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2025 TEI Canadian Commodity Tax Committee Liaison Questions for Canada Revenue Agency

1. CRA My Business Account Access and Authorizations

Issue

TEI members continue to struggle to gain appropriate access to My Business Account.

Background

TEI values the CRA's continued efforts to make improvements to its online services for businesses through My Business Account while balancing the protection of taxpayer information. Additionally, we appreciate the CRA's continued engagement with stakeholders on this issue and the CRA's efforts to provide clear instructions to taxpayers on methods to gain access (such as the Access to corporate tax information page on the CRA's website: <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/business-registration/maintain-business/access-corporate-tax-information.html>)

However, despite CRA's efforts to provide clear instructions and to make improvements, several TEI members continue to have challenges with the process. Additionally, wait times on the CRA's Business Enquiries Line can often present challenges for business owners (particularly officers and directors of large companies) and representatives.

Requests to CRA

- (a) During the 2024 liaison meetings, the CRA confirmed it continues to review processes and monitor new technologies that may provide additional secure options. Could the CRA provide an update on enhancements to the authorization process for businesses?
- (b) Additionally, during the 2024 liaison meetings, CRA confirmed it was planning to implement changes in My Business Account that will enable owners including officers and directors to associate their SIN to business accounts to make obtaining online access easier with a projected launch date in May 2025. Could the CRA provide an update on this enhancement?

2. Access Issues for Multinationals and Non-Resident Taxpayers

Issue

Like many Canadian businesses, non-resident taxpayers continue to face significant challenges accessing CRA online services, particularly My Business Account. These access issues, however, are even more pronounced for non-residents and multinationals. While TEI appreciates the need to balance security, the current situation means it is very difficult, and sometimes simply not possible, for these taxpayers to complete basic tasks such as filing returns and getting account information. The challenges for multinationals and non-residents to get the required access to their accounts is impeding business functions and operations.

Background

For access to My Business Account, non-resident Directors (who cannot register for My Business Accounts access in their own capacity) must approve local representatives. However, this process requires:

- Evidence of a director's details and their position at the company
- The director to sign a certification that must be uploaded to the CRA within 10 days of preparation
- The director must then be available for a telephone call from the CRA. This call is not pre-scheduled and is expected to take place within CRA working hours, which generally do not align with the business hours of many non-residents (right across the Asia, Pacific, and EU regions)
- The director is also expected to know information about the various tax accounts of the taxpayer. Directors generally have no knowledge of this information. While they are directors of the company, they typically have no finance or tax involvement and sit in legal and are therefore unable to answer tax-related information asked by the CRA agent

Many non-resident taxpayers are therefore unable to get online access.

Even if a non-resident or multinational can get access to My Business Account, a further complication is the CRA's limitation on representatives either being a Canadian resident (with a SIN or Individual Tax Number), or a United States resident (with a Non-Resident Representative Number). This significantly limits the availability of online services for non-residents whose finance teams or legal representatives are based outside of North America and seems incongruent with the CRA's non-registrant registration requirements under Subdivision E of the *Excise Tax Act* (Canada) where many companies have no employees in Canada or the United States.

Combined, these access issues have significant and ongoing consequences including:

- Inability to file online returns as taxpayers are unable to access netfile codes
 - The CRA changing the simplified registration numbers to RT9999 has greatly exacerbated this issue as the new netfile codes cannot be accessed. Where returns are filed manually the taxpayer is then subjected to a penalty for not filing electronically
- Inability to review account balances and confirm payments are received
- Inability to reconcile and clear CRA account debts
- Inability to communicate with CRA (either online or via telephone)

For non-residents who do have employees in the United States, the process to obtain a Non-Resident Representative Number (and subsequent RepID) is cumbersome, can take months, and often several attempts. TEI members have reported that the process is unclear and close to unusable.

Requests to CRA

- (a) TEI requests that CRA review the process for granting My Business Account access to multinational and non-resident companies.
- (b) TEI more specifically requests that CRA review the requirement for CRA agents to telephone Directors and verbally verify the signed certification provided by the Director. This seems an unnecessary step given the existing requirements to prove the identity and position of the director.
- (c) We also request that the CRA urgently expand the ability for non-residents outside of the United States to register for a Non-Resident Representative Number.
- (d) Can CRA comment on the expected timeline for representatives of taxpayers based in the United States to receive a Non-Resident Representative Number, and then a subsequent RepID?
- (e) Will CRA consider having the large file case manager as a channel to expedite Non-Resident Representative Number and RepID issuances for large companies? Using existing International and Large Business Directorate channels should alleviate any security and potential for fraud concerns CRA may have.

