2025 TEI Canadian Commodity Tax Committee Liaison Questions for Canada Revenue Agency – DRAFT RESPONSES
November 18, 2025 – Château Laurier

1. CRA My Business Account Access and Authorizations (ABSB)

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?

CRA response

(a) Currently, there are no changes to the business authorization process, and no enhancements are planned. The CRA continues to monitor developments and assess opportunities for improvement, while remaining committed to balancing service efficiency with the protection of taxpayer information.

Should any changes be introduced in the future, stakeholders will be informed through appropriate channels.

(b) Yes, this new feature in My Business Account (MyBA) was introduced in May 2025. It can be accessed in two ways, but the process must be completed by the director personally — representatives or other directors cannot do it on their behalf:

Method 1: If the director has never accessed any BN in MyBA (or no longer has access to any BN in MyBA), they sign in to their CRA account, on the Welcome page, select + Add Account → Add Business Number, and enter the BN9 they wish to access.

Method 2: If the director has previously accessed a different BN in MyBA, they sign in to their CRA account, on the Welcome page, select Business account to view all BNs, which brings them to the Overview page. Then select Profile → Business number - Manage business number → Add another business number, and enter the BN9 they wish to access.

To add their SIN to the new BN9, the client must provide the following information related to that BN9:

- The 6 digits (2 letters + 4 numbers) of a CRA-administered BN15 account number such as an RC (Corporate Income Tax) or RT (GST/HST) account, for which they are listed as a director or an owner.
- The period end date (year, month, and day) of a business return processed within the past two years, and at least six months prior to the current date.
- A specific request line and its corresponding financial value from that tax return.

If all information entered is correct and the director is already identified as an owner of the BN, their SIN will be successfully added to the BN.

2. Access Issues for Multinationals and Non-Resident Taxpayers (ABSB)

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.

CRA response

(a) The CRA recognizes the value of meeting growing expectations for expanded and secure online access to government services.

It should be noted that access to My Business Account is given to individuals, not businesses. Individuals are then provided authorization to access to information pertaining to specific businesses. This means that individuals with a social insurance number (SIN), temporary taxation number (TTN) or individual taxation number (ITN) would be able to access the information of a multinational or non-resident company within My Business Account.

The CRA acknowledges the challenges those without a SIN, TTN or ITN face in accessing its online services and continues to explore ways to enhance digital service delivery while maintaining the highest security and confidentiality of information. Any expansion of access must be accompanied by robust identity verification measures. In alignment with the Treasury Board of Canada Secretariat's guidelines, identity proofing ensures that individuals accessing sensitive information meet the appropriate level of assurance, safeguarding privacy, data integrity, and public trust in government services.

(b) The CRA recognizes the complexities involved in granting access to non-resident directors. The current process requires uploading signed consent and completing telephone verification to ensure the security and integrity of taxpayer information.

We appreciate TEI's feedback and remain committed to improving access while maintaining robust security standards. Should any enhancements be introduced, they will be communicated through established stakeholder channels.

(c) The CRA recognizes the value of meeting growing expectations for expanded and secure online access to government services.

The application for a Non-Resident Representative Number (NRRN) is exclusively for non-resident representatives living in the United States. However, non-residents are able to register for a RepID and use the Represent a Client service, if they have a social insurance number, temporary taxation number, or individual taxation number.

The CRA acknowledges the challenges those without a social insurance number (SIN), temporary taxation number (TTN) or individual taxation number (ITN) face in accessing its online services and continues to explore ways to enhance digital service delivery while maintaining the highest security and confidentiality of information. Any expansion of access must be accompanied by robust identity verification measures. In alignment with the Treasury Board of Canada Secretariat's guidelines, identity proofing ensures that individuals accessing sensitive information meet the appropriate level of assurance, safeguarding privacy, data integrity, and public trust in government services.

(d) The processing timeframe for a completed RC 391 Form for a Non-Resident Representative Number (NRRN) is 6 to 8 weeks after the application is received into the Individual Tax Number Unit, Sudbury.

A CRA Representative Identifier (RepID) is issued immediately after a user successfully registers online for Represent a Client. The RepID is issued as a part of the registration process. Once the user submits the required information, a confirmation page will display the user's unique 7-character alphanumeric RepID immediately.

(e) The large file case managers and team leaders in the GST/HST and Digital Compliance Directorate – GST/HST Large Business Audit program champion continuous improvement in program and service delivery by fostering cross-functional collaboration aligned with the CRA's People First philosophy. Should entities have a channel through the manager/team leader, they can certainly engage them for assistance.

3. GST/HST Registration Process (ABSB)

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.

CRA response

(a) In today's increasingly digital world, organizations must take proactive steps to safeguard sensitive information against evolving threats. The protection of taxpayer information is a top priority for the CRA. To that end, we have implemented rigorous, permanent measures to detect, analyze, and mitigate potential risks.

The CRA must verify that an individual responsible for the business understands that registering a new program account may create tax obligations and compliance requirements. The CRA remains open to reconsidering its approach in this circumstance.

(b) Currently, within Business Registration Online in Represent a Client, any level of representative can use the application to add a program account. This functionality is not limited to Level 3 delegated authorities.

4. Incoterms/Determination of Place of Supply in or outside Canada for GST (GOBI-Rulings)

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?

CRA response

(a) Incoterms are established by the International Chamber of Commerce (ICC) to facilitate international and domestic trade in goods by setting out rules defining the responsibilities of parties to a transaction, and are therefore useful not just for determining a place of delivery, but a range of other issues typical in commerce, such as costs and risks. As a result, when parties agree to use an Incoterm, the ICC strongly recommends that the place named immediately after the Incoterm be as geographically specific as possible to establish certainty for all parties.

If the parties to a transaction use an Incoterm in accordance with its intended circumstances under the relevant version of the ICC's Incoterms, then absent any evidence to the contrary, it could be used to determine the place of delivery of the goods. However, if an Incoterm is not used as intended, other elements may need to be considered, such as other terms within the contract and the parties' conduct, to determine where they intended delivery to occur. A similar approach may be necessary where the place designated by the Incoterm is ambiguous or vague, such that there is uncertainty about the parties' intentions.

(b), (c) As with any supply, a complete set of facts would be necessary to determine where a supply is deemed to occur. Thus, if delivery terms are specified in a contract for the sale of goods, then generally those terms could be used to determine the place of supply. As indicated in the response to Question 1, if an Incoterm is used in an agreement in accordance with its intended circumstances, it will generally, subject to any evidence to the contrary, be used to dictate where goods are delivered or made available for the purposes of section 142.

Regarding the first example, the ICC states that Incoterm DAP (Delivered at Place) means the seller delivers the goods and transfers the risks to the buyer once they are at the agreed place of destination, ready for unloading. As such, if the named place is located in Canada, as it is in this case, then generally the supply would be deemed to be made in Canada under subsection 142(1).

Regarding the second example, the ICC states that Incoterm FOB (Free on Board) means the seller delivers the goods loaded on board a vessel nominated by the buyer at the port of shipment. As such, if the named port of shipment is located in Canada, again as it is in this case, then pursuant to subsection 142(1), the supply would also be deemed to be made in Canada.

5. Zero Rating of Goods Resold and Shipped outside of Canada (GOBI-Rulings)

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 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?

CRA response

The facts in the above scenario are insufficient to establish that the supply of TPP from Company A to Company B is zero-rated pursuant to section 12 of Part V of Schedule VI to the ETA.

Section 12 of Part V of Schedule VI to the ETA specifies, in part, that a supply of TPP is generally zero-rated if: (a) the supplier ships the TPP to a destination outside Canada that is specified in the contract for carriage of the TPP; or, (b) the supplier transfers possession of the TPP to a common carrier or consignee that has been retained by the supplier on behalf of the recipient to ship the TPP to a destination outside of Canada.

With respect to the supply of TPP by Company A to Company B, where Company A ships the TPP to Company B with delivery at the Port of Montreal, the facts do not show that Company A:

a) ships the TPP to a destination outside of Canada that is specified in the contract for carriage of the TPP; or

b) transfers possession of the TPP to a common carrier or consignee that has been retained by Company A on behalf of Company B to ship the TPP to a destination outside of Canada.

According to GST/HST Memorandum 4.5.2 Exports – Tangible Personal Property, a bill of lading may help establish that TPP has been exported from Canada. However, on its own, a bill of lading does not provide satisfactory evidence that the conditions of section 12 of Part V of Schedule VI to the ETA have been met.

To help establish whether a supply of TPP meets the conditions of section 12 of Part V of Schedule VI to the ETA we may refer, for example, to the terms of the agreement for the supply with respect to delivery and transfer of possession of the TPP and to the contract for carriage of the TPP.

6. Settlement between Related Companies (GOBI-Rulings)

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 partis 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)?

CRA response

(a) The effect of a valid election under subsection 156(2) is that taxable supplies made between the parties are deemed to have been made for no consideration.

The effect of the application of subsection 182(1) is that an amount paid otherwise than as consideration in specific conditions is two fold. The first is to deem the amount paid to be consideration that is tax included. The second is that tax included in the consideration to be deemed to have been collected and paid by the parties. triggering the net tax calculation and remittance provisions.

For an amount to be captured by subsection 182(1) it must first be an amount that is not consideration for a supply so it is reasonable to wonder whether that amount deemed to be a tax included consideration can be captured by another provision deeming that consideration to be nil. However, paragraph 182(1)(b) goes a step further by deeming the tax included in the consideration to have been paid and collected by the parties triggering the net tax calculation and remittance provisions under Subdivision b (Remittance of Tax) of Division V (Collection and Remittance of Division II Tax).

The supplier of the supply under that original agreement must remit the tax deemed collected and the recipient of the supply under that original agreement would be entitled to claim an input tax credit for the tax deemed paid provided all other conditions for claiming the credit are satisfied.

(b) The determination on whether a payment not capture by section 182 is relieved under an election under subsection 156(2) is based on the facts which are not sufficient at this point.

A ruling request can be made based on the guidelines in GST/HST Memorandum 1.4, Excise and GST/HST Rulings and Interpretations Service.

7. Clarification on Section 156(1) "qualifying member" subparagraph (c)(i) – "All or Substantially All" Test (FIRP-Rulings)

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?

CRA response

(a) Under subsection 156(1), a registrant that is a corporation resident in Canada is a qualifying member of a qualifying group where certain conditions are met. One of those conditions set out in subparagraph 156(1)(c)(i) of the definition of "qualifying member" is that where the registrant has property at the time of making the election, the registrant must have last manufactured, produced, acquired or imported all or substantially all of its property for consumption, use or supply exclusively in the course of commercial activities of the registrant. For purposes of the GST/HST, "property" is defined in subsection 123(1) to mean any property, whether real or personal, movable or immovable, tangible or intangible, corporeal or incorporeal, and includes a right or interest of any kind, a share and a chose in action, but does not include money. However, the reference to "property" in subparagraph 156(1)(c)(i) excludes property that is a financial instrument and property having a nominal value.

In the case of a financial institution that is a registrant resident in Canada, it must be determined for purposes of subparagraph (c)(i) of the definition of "qualifying member" in subsection 156(1) whether all or substantially all (90% or more) of the financial institution's property was last manufactured, produced, acquired or imported for consumption, use or supply exclusively (100%) in the course of its commercial activities. Financial instruments and property having a nominal value are not included when making this determination.

A registrant may choose a method which is appropriate in the circumstances for applying the "all or substantially all" test to the property that it holds and the appropriateness of such method will depend on the individual circumstances of the registrant. For example, a registrant may determine that all or substantially all of its property (other than financial instruments and property having a nominal value) was last manufactured, produced, acquired or imported for consumption, use or supply exclusively in the course of its commercial activities by dividing the value (e.g., book value) of its property for such use in commercial activity by the value of all property (other than financial instruments and property having a nominal value) held by the registrant. Any such determination must take into account all of the relevant facts and circumstances of a particular case.

(b) GST/HST Memorandum 14-5, Election to Deem Supplies to be Made for Nil Consideration, provides guidance on the conditions for the election in subsection 156(2). If you have a specific concern that is not addressed in the Memorandum, you may request a ruling or an interpretation.

8. Refund Integrity Program Audits (CPB)

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.

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.

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[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;

CRA response

(a) There has been no change. Refund Integrity's requests for documents remains standardized and are detailed in the initial letter. Additional documents may be required based on certain industries or where the registrant is a Joint Venture for example. Refund Integrity exams follow the risk and therefore in some cases further documentation is required as well as additional hours to complete.

(b) As noted, the documentation requests are standard. Refund Integrity examiners can take on average 12.5hrs to complete a file. There is no scenario where an RI examiner is allocated only 5 hours to review a file.

(c) Our position is not and has never been to expedite the closure of examinations, but rather to provide this information as guidance to registrants when they fail to submit the requested information within a reasonable timeframe. Registrants are always given a fair and reasonable opportunity to provide the necessary documentation.

9. Large Corporation Audit Process (CPB)

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.

CRA response

(a) The GST/HST Large Business Audit (LBA) population is comprised of registrants with an economic activity that exceeds $150M. The GST/HST LBA program has and continues working to create groupings of connected registrants within the LBA population and creating an economic entity (EE) audit approach for certain complex EEs. In the model, GST/HST Large Business Case Managers (LBCMs) are responsible for coordinating and managing the audits of entities within their assigned EEs. Large File Case Managers (LFCMs) or Team leaders (TL) are responsible for managing all other LBA audit assignments. The CRA's Compliance Programs Branch decoupled GST/HST audits from income tax, as a result the audits of Large Businesses are separate for income tax and GST/HST. Having said that, we are working towards improved communications internally between the two sets of audit teams.

(b) The overall objective of GST/HST LBA is to focus the regional audit resources on the highest risk files while ensuring compliance continues to be maintained on the remainder of the population. CRA uses the complexity rating of a registrant to establish the auditor level to be assigned. GST/HST LBA recently introduced the Large Business Case Managers (LBCMs) and now has three levels of GST/HST LBA auditors to address increasing risk and complexity of files. Auditor assignments are generally directed based on the auditor available and local knowledge with respect to the files being considered for audit.

10. Waivers (CPB)

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?

CRA response

(a) A waiver must be filed by the taxpayer when they wish to have more time to produce additional information and wants the CRA to delay issuing a notice of reassessment beyond the normal reassessment period. If the waivers are provided, they are accepted. Team Leaders and Large File Case Managers are involved at each step of the audit including making decisions of accepting the waivers.

(b) An auditor will inform of the options to request a waiver in a situation when an assessing position has been established, and it is necessary to allow the taxpayer additional time to respond due to the impending statute-barred date. When the CRA proposes an adjustment, a waiver may be requested from the taxpayer to allow additional time to consider all relevant information and for the taxpayer to submit representations.

(c) A waiver may be requested, when an assessing position has been established, and it is necessary to allow the taxpayer additional time to respond due to the impending statute-bar date. It is not CRA's intent to utilize a waiver to gain more time beyond statue-barred dates to negotiate or finalize a proposal with a registrant unless it is of a mutual interest or benefit in situations where it requires review by Headquarters, Technical Guidance, Rulings, etc.

(d) See response to Q2 and Q3 above.

(e) The waiver is a statement voluntarily signed by a taxpayer, or an authorized representative. When the CRA is in the position to propose an adjustment, the CRA will provide a taxpayer an opportunity to provide a waiver to allow additional time to consider all relevant information and for the taxpayer to submit representations.

Generally, the CRA audit team should not be requesting for a waiver to be filed by the registrant if: 1) a registrant responds to all audit queries issued by the CRA within the timeframes set out, 2) the replies to all audit queries are complete (i.e. all questions and documents asked for have been responded to fully), and 3) there are no undue delays caused by the registrant and/or their representative.

11. Appeals Workload (Appeals)

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?

CRA response

(a) The Canada Revenue Agency (CRA) acknowledges concerns about high-complexity objections and is dedicated to continuous improvement in its operations. The CRA recognizes the complex legal and factual issues often involved in such cases and is committed to treating all objections fairly and impartially.

The high-complexity objections take much longer to resolve than other objections because of their technical content and/or reliance on court decisions. These objections usually involve large corporations and complex business transactions, including those related to Selected Listed Financial Institutions.

(b) Publicly available information regarding our program performance can be found on the following webpage: Processing times and complexity levels - Income tax and GST/HST objections.

In recent years, we have seen an improvement in the time it takes to assign high-complexity GST objections. Having said that, the CRA is committed to continuing to enhance processing timelines for all disputes, including high-complexity objections. In April 2025, the CRA implemented a centralized screening process for new GST/HST high complexity objections, as well as a national inventory for this same group, from which objections are assigned to appeals officers.

Additionally, the CRA has received a submission asking that we consider a policy that would allow for the bifurcation of high-complexity GST/HST objection issues; resolving the issues in two stages and resolving the issues that are not dependant on the courts or other delays. More information on the outcome of our consideration of that submission will be forthcoming once complete.

(c) At this time, we do not have any plans to advance the use of alternate dispute settlement arrangements such as arbitration or mediation.

12. Common Audit Issues (CPB)

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.

CRA response

(a) GST/HST Large Business Audit has identified three frequently encountered risk areas leading to audit adjustments:

   I. For Financial Institutions (FIs) determining which supplies are zero-rated and give rise to an ITC entitlement
   II. In general, for FIs and non FIs, place of supply provisions, in determining when a supply has been made in Canada for cross-border transactions
   III. The third commonly encountered issue is GST/HST not collected on taxable supply to a registrant, with no election in place, creating a wash transaction scenario

(b) CRA is always open for a dialogue which will benefit CRA and large businesses.

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

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

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.

CRA response

CRA Auditors have direct or indirect access to many data transfer tools. The size and type of data files may dictate which of these tools can be used.

The safety and security of the data being transferred is paramount, which is why the CRA's preferred methods are for secure electronic/remote transfer methods using CRA developed tools.

For these reasons, auditors are likely to recommend the use of the CRA portals (MyAccount, My Business Account, or Represent a Client) as the best transfer method, when applicable depending on the type of files to be transferred and size of data (Max of 1 GB per session - multiple sessions allowed). When the CRA portals are considered impractical or insufficient, other options can be considered.

CRA's Secure Drop Zone (SDZ) offers an expanded file size limit (max 10 files totalling 10 GB, with a max file size of 4GB). It is a viable alternative transfer method when access or use of the CRA Portals is not possible. However, there are limitations in terms of accepted filetypes (i.e. Zip and Zipx) due to security concerns. CRA continues to expand the list of filetypes accepted by this service.

Services like Canada Post Connect (1GB max files size per message, 20 GB max per "conversation"), and others under consideration (i.e. TitanFile – Unlimited file size) are not CRA-developed transfer methods, but have undergone a rigorous review to ensure that they can be used to securely transfer files to/from the CRA (Protected B data).

CRA does not have the capacity to review all file-transfer websites and purchase licenses for their use. While external services, like BOX.COM, can be used for transfers with CRA, their use is less preferable than the CRA Portals, SDZ, and Canada Post Connect due to the lack of a formal security assessment by the CRA.

Due to the nature and volume of data held by CRA, there are tight security controls over what sites are accessible via CRA network. Third party file transfer sites, that allow large volumes of data to be exchanged, present a significant security risk, and access to these sites is tightly restricted. While sites like Box.com, ShareFile, WeTransfer, Dropbox, KiteWorks, and others can be, and currently are, used to transfer data to CRA, these requests are usually routed through Computer Audit Specialists (CAS) who use specialized standalone equipment to securely access and download the data, and virus scan it before providing it to the audit team. Routed through CAS, these methods are available for transfers with the auditor, but are not directly accessible by the auditor(s).

Due to the coordination required between the audit team and CAS, the use of data transfer via third party sites is limited to larger files that can't be transferred using CRA portals and other CRA transfer methods (i.e. SDZ and Canada Post Connect). In addition, the use of third party sites to exchange data with CRA requires the taxpayer (or their representatives) to sign a "Secure Website Agreement" which addresses security concerns (i.e. ensuring the data is scanned for viruses and malware before uploading it on the site for CRA download) and absolves CRA of the risks and liabilities of having sensitive taxpayer information transferred via these sites.

The use of TitanFile is currently being explored by CRA. It is a secure file sharing platform currently used by several other Government departments and agencies. It is hoped it will supplement other CRA-approved transfer methods, and offer an alternative to taxpayers not wishing to use their own sites or third party sites for large data transfers.

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

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.

CRA response

(iv) The ability to submit multiple documents in one upload using the Submit Documents service currently exists for users of both My Account and My Business Account. Users are able to upload an unlimited number of documents in one submission provided that the submission does not exceed the maximum file upload size of 500mb.

Thank you for sharing these recommendations. With the exception of item (iv) above (which is currently available for users of My Account and My Business Account), we would like to note that we are currently reviewing multiple enhancements to the Submit Documents service. Over the next year, we will be implementing several improvements aimed at streamlining processes and improving the user experience. We will take your suggestions into consideration as we continually look to expand our services to better meet your needs.

In addition, we invite you to provide any specific file types you would like us to support beyond those used in Google Workplace. We encourage you to keep checking the portal for updates and to share any additional recommendations.

15. Email Communication with Auditors (CPB)

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

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?

CRA response

When dealing with taxpayer specific information, the only accepted means of electronic communication between CRA auditors and registrants, or their representatives, is through the secure portals of My Account, My Business Account, or Represent a Client to submit documents online or to submit electronic audit enquiries. Email communications with registrants, or their representatives, is permitted if the information being transmitted does not contain taxpayer specific information. Examples of acceptable uses of email communications include: setting up a videoconference with dates, times and links, providing hyperlinks to information available on *canada.ca* webpages, or sending attachments that do not include specific taxpayer information.

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

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.

CRA response

The CRA has implemented the use of XML schema for certain filing requirements because of efficiencies which can be achieved with the review and validation of data for information returns. XML schema-based filing has been the primary electronic filing standard for all CRA third party information returns for over a decade. Use of the XML schemas also follows standards set forth by the Organization of Economic Cooperation and Development (OECD) in collaboration with its member jurisdictions establishing international best practices in developing new international exchange frameworks. The OECD consults with the various industries internationally while developing the framework and XML schema, and publish them in advance of each member jurisdiction's adoption of the standards to provide insight to forthcoming reporting obligations.

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

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?

CRA response

(a) The relief measures for tariff remain aligned with the information available on our website and additional relief, including for penalties, is not being considered at this time.

(b) The Canada Revenue Agency (CRA) administers legislation, commonly called the taxpayer relief provisions, which give the CRA discretion to cancel or waive penalties and interest when taxpayers cannot meet their tax obligations due to circumstances beyond their control. These can include financial hardship, actions of the CRA such as delays, extraordinary circumstances such as illness, and other circumstances outside the taxpayer's control.

Taxpayers or their authorized representative can make a request to cancel penalties and interest online using the CRA My Account, My Business Account or Represent a Client services by selecting "Request relief of penalties and interest". For alternative methods, please visit https://www.canada.ca/penalty-interest-relief.

To initiate a request to cancel penalties and interest, a taxpayer must submit a request that provides a detailed, complete, and accurate description of their circumstances including all relevant information and supporting documentation. All taxpayer relief requests are reviewed on a case-by-case basis based on their own merit.

It is to be noted that taxpayers are generally considered responsible for errors made or delays caused by third parties acting for the taxpayers for income tax matters. It is a taxpayer's responsibility to make certain that their tax obligations are met despite the actions of a third party. However, there may be exceptional situations, where it may be appropriate to provide relief to taxpayers because of third-party errors or delays. Should the taxpayer feel the third-party error is exceptional, they will be required to provide sufficient supporting documentation to substantiate their claim.

18. Trade Names on Filing and Balance Confirmation Letters (ABSB)

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

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?

CRA response

Thank you for your feedback. The trade and or operating names of a business can be important information on the Filing and balance confirmation letter; however, we do acknowledge your specific concern when a business has multiple operating names. We may look at a future enhancement to provide the option of including or omitting the trade/operating name when requesting the FBC letter.

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

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

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

CRA response

As you may be aware, the QST SLFI accounting activities are processed manually; therefore, the information is not available in My Business Account (through the MyBA and RAC portals). The CRA and Revenu Québec have made considerable progress in discussions about automating the QST SLFI process since our last update. We are confident that work will begin soon; however, we are not prepared to provide a timeline.

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

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

Could the CRA provide an update on this matter?

CRA response

After a review of the procedures, agents are aware that the person signing the request must be authorized on our system with at least a level 2 and if they receive documentation that is valid to update authorization or owners, they will forward to the correct area to be updated.

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

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?

CRA response

BNAD met with Finance and LPRAB. Legislative amendments are required to enhance the search.

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

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

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?

CRA response

The protection of taxpayer information is of the utmost importance for the CRA. This is why CRA has stringent and ongoing measures in place to analyze, identify and mitigate potential threats. As part of its complement of tools to help safeguard taxpayer information, the CRA temporarily removed the ability for level 3 representatives to make direct deposit changes online via Represent a Client.

At this time, the CRA cannot provide an update on when this functionality will be reinstated. However, the CRA can confirm we are actively exploring options to reinstate this service for delegated authorities and expanding the service to include legal representatives. In the meantime, level 3 representatives have the option to update direct deposit for their clients' businesses via their bank or credit union, provided the bank account is held in Canadian funds at a Canadian financial institution.