
TAX EXECUTIVES INSTITUTE, INC.
LIAISON MEETING QUESTIONS AND DISCUSSION TOPICS

Submitted to

CANADA REVENUE AGENCY
and
THE DEPARTMENT OF FINANCE

DECEMBER 8 – 9, 2020

COVID Pandemic-Related Issues

1. CRA – Electronic Signatures

CRA’s website, *FAQ - Deferral of GST/HST Tax Remittances: CRA and COVID-19*, provides guidance regarding the use of electronic signatures during the COVID crisis.¹

Questions:

- A. The FAQ references a new electronic service enabling businesses to submit GST/HST documents on the My Business Account menu. The FAQ does not reference the Represent a Client login option. Is the functionality in Represent a Client the equivalent to using My Business Account for this purpose? If not, please describe the differences.
- B. When reviewing the submission options within Represent a Client, the “Submit a PDF form with Electronic Signature” screen states this service should only be used to submit a completed PDF of a GST/HST return, rebate form, or election that includes an electronic signature. Please confirm an electronic signature for this purpose is described in the document “Government of Canada Guidance on Using Electronic Signatures,” paragraph 2.1, which references documents signed by electronic means, and scans or photographs of wet signed documents.

¹ <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-gst-hst.html>

- C. The same option to submit electronically-signed PDF documents does not exist in the Excise Tax account section of a business account. Was this intentional, or is this option forthcoming?
- D. It would be efficient for taxpayers to continue to submit electronically-signed documents beyond the COVID crisis. Does CRA plan to accept electronic signatures permanently? If not, why not?

2. CRA - Credits and Refunds During COVID

The COVID crisis has caused sudden business losses and mass layoffs, causing some businesses to have difficulty performing their usual month-end functions on time. Account reconciliations, payment processing, documentation controls, general compliance management, and other functions have challenged many businesses, given resource constraints and the shift in focus to “survival mode.” Will CRA provide administrative tolerance during this period in light of these circumstances?

3. CRA – Large Case Audits During COVID

Large file auditors typically visit businesses and remain on-site to complete their audit work. Many businesses are not open for employees to return to the office, and, if they are, they may not allow the public or visitors on site. Please provide an update regarding how CRA is auditing large case files during the pandemic and varying degrees of lockdown.

4. CRA - Communication by Email

Although the “Submit Documents” function within My Business Account allows registrants to upload documents and communicate with CRA, some TEI members maintain email is a more efficient means of communication.

It appears CRA has relaxed its position on email communication during the COVID-19 pandemic. However, TEI’s members have seen inconsistent approaches from CRA’s representatives concerning email communication. Some CRA representatives refuse to accept email communication, while other representatives accept it. Other CRA representatives will agree to email correspondence if the taxpayer or registrant responds affirmatively to the below email:

Please read the following information carefully and respond as directed below.

I authorize the Canada Revenue Agency (CRA) to correspond with me by unencrypted email at this address for the purpose of discussing my XXXXXXXX.

I am aware of and fully understand and accept the risks associated with communicating tax information by way of unencrypted email. I understand and agree that the CRA does not provide assurance with respect to the protection, confidentiality, or security of unencrypted email transmissions. I accept the risks inherent in sending information by unencrypted email and understand that all such email messages sent over the Internet

may be considered as being accessed and disclosed to unknown third parties somewhere in the world. I agree not to hold the CRA or its employees liable for any damage or loss, however, caused arising out of the communication of my tax information by unencrypted email for the purpose set out above. I acknowledge that I have been informed about the availability of the CRA online portals (My Account and My Business Account) as a means of securely communicating with the CRA.

I agree that if I send personal or tax information to the CRA in response to this email I will be deemed to have authorized correspondence by unencrypted email.

Please respond to this email by typing one of the following responses:

- *I have read the above information and would like to proceed with the CRA communicating my tax information by way of unencrypted email.*
- *I have read the above information and **DO NOT** wish to have the CRA communicate my tax information by way of unencrypted email. I would prefer to communicate in an alternative manner.*

Question:

Is CRA considering a widespread use of emails as a form of communication if registrants and taxpayers consent? If so, could CRA follow-up with a formal notice or policy statement to guide CRA representatives and the public?

5. CRA – Uploading Excel Files to Online Accounts

The distancing requirements associated with the COVID-19 pandemic required substantial changes to how taxpayers and CRA communicate. TEI members appreciate CRA has had to consider priorities during this transition and has taken great strides to ensure the safety of both the Agency's and taxpayers' personnel.

In an audit where taxpayers have submitted data by electronic means to CRA, CRA auditors commonly request Microsoft Excel files. The MS Excel format is very efficient for various formulaic expressions, data analysis, etc. Although CRA auditors prefer to receive this file format through the Represent a Client and My Business Account secure sites, there is inconsistency amongst auditors' ability and willingness to send Microsoft Excel / .CSV file types to taxpayers via these secure sites.

Question:

Please address the options available for exchanging Excel / .CSV files.

6. CRA - Time Limits and Other Periods Act (COVID-19)

The *Time Limits and Other Periods Act (COVID-19)* allowed the Minister to make an order suspending certain limits under the *Excise Tax Act (Canada)* ("ETA"), particularly the

reassessment limitation periods in Section 298 of the ETA. The Minister issued an Order extending most reassessment periods under Section 298 that would have expired on or after May 20, 2020, for a maximum of six months, but not beyond December 31, 2020.

Questions:

- A. The Canada Revenue Agency News Release relating to the Order states the auditor would inform taxpayers if CRA is applying an extension to a reassessment period under the Order. Is it CRA's intent that the suspension of reassessment time limits would apply automatically in all cases, or will CRA use discretion in applying the extensions provided under the Order?
- B. If CRA will use discretion when applying the extensions, what factors will CRA consider when applying discretion not to extend the reassessment limitation periods?
- C. Despite the extension granted under the Order and the resumption of audit activity, please comment on whether CRA will more frequently seek waivers to further extend periods for reassessment if the registrant provided all required information to the auditor and was available to the auditor since March 2020.
- D. Does CRA have further comments on how registrants should expect auditors to apply the suspension of limitation periods in practice?

My Business Account and Represent a Client Issues

7. CRA - My Business Account and Represent a Client Features

Please share information regarding upcoming revisions to My Business Account and Represent a Client.

8. CRA – Business Enquiries

When calling the Business Enquiries line, CRA Agents (“Agents”) are often not able to immediately determine a particular caller’s authorization and/or its corresponding authorization Level (1, 2, or 3).

Recently, a TEI member (“Caller”) with a Level 2 authorization called CRA to make a request on behalf of a GST registered partnership. At the outset of the call, Agent was not able to identify Caller as having authorization and insisted Caller was not authorized. At the same time, Caller accessed the account via his/her REP/ID in Represent My Client. Caller and Agent went back and forth until Caller found the Group ID page in Represent My Client and mentioned the Group ID to Agent. Agent was then able to verify Caller had Level 2 access. What may have been a 5-10 minute phone call was a 30-40 minute call.

Question:

Is it possible to add an authorization screen to CRA's system that would show all authorized representatives and their respective levels, aggregated by direct/delegated authorization, Rep IDs, Group IDs, etc., which Agents could reference at the outset of a call? Such a resource would minimize the time spent verifying authorizations.

9. CRA – Direct Deposit Request

It can be difficult for businesses, particularly large multi-national businesses, to set up Direct Deposit. Currently, Direct Deposit can only be requested by individual(s) with Level 3 Authorization. Level 3 authority is generally granted to owners, directors, and officers who, in most cases, are not tax professionals and do not have a RepID on CRA's system. These individuals (owners, directors, or officers) may not be Canadian residents and may reside in other countries. These factors make it extremely difficult for these individuals to call in or obtain a RepID, particularly if they do not have a Canadian Social Insurance Number.

Furthermore, as of July 5, 2019, CRA eliminated *Form RC366 – Direct Deposit Request for Business*. Although Direct Deposit can sometimes be set up through a business's financial institution, this is not always possible.

Questions:

Would CRA consider permitting individuals with Level 2 Authorization to make Direct Deposit requests and changes via My Business Account?

In the alternative, would CRA consider re-introducing a form similar to the previous *Form RC366* that can be executed by a(n) owner, director, or officer?

10. CRA - Correcting GST/HST Return Online

A person preparing a GST/HST return may realize immediately after submitting the return that she/he has made a mistake entering an amount. It is not possible to immediately correct such errors online through My Business Account, and registrants must wait for CRA agents to process the original return.

