



Canada Revenue Agency
Agence du revenu
du Canada

April 20, 2026

Sandy Shanks
Tax Executives Institute
c/o ConocoPhillips Canada
401 9th Avenue SW
Calgary, AB T2P 3C5
Canada

Subject: Responses to TEI Comments, and Follow-Up from Our March 12 Discussion

Dear Ms. Shanks:

We would like to thank the Tax Executives Institute (“TEI”) for taking the time to meet with us on March 12, 2026, and for your continued engagement on issues related to compliance with the excessive interest and financing expenses limitation (“EIFEL”) rules. We value the constructive dialogue and thoughtful feedback that TEI has consistently provided.

As you noted, our March meeting followed your letter of September 5, 2025, and built on earlier discussions, as well as our exchange at the TEI roundtable in December 2025. Since first receiving your correspondence, we have made a concerted effort to engage with TEI through multiple forums and to carefully consider the concerns and perspectives raised as well as their impact. As a result of this effort, we have made many changes to the forms, the EIFEL webpage, and the supplemental instructions, relating to points that you have raised.

For ease of reference, Annexes A, B, and C to this letter consolidate our responses to matters raised through TEI’s prior communications:

- Annex A sets out our response to points raised in your November 20, 2024 email submitted as part of the EIFEL forms consultation.
- Annex B contains our responses to questions presented at the May 2025 TEI conference.
- Annex C provides our response to points raised in your September 5, 2025 letter.

In addition, we will be reaching out shortly to follow up on certain points TEI raised during our March discussion to help us continue our review and clarify EIFEL guidance as appropriate.

We appreciate TEI's engagement and continued collaboration on these issues.

Sincerely,

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Cc: Rob Demeter, Director General, Tax Legislation Division, Department of Finance
Lindsay Gwyer, Director General, Tax Legislation Division, Department of Finance



Annex A – Response to TEI Submission dated November 20, 2024

TEI comments	CRA response	Date implemented (if applicable)
<p>1) Although subsection 18.2(18) indicates that each taxpayer shall file with its return of income for the taxation year a prescribed form containing prescribed information for the purpose of determining the deductibility of its interest and financing expenses and determining its exempt interest and financing expenses, the forms as drafted by CRA are extremely detailed and contain every calculation and component of the section 18.2 provisions.</p> <p>Including all of this information as prescribed information is more than what is required to determine the deductibility of interest and financing expenses. These forms are more akin to working papers that would be kept in the taxpayer's files instead of prescribed information to be provided on a prescribed form. This volume of information is not required for other provisions of the Income Tax Act and given it is the discretion of the minister to determine what information is prescribed, CRA should consider including less information to be disclosed, e.g. the amount of denied IFE, received capacity, the allocated group amount if group ratio is used, and not all the detailed calculations based on the formulas in the Act. Taxpayers are already overwhelmed by the extensive compliance burdens and these detailed forms are even more</p>	<ul style="list-style-type: none"> • The level of detail requested reflects the complexity of the EIFEL regime and the seriousness of the tax planning context to which it applies and is intended to support the accurate completion of the EIFEL calculation under subsection 18.2(2). • Where possible, the CRA has reduced the compliance burden by allowing taxpayers to indicate election positions directly on the Schedule 130. For example: <ul style="list-style-type: none"> ○ Part 1A was incorporated into Form T2SCH130 thus eliminating the requirement, under subsection 18.2(6), for transferees to file a separate information return to report received capacity. ○ The new instructions for the specified pre-regime loss election permit a corporation to make the election by completing line 090 of Form T2SCH130. 	<p>January 2025</p> <p>February 5, 2026</p>