3. GST/HST Registration Process

Issue

TEI members continue to face administrative and time-consuming hurdles to open GST/HST program accounts.

Background

Currently, there are a few methods that an authorized representative can use to open a GST/HST account for a business after the incorporation of a company. The first is using the Business Registration Online through Represent a Client if the representative has a Level 3 authorization for the business. It is TEI members' experience that a person who has been granted Level 3 access for all CRA program accounts for the business still requires the Director's SIN in order to open any new program accounts (such as a GST/HST program account).

Alternatively, a person can call the Canada Revenue Agency's Business Enquires Line (BEL) to open a GST/HST account. It is TEI's understanding that the person does not need to be an authorized representative to do this.

Often, there are time constraints where it is necessary to register a business for GST/HST shortly after incorporation and the current methods can offer challenges to accomplish this.

Requests to CRA

- (a) Could the CRA confirm why a Level 3 authorized rep still needs a Director's SIN to open a new program account when the person has already been granted Level 3 access on all program accounts? Additionally, could the CRA reconsider this approach?
- (b) Could the CRA consider creating an option in Represent a Client to allow a person that is registered with the CRA as a representative to open a GST/HST account without yet being authorized as a Level 3 for the business? This would reduce the call volume to BEL to perform GST/HST registrations and additionally provide the CRA with a record of who performed the registration and have comfort that such person is already registered with the CRA as a representative.

4. Incoterms/Determination of Place of Supply in or outside Canada for GST

Issue

TEI seeks clarity on the application of the place of supply rules under section 142 of the *Excise Tax Act* (Canada) where the named place of delivery/title transfer is in international waters pursuant to Incoterms 2020.

Background

Section 142 provides certain deeming rules to determine whether a supply is made inside or outside Canada. TEI is seeking guidance on CRA's view of the interplay between INCOTERMS 2020 and section 142, specifically relating to the "named place" that is designated for an import or export transaction. Consider the following examples:

(1) Goods Imported into Canada

- INCOTERM: DAP – International waters (with title also transferring at this point)
- Final delivery point: Vancouver, B.C.

(2) Goods Exported from Canada

- INCOTERM: FOB – International waters (with title also transferring at this point)
- Initial load point: Vancouver, B.C.

Requests to CRA

- (a) In general, could the CRA comment on whether it requires a specific or exact geographic location to be named (such as a specific port for example) or is a less specific location acceptable?
- (b) With reference to the import example above in #1, would CRA consider the goods to have been delivered and made available to the purchaser in international waters (thus outside of Canada) per subsection 142(2) of the ETA or at Vancouver (therefore within Canada) per subsection 142(1) of the ETA?
- (c) With reference to the export example above in #2, would CRA consider the goods to have been delivered and made available to the purchaser in international waters (thus outside of Canada) per subsection 142(2) of the ETA or at Vancouver (therefore within Canada) per subsection 142(1) of the ETA?

5. Zero Rating of Goods Resold and Shipped outside of Canada

Issue

TEI members lack clarity on certain use cases where goods resold in Canada, and then immediately shipped outside Canada qualify for zero-rating, and if yes, what documentation can be used to support the zero-rating.

Background

Section 12 of Part V of Schedule VI to the *Excise Tax Act* (Canada) provides the criteria for tangible personal property exported by a supplier to be zero-rated.

Consider the following scenario:

- Company A, a GST registered vendor, sells tangible personal property to Company B.
- The goods are shipped by vessel under the delivery terms "FOB Port of Montreal, Canada" with title also transferring to Company B at that same port.
- Company B then resells the goods to Company C under the same delivery terms and title transfer condition as the first sale by Company A to Company B.
- The goods are then immediately shipped from Canada to the ultimate destination without being consumed, used or transformed further.
- The bill of lading and other shipping documents identify Company A as the shipper/exporter and Company B as the consignee, with the ultimate destination being outside Canada.

Requests to CRA

- (a) Could the CRA confirm that Sch. VI-V section 12 applies to zero-rate the supply from Company A to Company B? Specifically, does the fact that the subsequent sale occurs within Canada prior to the goods being exported affect the zero-rating given that Company A is both the shipper and the exporter of the goods?
- (b) Consider the scenario where Company C (instead of Company B) is identified as the consignee at the foreign destination, could the CRA confirm that Sch. VI-V s. 12 applies to zero-rate the supply from Company A to Company B?

- (c) Further, consider the scenario where the delivery (INCO) terms for the sale by Company A to Company B were instead to be CPT/CFR – Port of Montreal. Could the CRA confirm that Sch. VI-V s. 12 applies to zero-rate the supply from Company A to Company B?
- (d) While CRA *GST/HST Memorandum Series 4.5.2 - Exports of Tangible Personal Property* provides that a bill of lading on its own would be satisfactory evidence of export to substantiate zero-rating of a supply made in Canada for immediate export, some TEI members have experienced audit situations where auditors have stated that further documentation is required. For all the above scenarios, could the CRA elaborate and provide specific examples of documentation required to substantiate Company A as the shipper and exporter of the goods to support zero-rating under Sch. VI-V s. 12?

6. Settlement between Related Companies

Issue

The treatment of a settlement payment where both parties have entered into an election under section 156 of the *Excise Tax Act* (Canada) (ETA), though the subject matter of the settlement relates to a time prior to when the parties became closely related.

Background

Corporation A and Corporation B are closely related persons who are specified members of a qualifying group within the meaning set-out in subsection 156(1) of the ETA and have filed an election pursuant to subsection 156(2) of the ETA (i.e. RC4616 Election or Revocation of an Election for a Qualifying Group to Treat Certain Taxable Supplies as Having Been Made for Nil Consideration for GST/HST Purposes).

Corporation A and Corporation B entered into a settlement agreement relating to an agreement for taxable supplies that was entered into before the parties were related.

In other words, the settlement includes certain periods when the parties were not related at the time when the original supply to which the settlement relates to was made. The payment under the settlement agreement is from the recipient to the supplier under the original agreement.

For example:

- January 2, 2020: Corporation A and Corporation B are dealing with each other at arms-length and enter into an agreement for the making of taxable supplies for the period January 2, 2020 to December 31, 2022.
- January 2, 2021: Corporation A's parent ("ParentCo") acquires all of the outstanding shares and indebtedness of Corporation B.
- Corporation A is wholly owned by ParentCo.
- January 5, 2021: Corporations A and B files a subsection 156(2) election as noted above.
- July 1, 2021: Corporations A and B entered into the settlement agreement described above for consideration, whereby the payment is made from the recipient to the supplier under the original agreement made on January 2, 2020

Requests to CRA

- (a) Assuming section 182 applies to the settlement payment, could CRA confirm that the settlement payment is relieved of GST/HST under subsection 156(2)?
- (b) Assuming section 182 would not apply to the settlement payment as it is payment for a supply, could the CRA confirm that the settlement payment is relieved of GST/HST under subsection 156(2)?

7. Clarification on Section 156(1) “qualifying member” subparagraph (c)(i) – “All or Substantially All” Test

Issue

The application of the “all or substantially all” test with respect to supplies of management services to a parent company.

Background

Subparagraph (c)(i) of the definition of “qualifying member” in subsection 156(1) of the ETA specifies that a registrant is a qualifying member if it has property (excluding *financial instruments and property having a nominal-value property*) and has last manufactured, produced, acquired, or imported all or substantially all (generally the Canada Revenue Agency interprets it to be 90% or more) *of its property for consumption, use or supply...exclusively in commercial activities*.

Our understanding is that the “all or substantially all” test applies to tangible/intangible property (e.g., office equipment, software).

To illustrate: A parent company provides taxable supplies of management services of central support (HR, IT, Legal, Tax, etc.) to affiliates and allocates related costs. It also receives interest and dividends from affiliates. The parent company is a de minimis financial institution (and files the GST111 annually), despite that all interest and dividends that it receives are excluded in determining if it is a de minimis financial institution by virtue of either subsections 149(4) or (4.02).

Requests to CRA

- (a) In this example, can CRA confirm, under subparagraph (c)(i) of the definition of “qualifying member” in subsection 156(1), what is the appropriate method for applying the “all or substantially all” test to determine qualifying member status?
- (b) Could CRA provide additional guidance, particularly regarding large parent companies?

8. Refund Integrity Program Audits

Issue:

TEI members has observed an apparent increase in the amount of information requested by Refund Integrity Program (“RIP”) auditors.

Background:

TEI understands and is supportive of RIP audits to ensure the integrity of Canada’s self-assessment system. “CRA’s GST/HST Refund Integrity Program is responsible for managing the risks associated with GST/HST credit returns, rebate claims, and some debit returns to help ensure unwarranted GST/HST refunds are not issued.”¹

Historically and to TEIs members knowledge, RIP audits were generally limited in scope with the ultimate intent of assessing risks, and to prevent unsubstantiated GST/HST refunds from being issued. Where the RIP audit(s) encounter significant/material risks or issues, the RIP auditor is to then refer the file for a larger scope audit.

Furthermore, TEI members understood that for each period for which is selected for review, the auditor is only allocated a few hours to complete its review (i.e. 5 hours per reporting period) and where it is raised as a limited scope field audit, the auditor is then allocated a marginal increase of time to complete (i.e. 15 hours per reporting period).

However, TEI members are experiencing an increase in the amount of information requested by auditors (which is starting to rival the amount of information requested during full scope field audits). This seems to be disproportionate with the historical intent of these audits.

Presumably because of the additional information being requested, RIP audits are taking longer to close than in the past. While additional time to provide the additional information can be a welcome change, TEI members have experienced some RIP auditors not providing sufficient time for registrants to provide additional information being requested and closing the audit with a denial of input tax credits with the view that registrants have four years to claim input tax credits.

¹ Canada Revenue Agency, Summary of the Corporate Business Plan, 2015-2016 to 2017-2018.
https://www.canada.ca/content/dam/cra-arc/migration/cra-arc/gncy/bsnss_plns/2015/2015-18-smry-cbp-eng.pdf

TEI members are of the view that the fact a registrant has four years to reclaim any denied input tax credit should not be driving auditors to close the audit without providing registrants sufficient time to provide the documentation requested or appropriate defence. RIP audits should serve as a high-level review of a registrant's GST/HST return and not something that creates increased costs and compliance efforts for both the registrant and CRA.

Requests for CRA

- (a) Could the CRA comment whether there has been a change of RIP audits and its view on whether the current practice aligns with that purpose?
- (b) Could the CRA comment on the guidance provided to RIP auditors relating to the breadth of documentation requests and timelines around the completion of an audit?
- (c) Is it the CRA's view that in order to expedite closure of the certain RIP audits, that it is appropriate for RIP auditors to contend that a registrant has up to four years to claim ITCs as reasoning to deny ITCs or refunds in the current period?

Particularly, TEI members are concerned in situations where the RIP auditor denies all ITCs claimed for a particular period, such that the assessment(s) results in a net tax payable, as opposed to a refund, triggering assessments of interest?

For example:

- Registrant claims, in a particular GST/HST return, a net tax refund of \$500,000 comprising of:
 - \$500,000 – GST/HST collected/collectible;
 - \$1,000,000 – ITCs;

9. Large Corporation Audit Process

Issue

Auditors with only small and medium-sized business audit experience are being assigned to audit large public companies. This creates inefficiency for both the audited taxpayer and the CRA.

Background

The number of GST audits for large businesses has notably increased over the past few years, but TEI observes that the CRA resources are not being used efficiently. Frequently, GST auditors with experience only with small and medium sized businesses are being assigned audits of companies that are subsidiaries of large public companies. Auditors that have no prior experience with large entities face a steep learning curve, which causes inefficiencies and ties up limited resources from both the CRA and the taxpayer perspectives.

For example, small and medium business auditors often do not appreciate that public companies and their subsidiaries undergo annual external audits of processes and procedures, making the risks and audit approach completely different from that of a small business. In addition, Enterprise Resource Systems (ERP) are generally more complex, customizable, and deeply integrated within business processes as opposed to off “off the shelf” software which has simpler, standardized, and more predictable risks. Understanding these systems is important because it requires a completely different approach and not asking for data or documents simply because they are on a checklist. Finally, larger organizations are involved in more complex transactions that are not seen in small business and are therefore unfamiliar to auditors.

These gaps result in a lack of understanding that generates misdirected questions, wasted time, and often unfounded assessments.

Requests to CRA

TEI believes that efficient use of CRA audit resources is critical and that begins with assigning projects to auditors with the appropriate set of skills. TEI requests:

- (a) The CRA consider implementing a more robust approach in assigning GST audits of large corporations, such as the assignment of a Large Case File Manager or assigning audits through the existing income tax Large Case File Manager.

- (b) The CRA review the decision-making process for how Lead Auditors and Team Leaders are assigned to audits and ensure that the size and complexity of the taxpayer be commensurate with the skills and experience of both the Team Leader and Lead Auditor.

10. Waivers

Issue

TEI members continue to receive requests for waivers where delays with respect to an audit are a result of time management of auditors, rather than the taxpayer. Taxpayers are presented with two options by the auditor: sign the waiver or receive an assessment for a higher amount.

Background

TEI would like to discuss CRA's approach to audit waivers as TEI members have experienced varying treatments under similar circumstances.

In particular, TEI would like to understand CRA's policy and rationale behind waiver request in situations where the registrant has cooperated fully and responded within the timelines established by the auditor. TEI members are concerned about the fairness of requiring waivers when delays are caused by the auditor and not the registrant.

Subsection 298(7) of the ETA specifies (with emphasis added):

(7) Waiver — Any person may, within the time otherwise limited by subsection (1) or (2) for assessing the person, waive the application of subsection (1) or (2) by filing with the Minister a waiver in the prescribed form **specifying the matter in respect of which the person waives the application** of that subsection.

TEI is of the view that there are situations where waivers are appropriate where specific issues or matters have been identified and discussed. The use of ss.298(7) waiver may be of mutual interest and/or benefit to CRA and/or registrant (i.e. matters where it requires further review by headquarters, rulings, etc.).

However, TEI members have experienced situations where the auditor requires more time to complete their audits but reporting periods are becoming statute barred, with minimal basis for assessment.

Consider the following scenarios:

Scenario 1: CRA undertakes a GST/HST field audit of a registrant and throughout the audit, the registrant provides the requested information to the auditor and responds to the auditor's queries within the timelines established by the auditor. At no point during the audit, was the registrant delinquent and/or failed to provide all requested information. The registrant anticipates that the audit will conclude soon as certain period(s) will become statute barred. To the registrant's knowledge, not specific issue or basis of assessment has been raised, but is contacted by the auditor and presented with a waiver to extend certain audit periods.

In addition to the above fact scenario, consider the following:

Scenario 2: The auditor informs the registrant that if the registrant elects not submit waiver, a large assessment will immediately be raised against the registrant.

Requests to CRA

- (a) For scenario 1, does the auditor consult with the auditor's team leader prior to issuing a waiver?
- (b) For scenario 1, are there any other protocols, steps and/or procedures to be taken into consideration before requesting waivers be filed by registrants, or is it at the sole discretion of the auditor?
- (c) For scenario 2, does the CRA consider it appropriate for an auditor to request registrants to file waivers in order for the auditor to complete its audit work?
- (d) For scenario 2, particularly where at the time of request, the auditor has not identified any particular matter to be subject of a proposed assessment?
- (e) For scenario 2, do auditors acknowledge that a registrant will likely refuse to file a waiver where the registrant has responded within the requested timelines throughout the audit?

11. Appeals Workload

Issue

Many of our members are continuing to experience significant delays in the Division's assignment of their appeals.

Requests to CRA

- (a) Please provide an update regarding the Appeals Division's workload.
- (b) Please provide a breakdown by region for the number of unassigned appeals in inventory and an update on the CRA's efforts to reduce the processing time for GST/HST objections including what steps the CRA is taking to get backlogged files assigned.
- (c) Are there any plans to study or advance the use of alternative dispute settlement arrangements such as arbitration or mediation to minimize the high costs of litigation?

12. Common Audit Issues

Issue

TEI members are always interested in finding ways to make audits more efficient and to reduce potential risks. Hearing about common audit issues gives taxpayers the opportunity to introduce enhanced compliance measures for areas more prone to risks.

The intent of this question is not in respect of operational or resource challenges/constraints, taxpayer timeliness or responsiveness, etc., but rather along the lines of technical or risk areas that CRA encounters.

Requests to CRA

- (a) TEI would like to receive the views from the Compliance Programs Branch on frequently encountered areas that lead to audit assessments for large businesses.
- (b) We would like to discuss these areas to determine approaches that would decrease audit time to the benefit of the CRA and large businesses.

13. Opportunities to Improve Information Sharing of Large Data Sets between CRA and Taxpayers

Issue

Finding secure and efficient ways to exchange data, particularly between taxpayers and the CRA continues to be a challenge for taxpayers and CRA auditors. If the CRA is going to request large volumes of information, the CRA should have the ability to easily and securely send and receive this data with taxpayers.

Background

While CRA auditors offer several options for exchanging audit information, none of these means are appropriate for large data requests:

1. **My Business Account:** My Business Account has a limited file capacity and often the transfer for zipped files fail. While it does accept files in batches of 10, the total size of all files within the submission is limited to 1GB of data. The size of some data requests would also require a taxpayer to split up data and submit multiple files. Given the size of the request, this could take a taxpayer weeks of work (or longer). There are also often issues with file uploads and although it shows the file as successfully uploaded, the file upload was not successful. CRA auditors have similarly shared frustrations with uploading files, sometimes not being aware of whether an audit request file or attachment was received until the taxpayer verbally confirms.
 - In one example shared by a TEI member, to submit the data requested by the auditor using My Business Account, the member would need to split the data request into 479 separate submissions. From experience, data uploads of more than 100MB can take 20-30 mins to upload and often time out during the process. This means, submitting the data requested via My Business Account would have taken the member months to complete, if it could even be completed at all due to errors and timeouts. This is not a reasonable or efficient method of providing data to the CRA.
2. **Encrypted External Hard Drives:** These are an expensive and inefficient method of data sharing. It still requires CRA auditors to sit in taxpayers' offices (sometimes for many hours) to transfer the data. Neither taxpayers nor CRA auditors want to rely on this method.

3. **SharePoint:** CRA auditors have suggested SharePoint as an option for data sharing, however for many taxpayers, SharePoint does not meet the security standards required for sharing sensitive data and is not permitted by the IT security teams of businesses.

Request to CRA

- (a) TEI requests that the CRA explore and adopt other methods of secure file transfer. Based on TEI members' experience, there are multiple options available that are used by other tax authorities that the CRA could consider as a potential solution:
 - Provincial governments have their own secure platforms that allow larger data files to be transferred in a secure manner. This includes Revenu Quebec's use of secure email and Transfert sécurisé de documents (TSD), and British Columbia's Secure File Transfer Service (SFTS). In members' experience, the provincial authorities also do not require a volume of data outside the capabilities of their secure file transfer systems.
 - Third party solutions by global providers also offer the ability for data to be transferred in a safe and secure manner. For example, Box.com is used by US banks and multinationals to transfer critical files in a secure manner, which includes two factor authentication for recipients and without the need for additional software or data. Box.com is used by many tax authorities in the US, including New York, Texas, and California.

14. Opportunities to Improve Efficiency of Data Sharing between CRA and Taxpayers

Issue

Notwithstanding the preceding question, there are many use cases when using My Business Account to exchange data with the CRA is a welcome option for taxpayers. However, the current process for uploading files to the CRA via My Business Account is inefficient and cumbersome. TEI members have identified several opportunities to make the submissions through My Business Account simpler.

Background

- 1) Information requested:
 - a) Although the CRA requests the case or reference number to be entered for each submission (unless the taxpayer has selected they have no case or reference number), the taxpayer is still required to enter a lot of information about the submission, including, for example start and end dates. The information pertaining to the upload should be retrievable to the CRA based on the case or reference number provided. Entering in this information again is cumbersome, and time consuming particularly when a taxpayer must make multiple submissions based on file sizes.
 - b) In addition to having to provide this information at the submission level, taxpayers must also enter information for each document uploaded within a submission. This adds a further layer of inefficiency and is unnecessary given most required information is determinable via the case or reference number provided.
- 2) File limitations:
 - a) My Business Account only accepts file names with the following characters:
 - Letters (a-z, A-Z)
 - Numbers (0-9)
 - Underscore (_)
 - Period (.)
 - Hyphen (-)

- b) Information requested by auditors are often reports downloaded from taxpayer systems. These downloaded reports often come with automatically generated filenames containing restricted characters such as
- Parentheses ()
 - Square brackets []
 - Tilde ~
 - Other special characters like @, #, \$, etc.

This means taxpayers must manually rename files to comply with the My Business Accounting naming restrictions which can take considerable time when there are multiple files.

- c) My Business Account accepts files in the following formats: .pdf, .doc, .docx, .xls, .xlsx, .rtf, .txt, .jpg, .jpeg, .tiff, or .xps. Some businesses are transitioning to other document and communication management systems, like Google Workspace. Taxpayers who use these types of workspace systems that have documents like Google Sheets, Google Docs, Google Slides are concerned that requiring conversion to formats currently accepted by the CRA may alter or remove complex functionalities like formulas, dynamic tables, or internal links. Because of this the conversion could potentially compromise the integrity of the information provided to CRA.
- 3) File transmissions:
- a) My Business Account does not have functionality to select multiple files for upload/download at a time. This means a taxpayer must repeat the entire process for each file they wish to upload in a transmission or download all files individually. This adds considerable time to the file sharing process.
- b) My Business Account also has no drag and drop function. This means taxpayers must go and select each file via the upload document process, rather than being able to simply drag and drop the relevant file from a separate open window.

Request to CRA

While individually the points raised above seem minor, collectively they create a significant (and seemingly unnecessary) time burden for taxpayers.

- (a) TEI requests the CRA consider the following changes to document upload/download functionality in My Business Account to improve efficiency of information sharing with the CRA and reduce taxpayer frustration:
 - (i) Do not require taxpayers to enter information for each file upload or for each submission, when that information is ascertainable based on the case or reference number that must be provided.
 - (ii) Expand the accepted file formats to include documents supported by other workplace systems like Google Workplace.
 - (iii) Allow common characters to be used in file names, including parentheses (); Square Brackets []; Tilde ~; and other special characters like @, #, \$, %, etc.
 - (iv) Allow for multiple files to be uploaded/downloaded at a time.
 - (v) Allow files to be uploaded via drag and drop.

15. Email Communication with Auditors

Issue

There is an inconsistent approach by CRA auditors with respect to communication via email with taxpayers.

Background

TEI members noticed that while CRA income tax auditors have begun communicating with taxpayers via email, there is an inconsistent approach to communicating with taxpayers via email by GST/HST auditors. While TEI understands sharing documentation and information across email is not appropriate, email is a useful and practical way to communicate with auditors, particularly with respect to responding to certain basic questions and arranging for meetings and site visits.

Request to CRA

- (a) Can the CRA provide an update on its policies and practices regarding when auditors are permitted to use email from taxpayer communications, and whether there are plans to expand email usage to GST/HST audits?

16. CRA's Move Towards Use of Schema Instead of Forms

Issue

The use of XML schema as the sole option for filing poses challenges for taxpayers who lack ability or necessary time requirements to build an internal solution to meet the filing requirements.

Background

The CRA has recently started using XML schema for several new filing requirements including the Digital Services Tax and Part XX Marketplace reporting.

This new method of filing required many TEI members to either develop methods to comply with this method of filing (which required IT spend) or engage outside consultants to assist with filing. In many cases, the schema was released too late to allow taxpayers to use their own internal resources to comply.

Requests to CRA

- (a) Please provide its rationale for using these methods and requiring taxpayers to incur new costs to comply.
- (b) Please consider producing forms as an alternative to using XML schema filing in such cases.

17. Late filing Penalties During Deferral Period from using Financial Institution's Online Filing and Payment Services

Issue

Some taxpayers who filed GST/HST returns on time through Financial Institutions' online filing and payment services during the remittance deferral period from April 2, 2025 to June 30, 2025 were assessed late filing penalties.

Background

Following the Government of Canada's announcement on March 21, 2025 with measures to support businesses impacted by newly imposed tariffs, the Canada Revenue Agency introduced temporary relief measures. These include:

- A deferral of GST/HST remittances from April 2 to June 30, 2025.
- Interest relief on both new and existing GST/HST balances during the same period.

However, the CRA emphasized that filing deadlines remain unchanged. GST/HST returns were still required to be filed on time to maintain compliance. Interest resumed on outstanding balances as of July 1, 2025.

Most financial institutions offer online GST/HST reporting and remittance services through their websites. When using these services, registrants must provide the following dates:

- The reporting period;
- The requested payment date;
- The return filing due date.

Once submitted, the registrant can print a confirmation document showing the submission date and time.

Consider the following scenario:

- A registrant files its GST/HST return for the April 1 to April 30, 2025 reporting period on May 15, 2025, using its financial institution's online service.
- The registrant selects May 30, 2025 as the return filing due date.
- The registrant selects June 30, 2025 as the payment date.

It appears that some financial institutions delayed filing of the GST/HST return to match the registrants' requested payment date and as a result several TEI members were assessed late filing penalties as a result.

Requests to CRA

- (a) Would the CRA consider waiving late filing penalties for such registrants that acted in good faith to file their GST/HST returns in a timely manner by using this filing method where the filing of the return aligned with the deferred payment?
- (b) Some impacted TEI members have filed fairness requests with the CRA to alleviate the assessment of the late filing penalty. Would the CRA consider reviewing all registrants that were assessed in this circumstance and reversing such penalties without the need for the registrant to file a fairness request?

18. Trade Names on Filing and Balance Confirmation Letters

Issue

The Filing and Balance Confirmation Letter shows a taxpayer's most recent trade or operating name which poses issues for taxpayers with multiple trade or operating names.

Background

Registrants can often have multiple trade or operating names registered with the Canada Revenue Agency. This can sometimes create an issue for a registrant when they request a Filing and Balance Confirmation (FBC) Letter through the CRA's Represent a Client portal. It is our members' experience that the FBC letter contains the registrant's legal name along with its most recently added trade or operating name. It is TEI's understanding that the CRA cannot remove the trade or operating name from the FBC letter unless the registrant deletes the trade or operating name from its My Business Account profile. For registrants with multiple trade or operating names, listing only the last trade or operating name added can sometimes create confusion if it is not the registrant's main trade or operating name.

Request to CRA

- (a) Would the CRA consider making adjustments to remove trade names from the FBC letter to ensure only the legal name of the entity is displayed?

19. Follow up on 2024 Q3 My Business Account and Selected Listing Financial Institutions

Issue

TEI has raised member concerns that Selected Listing Financial Institutions (SLFIs) do not have up-to-date account or activity information available electronically in My Business Account to the Canada Revenue Agency at several prior liaison meetings (see for example Q3 at the 2024 liaison meeting). This lack of electronic access continues to create challenges for both SLFIs and the CRA. At the 2024 liaison meeting, the CRA mentioned it was confident that the work would begin soon, however the CRA was not able to provide a timeline.

Request to CRA

- (a) Could the CRA provide an update on the status and additionally a timeline when SLFIs should expect to have such information available electronically?

20. Follow up on 2024 Q5 Authorized Signing Officer vs. Authorized Representative

Issue

At the 2024 liaison meeting, TEI noted the experience of several members when filing forms that were required to be signed by someone “authorized to sign on behalf of the [company]” versus forms required to be signed by someone “authorized to file”. At the time, the CRA confirmed it would review its view of the authorization required for a person to sign an election where the signatory is “authorized to sign on behalf of the [company]” and the reason for the inconsistent approach across the various on the type of forms with respect to what type of individual the CRA will accept as signatory.

Request to CRA

- (a) Could the CRA provide an update on this matter?

21. Improvements to the CRA's GST/HST Registry Search

Issue

At the 2022 and 2024 liaison meetings, TEI raised the matter on the user friendliness of the GST/HST Registry Search tool and to have the tool more usable and fit for purpose. When the matter was raised with the Department of Finance, the response received from Finance was that it was in the domain of the CRA. CRA's response was it was unable to make such changes due to privacy or confidentiality provisions of the *Excise Tax Act* (Canada).

During the 2024 Liaison meetings, the CRA provided that "[t]here are legal implications that need to be reviewed and considered prior to pursuing any legislative amendments. CRA is open to changes, if feasible, and would work with Finance on any proposed legislative and/or administrative amendments."

Requests for CRA

- (a) Can the CRA provide any updates on discussions with the Department of Finance in advancing the GST/HST Registry tool in furtherance of voluntary compliance?
- (b) During the 2024 Liaison Meeting, TEI asked the following question for which TEI did not receive a response:

Has the CRA sought an opinion from the Department of Justice whether requested amendments by TEI and other stakeholders across Canada would infringe the privacy or confidentiality provisions of the ETA? If not, would the CRA commit to seeking an opinion from the Department of Justice, whether the disclosure of a particular GST/HST registrant's name and registration status on a specific date, would result in the contravention of the confidentiality provisions of the ETA?



22. Permit Level 3 Authorized Representatives to Update Direct Deposit Information

Issue

TEI members regularly establish new businesses and often face delays in updating CRA account details for direct deposit. Level 3 representatives currently have access to update other critical account information, but not direct deposit details.

Request to CRA

- (a) At the 2022 liaison meeting, the CRA stated that “Direct Deposit will not be re-instated in the near future.” Could the CRA provide an update on when it will extend to this functionality to Level 3 authorized representatives?