Question:

Would CRA consider the possibility of allowing registrants to correct a return online via My Businesses Account before the original return is processed? This option would facilitate the processing of the return and would reduce the administrative burden for all parties.

11. CRA - My Business Account/Represent a Client Features

Before the QST "harmonization," CRA's My Business Account/ Represent a Client allowed a Selected Listed Financial Institution ("SLFI") to view and transfer (between years and/or between program accounts) GST/HST balances similar to non-SLFI entities. At the 2019 TEI-

CRA Liaison Meeting, CRA indicated discussions were taking place between Revenue Quebec and CRA to automate the QST SLFI process.

Question:

Please provide an update regarding CRA's efforts to automate the QST SLFI process.

12.CRA – Fuel Charge Registry

Does CRA have plans to enhance the Fuel Charge Registry search function for the Federal Fuel Charge? Will the Fuel Charge Registry be updated to show the province(s) and fuel types for which a taxpayer is registered? Will the Fuel Charge Registry be made public, similar to the GST/HST Registry?

Appeals

13.CRA – Appeals Workload

Please provide an update regarding the Appeals Division's workload. Many of our members are experiencing significant delays in the Division's assignment of their appeals. Please provide a breakdown by region for the number of unassigned appeals in inventory and discuss what steps CRA is taking to get backlogged files assigned.

14.CRA - GST/HST Objections

In the Fall of 2016, the Office of the Auditor General of Canada released its report on CRA's management of income tax objections. That report set out several recommendations to improve the amount of time CRA takes to provide taxpayers with a decision on their objections. The Minister of National Revenue stated an action plan was underway to reduce processing times, and the Minister would review the processes used to address objections.

Question:

Please provide an update on CRA's efforts to reduce processing times for GST/HST objections.

Registrant Issues

15.CRA - Ceasing to be a Registrant on Amalgamation

When a person ceases to be a registrant, subsection 251(2) of the ETA effectively creates two stub reporting periods for the person: (1) the first reporting period, commencing on the first day of the reporting period in which the person ceases to be a registrant and ending the day before the person ceases to be a registrant, and (2) the second period, commencing on the day the person ceases to be a registrant and ending on the last day of the calendar month that includes the day the person ceases to be a registrant. Thus, a person could be required to file two returns due to ceasing to be a registrant.

Section 271 of the ETA deems an amalgamated corporation to be a separate person for each of the predecessors, aside from the purposes listed in paragraph 271(b) and those prescribed in the *Amalgamations and Windings-Up Continuation (GST/HST) Regulations* (“Amalgamation Regulations”).

As section 251 of the ETA is not a prescribed purpose under the Amalgamation Regulations, it means that each predecessor corporation could have two stub reporting periods upon an amalgamation.

Each predecessor corporation will have a first stub reporting period from the first day of its reporting period until the day before the amalgamation date and a second stub reporting period from the amalgamation date to the end of that calendar month.

Assume there are three predecessor corporations, ACo, BCo, and CCo, each of which is a monthly filer, that are amalgamated to form Newco. Further, assume that Newco takes the GST/HST registration number of ACo.

Consider subsection 251(2) of the ETA and in the context of two scenarios.

- A. The amalgamation occurs at 12:01 am on July 1st
- B. The amalgamation occurs at 12:01 am on June 30th

Scenario A

As a result of subsection 251(2) of the ETA, each predecessor would have the following periods:

ACo – (1) June 1 – June 30; (2) July 1 – July 31
BCo – (1) June 1 – June 30; (2) July 1 – July 31
CCo – (1) June 1 – June 30; (2) July 1 – July 31

Newco’s first reporting period would effectively be July 1 – July 31, under subsection 251(1) of the ETA.

Scenario B

As a result of subsection 251(2) of the ETA, each predecessor would have the following periods:

ACo – (1) June 1 – June 29; (2) June 29 – June 30
BCo – (1) June 1 – June 29; (2) June 29 – June 30
CCo – (1) June 1 – June 29; (2) June 29 – June 30

Subsection 251(1) of the ETA would create reporting periods of June 1 – June 29 and June 29 – June 30 for Newco.

Questions:

- A. Please confirm whether CRA would consider each of ACo, BCo, and CCo to be non-registrants on the amalgamation date, such that subsection 238(2) of the ETA would only require returns to be filed under Scenario A for the reporting periods of June 1-30 for each of ACo, BCo, and CCo, and July 1-31 (and onwards) for Newco?
- B. Please confirm whether CRA would consider each of ACo, BCo, and CCo to be non-registrants on the amalgamation date, such that subsection 238(2) of the ETA would only require returns to be filed under Scenario A for the reporting periods of June 1-29 for each of ACo, BCo, and CCo, and June 29-30 (and onwards) for Newco?
- C. If the responses to Questions A and B are that each predecessor would need to file for the second stub periods, despite not having any tax collected post-amalgamation, it would mean both ACo and Newco would need to file a return for the same period under the same GST/HST number (since Newco adopted ACo's GST/HST account). Please comment on how the two returns under the same number for the same period are handled by CRA's GST/HST Netfile and CRA's My Business Account.

General CRA Questions

16.CRA and Finance - Section 167 Question

The ETA allows a person to sell a business or part of a business to a recipient and for the parties to make a joint election under Section 167 that no GST/HST will be payable on property or services supplied under the agreement if the transaction meets certain conditions:

- A. The supplier must sell "a business or part of a business that was established or carried on by the supplier or that was established or carried on by another person and acquired by the supplier."
- B. The recipient must acquire "ownership, possession or use of all or substantially all of the property that can reasonably be regarded as being necessary for the recipient to be capable of carrying on the business or part as a business."
- C. If the supplier is a GST/HST registrant, the recipient must also be a registrant.

Questions:

With respect to the phrase "a business or part of a business that was established or carried on by the supplier," how specific does the type of business need to be for the Section 167(a) election to apply?

For example, assume a supplier was selling all assets of a taxi business, except for the taxi license. Further, the supplier was aware the recipient did not possess a taxi license, and the recipient intended to use the assets to run a food delivery service. In such a case, could the parties make a joint election under section 167?

17.CRA - Purchase Orders

Hypothetical:

The final invoice to the customer is correct but reflects a change to the customer's purchase order, for example, where the customer picks up the goods. The customer's payment and tax are calculated based on the final invoice.

Questions:

- A. Is the customer required to amend the purchase order to match the final invoice?
- B. Is the contract the final invoice or the purchase order?
- C. Does CRA require support for the change to the final invoice, such as internal documentation? Are any specific documents necessary to support the change?
- D. Do any of the above answers change if the customer's payment is calculated based on the purchase order rather than the final invoice?

18.CRA - Beaudet Case

The calculation of fair market value (FMV) was the subject of a 2014 Tax Court of Canada (TCC) case (*Beaudet v. The Queen* (February 14, 2014 – 2014 TCC 52)). The TCC ruled the cost method should be used to apply the self-supply rule to a new building because the value of the property should be measured by the "primary" market, not the "secondary" (potential resale) market.

The TCC also ruled on the application of various adjustments to the cost to calculate the FMV using the cost method (e.g., builder's profit, unexpected or abnormal cost overruns, financing, etc.).

CRA includes the cost methodology as an acceptable method to determine FMV in its publication *P-165R -- Fair Market Value for Purposes of Part IX of the Excise Tax Act*.

CRA has challenged TEI members using the cost method to calculate the FMV for deemed supplies of newly-constructed residential rental properties while the new residential rental property rebates are under review.

Questions:

Please comment on the use of the cost method, in particular when determining the FMV of a newly-constructed residential property subject to the deemed supply rules, including:

- A. When CRA views the cost method as acceptable; and
- B. When CRA views the cost method as unacceptable.

19.CRA - Wash Transaction Policy

One criterion for applying the wash transaction policy in audit situations is the assessed registrant must have remedied the situation to ensure tax is collected on future supplies of a similar nature.

Questions:

What is CRA's audit policy regarding how to apply the wash transaction policy to complex transactions or transactions involving large organizations, where the remedy process may take several months (or longer)?

Further, CRA has moved toward tighter deadlines for replies to audit queries. It would seem unnecessary for the registrant to file a Notice of Objection to apply the wash transaction policy where it clearly applies. CRA typically audits each year separately when a two-year audit period for large entities is selected. Assume an issue is identified and assessed in year one of the audit, and the same issue exists in year two of the audit. How would the registrant meet this test if there is not significant time between completing the first year audit and the second year audit?

20.CRA – Total Sales and Other Revenue Related Issue

Part 1) Revenue Reconciliation from Line 101 of the GST/HST Return to the T2 Return

We understand CRA auditors have instructions to reconcile the data set provided to the T2 income on the registrant's tax return. T2s are prepared using International Financial Reporting Standards ("IFRS"). For example, the IFRS rules require that revenues be recognized in proportion to the work's progress, not according to the billing cycle for construction contracts. Therefore, there may be a difference between the accounting revenues and the amount reported on line 101, which corresponds to the supplies (invoiced amounts). Auditors might not understand the difference between accounting revenue recognition and revenue recognition under ETA.

Part 2) Reconciliation from Line 101 to Line 105 of the GST/HST Return

We understand Line 101 of the GST/HST Return is a statistical field used by CRA to determine a registrant's reporting period threshold amount, instead of an auditable field. For larger businesses, the amount reported on Line 101 will rarely, if ever, correlate to the amount of GST/HST reported on Line 105. However, CRA auditors have attempted to determine the completeness of revenue reported on Line 101 and requested support for the amount reported on Line 101 in an attempt to reconcile that amount to the GST/HST reported on Line 105.

The reconciliation process consumes significant taxpayer resources. TEI recommends that if a business is a monthly filer and has proven its GST/HST data is complete and accurate, with appropriate controls in place, the auditor should focus on net tax issues rather than the accuracy of Line 101 and reconciliation to T2.

Question:

- A. Please clarify CRA's policy concerning the requirement to reconcile the data to the T2 return for a GST audit, and address what guidance CRA provides auditors to apply this policy?
- B. Please confirm Line 101 is not an auditable field, and taxpayers are not required to complete it if the reporting frequency is monthly.

21.CRA - Divisional Returns and Accounting Periods

Under subsections 239(1) and (2) of the ETA, a registrant that has several divisions or branches may ask the CRA to open a separate RT 000X account for a particular division or branch by filing the form *Application or Revocation of the Authorization to File Separate GST/HST Returns and Rebate Applications for Branches or Divisions* (GST10). The division or branch must (1) be separately identifiable by location or by the nature of its activities, and (2) have separate records, books of account, and accounting systems to be eligible. For example, a manufacturing company could open a separate RT 000X account for a plant that has a distinct location (manufacturing and distribution center for recreational products) and separate records, books of account, and accounting systems.

Some businesses or divisions may have accounting periods that differ from calendar months, often due to operational or accounting system constraints. Under subsection 243(3) of the ETA, a registrant whose accounting months differ from calendar months may ask CRA to modify its fiscal months for a particular RT 000X account by filing the Form *Notification of GST/HST Accounting Periods* (GST71). Thus, the registrant's accounting periods will match with the GST/HST reporting periods. The only requirement under the ETA is the minimal and maximal length of the months.

A registrant may have a branch with an account/file number (RT 0001) whose fiscal periods correspond to calendar months, and a branch with an account/file (RT 0002) whose accounting months are different from calendar months. When the registrant attempts to notify CRA for the fiscal months of the account RT0002 by filing Form GST71, CRA has denied the request because the principal account RT 0001 is based on calendar months. The legislation does not provide this requirement. The problem with this denial is the accounting months are not aligned with the GST/HST reporting periods for this file.

Question:

If a particular RT 000X account has separate records, books of account, and accounting systems, why is it not allowed to have its own fiscal months for GST/HST purposes? Would CRA allow such registrants to file their returns according to their own fiscal months?

Potential Legislation

22.Finance - Current and Anticipated Priorities

Please comment on Finance's priorities for 2020, as well as its anticipated priorities for 2021.

23. Finance – Non-Resident Voluntary Registration

Generally, a non-resident person who is not required to register under subsection 240(1), (1.1), (1.2), (2) or (4) of the ETA may voluntarily register under subsection 240(3) of the ETA if the person: (1) is engaged in a commercial activity in Canada, or (b)(i) carries on business outside Canada, and regularly solicits orders for the supply of tangible personal property (“TPP”) for export to, or delivery in, Canada, or (2)(ii) has entered into a contract for the supply by the person of (A) services to be performed in Canada, or (B) TPP to be used in Canada.

However, subsection 240(3) does not allow non-resident persons to voluntarily register if the non-resident person’s activities in Canada are solely for the acquisition of TPP for immediate export outside Canada. In such a case, the supplier has the burden to determine if the supply is zero-rated under section 1 of Part V, Sch. VI of the ETA. The supplier must either (1) confirm all the zero-rating conditions under section 1 of Part V, Sch. VI of the ETA are met, including obtaining and maintaining clear evidence that the TPP is exported by the recipient, or (2) collect and remit the GST/HST, thereby forcing the non-resident person to apply to CRA for a rebate of the GST/HST paid to the supplier. In both cases, the process is very burdensome and time consuming and does not facilitate nor incentivize Canadian businesses selling to the export market.

Question:

Would Finance consider expanding subsection 240(3) to allow non-resident persons to register voluntarily to facilitate the export of Canadian products by non-resident persons? If so, under what conditions? If not, please explain Finance’s reasoning for not expanding subsection 240.

24. Finance - Emissions Performance Credits and Offsets

Emissions performance credits (“EPCs”) are generated by regulated facilities that reduced their carbon dioxide emissions below their mandated reduction targets. The government verifies and approves emission amounts and, thereafter, issues serialized EPCs. Companies can use EPCs to meet their regulated reduction targets or trade them in the marketplace.

Offsets are generated by creating projects to reduce carbon dioxide emissions. These projects are audited and approved by third parties, such as accounting firms or other parties trained to verify carbon dioxide emissions.

EPCs and offsets are created differently but can be used for the same purpose. They are contracted for and by the same suppliers/buyers and are interchangeable except for GST/HST purposes.

At the 2018 TEI-Finance Liaison Meeting, TEI asked whether Finance would consider amending the definition of “emissions allowance” to include offsets or prescribe offsets as emission allowances. Finance responded it was aware of the problems created by the legislation and indicated Finance had not intended to restrict offsets traded by businesses. Finance also indicated it would consider refining the definition but asked TEI to check with CRA to determine how CRA interpreted the definition of “emissions allowance.” TEI immediately checked with CRA.

CRA confirmed it interpreted the definition of “emission allowances” to exclude offsets not issued by a government or regulatory body. TEI immediately shared this information with Finance.

At the 2019 TEI-CRA Liaison Meeting, TEI inquired whether CRA would administratively allow for similar treatment of EPCs and offsets in light of the backgrounder to the legislation. CRA declined, stating such treatment would require a legislative amendment. At the 2019 TEI-Finance Liaison Meeting, TEI sought to confirm whether Finance would revise the amended definition of “emission allowance” to include EPCs and offsets not generated by a government, and when such an amendment was likely to be made. Finance indicated it was reviewing the issue and was willing to prescribe certain offsets.

This issue continues to cause confusion in the trading market.

Question:

Please provide an update regarding Finance’s review of this issue and whether action is imminent.

25. Finance - Pension Plan Rebates Time Limits

An employer with a registered pension plan subject to the pension plan rules found in section 172.1 of the ETA is subject to a general four-year audit period under section 298 of the ETA. Rebates for pension entities are generally subject to a two-year time limit for application under subsection 261.01(3) of the ETA. A situation could arise where an employer is assessed for an amount of GST/HST on a deemed supply under the pension plan rules within the four-year audit period but beyond the two-year time limitation available for pension entities to claim a rebate. At the 2018 and 2019 TEI-Finance Liaison Meetings, TEI asked whether Finance would consider amending subsection 261.01(3) to change the limitation from two to four years. Finance indicated it would consider this change.

Question:

Please provide an update to our discussion at the 2018 and 2019 TEI-Finance Liaison Meetings regarding whether Finance intends to extend the period of limitations in subsection 261.01(3) from two to four years.

26. Finance - Update Regarding Changes to Joint Venture Election

Section 273 of the ETA permits participants in a joint venture to elect for one participant, the “operator,” to be responsible for the GST/HST obligations of the entire joint venture. In the 2014 Federal Budget, the Canadian Government expressed interest in expanding the joint venture election from joint ventures engaged in “the exploration or exploitation of mineral deposits and joint ventures engaged in activities prescribed by regulation” to “all joint ventures engaged exclusively in commercial activities, provided all the participants of the joint venture were also engaged exclusively in commercial activities.” Despite repeating this intention to expand the joint venture election in later budgets, the Canadian Government has yet to release draft

legislation. During last year's liaison meeting, Finance indicated it was working on a proposed rule. TEI continues to advocate for the broad expansion noted above.

Question:

Please provide an update regarding when these measures will be announced and implemented.