excessive.		
<p>2) T2 – Sch 130 Part 1C and Part 1D (see notes in the attachment), these charts should not be necessary when the amounts can be inputted directly in Part 2A and Part 2D.</p> <p><u>Note in the attachment:</u> Why is the information in Part 1C and 1D required, recommend that these are removed and the information is entered in Part 2A in Lines 027, Line 033, Line 042, as applicable. Why does it matter in the new EIFEL legislation if it is Canadian or non-resident, arms length or non-arm's length?</p> <p>This reporting in these sections is overly onerous and the information requested is not relevant in determining the amount of interest revenues or expenses, as they relate to loan balances as opposed to interest amounts. As these amounts do not factor into the EIFEL rules including whether the balances are between arm's length, non-arm's length, residents, etc. they should be removed from the forms.</p> <p>In addition, the form asks for the breakdown of the principal amounts “at any point” in a tax year. Such amounts constantly change so it is impossible to report “at any point” in a tax year. We request that these charts are removed or amended to exclude columns 1, 2, and 3 in Part 1C and Part 1D.</p>	<ul style="list-style-type: none"> • The detailed information requested is needed to complete the EIFEL calculation under subsection 18.2(2). CRA determined that it be provided at the time the calculations are made, rather than ask taxpayers to locate it years later. • Consultations with other CRA internal stakeholders confirmed that this information is essential for enabling proper risk assessment and supporting audit activities. <p>The Supplemental Instructions webpage was updated on February 20, 2025 to clarify that the amount to be reported is the greatest total amount of borrowing or other financing outstanding at any point in the tax year, not the “principal amounts at any point in the tax year”. The Schedule 130 forms are being revised to reflect this change.</p>	<p>February 20, 2025</p>

<p>3) T2 – Sch 130 Part 2I and 2J (see notes in the attachment), how will predecessor corporation balances be tracked?</p> <p><u>Note to Part 2I:</u> How about a line for amounts received on Amalgamation or windup? Often times CRA software forces you to keep a balance rolled forward. What if the CUEC balance however is cleared due to an Acquisition of Control? Should there be a line to reduce balances as a result of that?</p> <p><u>Note to Part 2J:</u> How about RIFE amounts from predecessor corporation prior to amalgamation or windup?</p>	<p>Part 2I:</p> <ul style="list-style-type: none"> • The CRA is not separately tracking amounts received on amalgamation or wind-up. • The Supplemental Instructions webpage was updated on February 20, 2025 to explain how to report these amounts (they are to be included with the other amounts reported on lines 122,123 and 124 of Form T2SCH130). • The Supplemental Instructions webpage was updated on December 24, 2025 to note that the CRA will not automatically adjust taxpayer balances reported in Part 2I but may contact taxpayers to confirm the accuracy of the reported amounts. <p>Part 2J:</p> <ul style="list-style-type: none"> • Temporary guidance was published on the Supplemental Instructions webpage on February 20, 2025. It instructed taxpayers to include adjustments for amalgamations, wind-ups and loss restriction events on line 128. • A revised Form T2SCH4 was published on May 29, 2025. The updated form now tracks RIFE and includes lines for amalgamations, wind-ups and loss restriction events. 	<p>February 20, 2025</p> <p>December 24, 2025</p> <p>February 20, 2025</p> <p>May 29, 2025</p>
<p>4) T2 – Sch 130 Part 1E: Taxpayers should not be required to list each partnership from which</p>	<ul style="list-style-type: none"> • The detailed information requested is required to complete the EIFEL calculation under subsection 	

<p>EIFEL amounts may be allocable. If absolutely required, consider only requesting the total amounts for each column</p>	<p>18.2(2). As noted above, CRA determined that it be provided at the time the calculations are made, rather than ask taxpayers to locate it years later.</p> <ul style="list-style-type: none"> • Reporting only a total for all partnerships would make it difficult to verify the completeness of the amount reported under paragraph (h) of Variable A of the interest and financing expenses definition. 	
<p>5) T2226 – Has the CRA considered circumstances where the transferor and transferee have a different functional currency and whether such information would require any additional reporting or disclosure?</p>	<ul style="list-style-type: none"> • On April 16, 2025, the CRA advised on the Supplemental Instructions webpage that it was developing guidance on functional currency reporting for EIFEL elections and that, in the meantime, taxpayers should follow existing guidance. • CRA published preliminary guidance on this topic on December 24, 2025. • Additional guidance was published March 16, 2026. 	<p>April 16, 2025</p> <p>December 24, 2025</p> <p>March 16, 2026</p>
<p>6) T2229: There is a typo in the description of Section 1: the reference should be to 95(2)(f.11)(ii)(D). This sentence should also refer to clause (E) of that paragraph.</p> <p>In addition, the CRA should consult with the Department of Finance on the relevance of Section 2. In particular, we understand that (IV)(1) requires that the election specifies each of the elected amounts. We question the relevance and importance of disclosing each such elected amount. The Department of Finance’s explanatory notes state that “the Canadian</p>	<ul style="list-style-type: none"> • The typo was corrected before Form T2229 was published January 2025. • We have consulted with Finance and on February 5, 2026 published revised instructions for Form T2229, waiving the requirement to provide the detailed breakdown of each elected amount in Section 2. A revised Form T2229 will be published in the near future. 	<p>January 2025</p> <p>February 5, 2026</p>

<p>shareholder elects in respect of one or more items of the affiliate’s otherwise deductible interest and financing expenses, and can elect in respect of <u>all or a portion (each referred to clause 95(2)(f.11)(ii)(E) as an “elected amount”) of each such item.</u>” Based on this, a taxpayer can elect any portion of any amount otherwise deductible and included in a foreign affiliate’s RAIFE. As a result, there does not appear to be any use for this section, other than significantly increased compliance. The CRA should consider whether a taxpayer should instead only be required to include the total elected amount and should consult with the Department of Finance on this matter.</p>		
<p>7) T2226 – Election to Transfer Cumulative Unused Excess Capacity – although subsection 18.2(4) requires that the transferor and transferee jointly elect in an prescribed form to designate the amount to transfer, is it possible that only the transferor sign the form and include the information of the transferee, but that the transferee not have to physically sign the form, and its disclosure of the use of the transferred capacity be its notification of the election?</p>	<ul style="list-style-type: none"> • This is a joint election between the transferor and the transferee. It is the CRA’s current practice to require signatures from both parties to confirm mutual agreement. Comments received on this issue will be shared with the Assessment, Benefit, and Service Branch for its consideration, including with respect to other means of establishing the execution of documents in an electronic environment. 	
<p>8) For the EIFEL form for the partnerships, will there be additional information required on the T5013 slip to each partner in order to disclose IFE, IFR, CCA, etc. allocated to them?</p>	<ul style="list-style-type: none"> • Yes, new T5013 boxes have been added for amounts partners need to complete their EIFEL calculations, except for the detailed amounts related to CFAs. Partnerships have been instructed through Form T4068, <i>Guide for the Partnership Information Return</i>, and on the EIFEL webpage to 	<p>January 2025</p>

	provide CFA level details for RAIFE, RAIFR, and related amounts directly to partners.	
9) T2225 – Group Ratio and FMV Election Form - Net fair value adjustment in calculating group adjusted net book income is one amount on the consolidated FS. The form requested each Canadian group member to disclose their own net fair value adjustment. It is unnecessary and the total of the Canadian group members may not equal to the fair value adjustment on the consolidated FS for the consolidated group.	<ul style="list-style-type: none"> The CRA removed the request for this information prior to Form T2225 being published in January 2025. 	January 2025
10) Will the form have a box that the taxpayer can indicate it qualifies as an “excluded entity” so it doesn’t need to file the form?	<ul style="list-style-type: none"> No, as indicated in the guidance, excluded entities are administratively exempt from filing the Schedule 130. 	
11) Can CRA confirm that if an entity is exempt from the EIFEL rules, the entity doesn’t need to file the form?	<ul style="list-style-type: none"> A list of entities that are administratively exempt from filing Schedule 130 was published on the EIFEL webpage in January 2025. 	January 2025
12) Can CRA confirm that if a partnership with the partners who are all exempt from the EIFEL rules, the partnership doesn’t need to file the form?	<ul style="list-style-type: none"> This was confirmed in our update to the EIFEL webpage in January 2025. 	January 2025
13) For the public partnerships and trusts, they need to disclose certain information through CDS. If the information related to EIFEL is already	<ul style="list-style-type: none"> Yes, if not administratively exempt, public partnerships and trusts are required to file Schedule 130. CDS filings do not duplicate EIFEL 	January 2025

disclosed through CDS, do they need to file the forms?	requirements. List of entities exempt from filing Schedule 130 was published January 2025.	
<p>14) Canadian financial institutions (e.g., banks and insurers) are in the business of lending and borrowing money and, to put it simply, the volume of transactions that would need to be reflected in the CRA's current draft form is enormous. Since a fundamental pillar of the business model for all of the Canadian banks and insurers is to earn net interest income. Consequently, the EIFEL rules are not generally expected to apply to the banks and insurers and the level of detail required in the current proposed forms is unnecessary. A simplified version of the form for the banking and insurance industry is required and TEI banking and insurance members (and their affiliated industry groups – e.g. CBA and CLHIA) stand ready to work with the CRA on the development of an appropriate industry-specific version.</p>	<ul style="list-style-type: none"> An exemption was published on the EIFEL webpage in January 2025 clarifying that taxpayers that meet the definition of a financial institution group entity or a financial holding corporation in subsection 18.2(1), and that have determined their proportion under subsection 18.2(2) to be nil, are administratively exempt from filing Schedule 130. 	January 2025

Annex B - Questions Presented at the TEI Conference (May 6, 2025)

Question (summarized for clarity and brevity)	CRA response – conference/webpage
<p>1. What happens if T2 is filed without the T2SCH130? Are there penalties for failure to file or late-filing a schedule 130 or penalties for late-filing EIFEL elections?</p>	<ul style="list-style-type: none"> • CRA will accept the T2 return and it will not be considered late-filed for purposes of the penalties under section 162, however the omission of the T2SCH130 will be considered a failure to provide the prescribed information required under subsection 18.2(18) therefore, pursuant to paragraph 152(4)(b.8), the commencement of the normal reassessment period will be delayed until the Schedule 130 is fully completed and submitted. Interest could also apply if taxes payable were underestimated in the original filing of the T2 return. • While there is no specific penalty for failing to file Schedule 130 or for filing it late, a general penalty under paragraph 162(7)(b) may apply. This penalty is \$25 per day for up to 100 days (minimum \$100 and maximum \$2,500). • There are no penalties for late-filing an EIFEL election, but it is important to note that not all EIFEL elections can be late-filed. • A new section titled “Failure to file and late filing of Form T2SCH130, Excessive Interest and Financing Expenses Limitation, or Form T3SCH130, Excessive Interest and Financing Expenses Limitation” was added to the Supplemental Instructions webpage on December 24, 2025.
<p>2. What happens if there are errors or omissions on schedule 130?</p>	<ul style="list-style-type: none"> • The Schedule 130 should generally be refiled if errors or omissions are discovered after filing. If it is not refiled, paragraph 152(4)(b.8) may apply to delay the commencement of the normal reassessment period until the errors or omissions are corrected. • A new section titled “Errors and omissions on schedule 130 forms” was added to the Supplemental Instructions webpage on December 24, 2025.

<p>3. On August 12, 2024, draft legislation was published by the Department of Finance which included two elective exemptions for interest and financing expenses incurred in respect of arm's length borrowing related to purpose-built residential rentals and regulated energy utility businesses. Will the CRA administer these elective provisions?</p>	<ul style="list-style-type: none"> • It is the CRA's longstanding practice to allow filing on the basis of proposed legislation. For provisions to be considered proposed legislation, they must be included in a Notice of Ways and Means Motion (NWMM). Since the elective exemptions were released only as draft legislation for consultation, they do not meet this threshold. Accordingly, the CRA will not administer these provisions and returns should not be filed on the basis that these elections will be accepted. Where a return has been filed based on the draft legislation, the return should be amended to avoid potential tax consequences.
<p>4. What occurs if CUEC reported in prior years does not align with amount reported in current year?</p>	<ul style="list-style-type: none"> • The CRA recognizes that, in certain circumstances, the CUEC reported in prior years will not align with the CUEC reported in the current year (for example in the case of a windup). The CRA will not automatically adjust reported amounts but may contact the taxpayer to validate they are correct. Known errors in CUEC calculations from prior years should be corrected by submitting amended schedules. • The Supplemental Instructions webpage was updated on December 24, 2025 to note that the CRA will not automatically adjust taxpayer balances reported in Part 2I of Form T2SCH130 but may contact taxpayers to confirm the accuracy of the reported amounts.
<p>5. What is the appropriate reporting currency for EIFEL election forms in a cross-currency group?</p>	<ul style="list-style-type: none"> • On April 16, 2025, the CRA advised on the Supplemental Instructions webpage that it was developing guidance on functional currency reporting for EIFEL elections and that, in the meantime, taxpayers should follow existing guidance. • The Supplemental Instructions webpage was updated on December 24, 2025 to include preliminary guidance on tax reporting currency and the EIFEL election forms. The update clarified that: <ul style="list-style-type: none"> ○ Part 3, sections 1 to 5 of Form T2225 (Group ratio rules election) should be reported in the presentation currency of the consolidated financial statements. ○ Form T2226 (Election to transfer CUEC) should be completed in the tax reporting currency of the transferor.

	<ul style="list-style-type: none"> ○ Form T2227 (Excluded interest election) should be completed in the tax reporting currency of the payer. ● Additional guidance was published March 16, 2026.
6. Are amounts included in income under section 17 and subsection 12.7(3) included in IFR?	<ul style="list-style-type: none"> ● A new section titled “Meaning of ‘received or receivable’” was added to the Supplemental Instructions webpage on December 24, 2025 to address this question.
7. Should a partnership file if it has no IFE or IFR?	<ul style="list-style-type: none"> ● A partnership is not required to file if it has no IFE or IFR. The partnership should answer “No” to the question pertaining to the EIFEL rules in box 233 on the T5013 Partnership financial return. ● The section titled “Partnerships” on the EIFEL webpage was updated on November 18, 2025 to address this question.
8. Question asked during the conference with respect to RAIFE and Variable A of IFE amounts.	<p>Two new sections were added to the Supplemental Webpage on December 24, 2025 to address this question:</p> <ul style="list-style-type: none"> ● For T2SCH130, under the heading "Part 2M – Amounts determined under clause 95(2)(f.11)(ii)(D)" For T3SCH130, under the heading "Part 2L – Amounts determined under clause 95(2)(f.11)(ii)(D)"

Annex C - Response to TEI Submission dated September 5, 2025

TEI comments	CRA response	Date implemented (if applicable)
<p><u>General comments:</u></p> <ul style="list-style-type: none"> • Too many forms and information required is too detailed • CRA should allow a taxpayer's filing position on Schedule 130 to satisfy the legislative requirements of making an election 	<ul style="list-style-type: none"> • The level of detail requested reflects the complexity of the EIFEL regime and the seriousness of the tax planning context to which it applies and is intended to support the accurate completion of the EIFEL calculation under subsection 18.2(2). • Where possible, the CRA has allowed taxpayers to indicate election positions directly on the Schedule 130. For example: <ul style="list-style-type: none"> ○ Part 1A was incorporated into Form T2SCH130 to eliminate the requirement under subsection 18.2(6) for transferees to file a separate information return to report received capacity. ○ The new instructions for the specified pre-regime loss election permit a corporation to make the election by completing line 090 of Form T2SCH130. 	<p style="text-align: center;">January 2025</p> <p style="text-align: center;">February 5, 2026</p>
<p><u>Form T2224 (Transitional rules election)</u></p> <ul style="list-style-type: none"> • Eliminate form • Obsolete because the period for taxpayers to make election has ended 	<ul style="list-style-type: none"> • The intention has always been to retire Form T2224 once it was no longer applicable. • At this time, it continues to be used for late-filings and for amended elections. 	

<p><u>Form T2225 (Group ratio rules election)</u></p> <ul style="list-style-type: none"> • Granular detail of the calculations behind the group ratio not required and does not enhance auditability • No legislative basis for detailed reporting of amounts paid or payable to specified non-members 	<ul style="list-style-type: none"> • The CRA updated its EIFEL webpage on February 5, 2026, providing new filing instructions for this election. The update clarified that the fields requiring detailed reporting of amounts paid or payable to specified non-members may be left blank. • All remaining data required in the group ratio calculation reflect legislative requirements and should be available, as the group ratio cannot be calculated without them. These fields enhance compliance and auditability by providing clear, verifiable data that support the accuracy of the calculations. 	<p>February 5, 2026</p>
<p><u>Form T2226 (Election to transfer CUEC)</u></p> <ul style="list-style-type: none"> • CRA should revise Part 2I to allow the signaling of agreement to transfer amounts between group entities and eliminate Form T2226 	<ul style="list-style-type: none"> • Form T2226 enables the CRA to verify that the amounts transferred are applied by each transferee in the appropriate tax year. • The CRA has already streamlined the subsection 18.2(4) process by: <ul style="list-style-type: none"> ○ Allowing multiple transferees to be reported on one form, permitting several elections to be completed at once; and ○ Incorporating Part 1A into the Form T2SCH130, thereby removing the requirement, under subsection 18.2(6) for transferees to file a separate information return. 	<p>January 2025</p> <p>January 2025</p>

<p><u>Form T2227 (Excluded interest election)</u></p> <ul style="list-style-type: none"> • CRA should exclude from the EIFEL computation a loan that meets the specified criteria unless a taxpayer reports otherwise. 	<ul style="list-style-type: none"> • TEI's proposal would effectively reverse the structure of the election by requiring taxpayers to elect not to treat interest on a loan as excluded interest, which is inconsistent with the wording of the legislation. • In addition, the excluded interest election under subsection 18.2(1) applies to a payment of interest or a lease financing amount, not to the loan itself. This enables taxpayers to designate all or any portion of an interest payment or lease financing amount as excluded interest. 	
<p><u>Form T2228 (Specified pre-regime loss election)</u></p> <ul style="list-style-type: none"> • Form T2228 as it currently stands is burdensome • Taxpayers could enter an amount on line 90 of Part 2F of T2SCH130. A CRA auditor could tie this amount back to the T2SCH4 	<p>The CRA updated its EIFEL webpage on February 5, 2026, providing new filing instructions for the specified pre-regime loss election. The update clarified that:</p> <ul style="list-style-type: none"> • The CRA has waived the requirement for corporations to file Form T2228 for tax years starting on or after October 1, 2023. • Instead, corporations may make this election by reporting the 25% add-back of the specified pre-regime loss on line 090 of Form T2SCH130. • Form T2228 continues to be required where a specified pre-regime loss election is made for a pre-regime year, as Schedule 130 was not filed for those years. • Trusts must still file Form T2228; however, they are not required to complete lines 202 to 225. • The trust system is being updated so that trusts can make this election by completing the line on Form 	<p>February 5, 2026</p>

	T3SCH130 that corresponds to line 090 of Form T2SCH130.	
<p><u>Form T2229 (election to forgo a FAPL)</u></p> <ul style="list-style-type: none"> • Recommend Form T2229 be eliminated and replaced with a box on Schedule 130 where a taxpayer can indicate it is making the election. • TEI believes the other details on Form T2229 are of limited utility to the CRA • If the election is maintained, we recommend the CRA modify Form T2229 so it requires only a single taxpayer signature rather than a signature for each CFA 	<ul style="list-style-type: none"> • The CRA updated its EIFEL webpage on February 5, 2026, providing new filing instructions for this election. The update clarified that the CRA has waived the requirement for taxpayers to report the detailed breakdown of each of the elected amounts under subclause 95(2)(f.11)(ii)(E)(IV) when filing Form T2229. The revised form requires reporting remaining statutory amounts that are not duplicated in other CRA forms and that improve auditability. • