authorities each have 60 days to file a financial report with the Chief Electoral Officer covering the period from the preceding December 31 to the date of the merger.

In addition, the official representatives of the party and merged authorities will be required, no later than April 30 of the year following that of the merger, to file a financial report (chapter 5 of this guide) for the portion of the fiscal year that has elapsed since the merger.

Moreover, the financial report of the party must be accompanied by an opening balance sheet on the date of the merger, and the financial report of each authority must include the cash balance as on that date.

## 7.3 Withdrawal of authorization initiated by the Chief Electoral Officer

(s. 68)

The Chief Electoral Officer may withdraw the authorization of a political entity, including for the following reasons:

- it does not provide the information required to update the Register of authorized political entities of Québec;
- it does not comply with provisions of the *Election Act* regarding the auditor;
- the official representative does not comply with the provisions of the *Election Act* relating to expenses and loans by authorized entities;
- the official representative does not comply with the provisions of the *Election Act* relating to the financial report;
- the political party does not maintain a minimum number of 100 members who are qualified electors with valid membership cards, or fails to provide a list of the names and addresses of 100 qualified electors with valid membership cards by April 30 of each year.

For more information, see section 5.10 of this guide.

## 7.4 Application for an inquiry

(s. 491)

Under the *Election Act*, the Chief Electoral Officer may perform an inquiry on its own initiative or at the request of another person. Although the use of a form is not prescribed by the *Act*, it is recommended that you use the template (DGE-230) found on the Élections Québec website to submit an application for an inquiry by the Chief Electoral Officer.

## 7.5 Enhanced verification and investigative powers of the Chief Electoral Officer

(ss. 490.1 to 490.4, 491 and 493.1)

In addition to the right to conduct inquiries, the Chief Electoral Officer may carry out verifications to ensure compliance with the *Election Act* or its regulations.

With respect to verifications, the Chief Electoral Officer's powers include the following:

- subject to certain obligations, the power, among other things, to have access to premises where the books, records, accounts, files and other relevant documents are kept or are supposed to be kept and access to premises where activities are carried out that come under the jurisdiction of the *Act*, and the power to inspect these premises, to use any computer, equipment or other items located on the premises and to demand all relevant information and the provision of all relevant documents;
- issue a formal demand to require a person to produce any information or document;
- ask a judge of the Court of Québec to order the person to comply with any of the above-mentioned obligations should the person fail to do so.

As part of the power of inquiry, the Chief Electoral Officer may obtain an order from a judge of the Court of Québec requiring any person, other than the person who is the subject of the inquiry, to provide information or documents.



# 8 Penal provisions and other penalties

An offence is likely to be committed as soon as the *Election Act* or its regulations are not complied with. As a result, penal proceedings may be initiated and lead to penalties in the forms of fines, loss of the right to sit and vote in the case of elected members, and loss of electoral rights. In particular, these proceedings can be initiated against the official representative and the party leader.

The Chief Electoral Officer may initiate proceedings for an offence related to financing and election expenses. Such proceedings are prescribed seven years after the date the offence was committed (s. 569).

## 8.1 Contribution

### Under section 564.2

Any person who contravenes or attempts to contravene any of the provisions of the following sections, among others, is committing an offence:

- s. 87      • be a qualified elector to make a contribution;
- s. 88      • definition of a contribution and exceptions;
- s. 90      • contribution made by an elector out of his or her own property, voluntarily, without compensation or consideration, and that has not and will not be reimbursed in any way;
- s. 91      • maximum contribution of \$100;

s. 100 • non-compliant contribution to be remitted to the Chief Electoral Officer as soon as the fact is known;

s. 127.6 • use of an account, referred to in section 99 of the *Act*, held by the official representative of the party;

deposit of loans in this account;

the official representative of a party or his or her delegate may cover the cost of a leadership campaign expense only from this account.

This person is liable:

- in the case of a **natural person**, to a fine of \$5,000 to \$20,000 for a first offence and a fine of \$10,000 to \$30,000 for any subsequent offence within 10 years.
- in the case of a **legal person**, to a fine of \$10,000 and \$50,000 for a first offence and to a fine of \$50,000 to \$200,000 for any subsequent offence within 10 years.

### Under section 564.1

An elector who falsely declares that his or her contribution is made out of his or her property, voluntarily, without compensation and for no consideration, and that it has not been nor will be reimbursed in any way, is liable to a fine of \$5,000 to \$20,000 for a first offence and a fine of \$10,000 to \$30,000 for any subsequent offence within 10 years.

The natural or legal person who, by threats or force or through promise of compensation, consideration or reimbursement, incites an elector to make a contribution is liable to a fine of \$5,000 to \$20,000 for a first offence, and of \$10,000 to \$30,000 for any subsequent offence within 10 years.

### Under sections 564.1 and 564.2

If a natural or a legal person is convicted of contravening or attempting to contravene sections 87, 90 and 91, among others, or convicted of an offence under section 564.1, a judge may, on an application by the Chief Electoral Officer, impose an additional fine equal to twice the amount of the illegal contribution for which the person is convicted, even if the offender has already received the maximum fine.

**Under section 561**

Any person who solicits or collects contributions or incurs expenses without holding an authorization from the Chief Electoral Officer is liable to:

- in the case of a natural person, a fine of \$5,000 to \$20,000;
- in the case of a legal person, a fine of \$10,000 to \$50,000.

## 8.2 Financial report and other responsibilities of the official representative

**Under section 559.0.1**

Is liable to a fine of \$5,000 to \$20,000 the official representative who:

- files a false report, return or declaration;
- provides a false or falsified invoice, receipt or other voucher;
- discharges a claim otherwise than as permitted by section 445.

**Under section 563**

Any person, including an official representative, who fails to file a report or return, or to pay a claim by the Chief Electoral Officer, within the required time limit is liable to a fine of \$50 for each day of delay.

**Under sections 127, 442 and 562**

If the financial report of an authorized entity is not filed within the fixed time limit, the leader of the party or, if he is not an MNA, the party's House leader, becomes, 10 days after the expiry of the prescribed time limit, disqualified to sit and vote in the National Assembly until the financial report is filed. If there is no House leader, an MNA designated by the leader of the party loses the right to sit and to vote.

However, a judge may, on a motion made before either the party leader, the party's House leader or the MNA designated by the leader is disqualified from sitting or voting, allow him to continue to sit and vote for an additional period of not more than 30 days.

An MNA who sits or votes in the National Assembly in violation of the above-mentioned disqualification is liable to a fine of \$500 for every day he sits or votes under these conditions.

**Under section 235**

A person referred to in section 127 is disqualified for the period set by the *Election Act*. In accordance with section 64 of the *Act respecting elections and referendums in municipalities* [AERM] (CQLR, c. E-2.2), this person is also ineligible to run for office at the municipal level until he or she has filed the required report.

**Under section 564**

Any person, including the official representative, who contravenes any of the provisions of sections 76, 92, 93, 95, 97, 99, 102 to 104.1, the first and second paragraphs of section 105, sections 105.1, 106, 127.1, 127.2, 417, 419, 420 and 127.11 is liable to a fine of \$500 to \$10,000.

**Under section 564.1.1**

Any elector who falsely declares that a loan was granted or suretyship was contracted from his own assets, voluntarily, without compensation or consideration and that it was not reimbursed and will not be reimbursed other than as specified in the loan agreement is liable to a fine of \$5,000 to \$20,000 for the first offence and \$10,000 to \$30,000 for any repeat offence within 10 years.

**Under section 565**

Any person who contravenes a provision of the *Election Act* or the regulations thereunder for which no other penalty is provided is liable to a fine of \$500.

**Under section 566.1**

If the leader of a political party, another of its officers, its official representative, a delegate of its official representative, its official agent or a deputy of its official agent commits, allows or tolerates an offence under the *Election Act*, the political party is presumed to have committed the same offence.

## 8.3 Corrupt electoral practice

### Under sections 567 and 568

Any person who is convicted of an offence that constitutes a corrupt electoral practice loses, for a period of five years, the right to vote, to be a candidate in an election, to engage in partisan work and to be an official representative, and may not hold any office to which appointment is made by an order of the Government or by a resolution of the National Assembly.

Any offence, including those related to political financing, as described in sections 559.0.1, 564.1, 564.1.1 and 564.2 where they refer to sections 87, 90 and 91, constitutes a corrupt electoral practice.

## 8.4 Other provisions

In accordance with section 569.1, all information relating to any prosecution undertaken by the Chief Electoral Officer of Québec and to any conviction in relation to the offences specified in sections 564.1(1) and (2) and 564.2, including in relation to sections 87, 90 and 91 of the *Election Act* will be forwarded to the deputy commissioners of the UPAC (Unité permanente anticorruption) verification division and the Secrétariat du Conseil du trésor to be handled in the appropriate manner pursuant to the *Act respecting contracting by public bodies*.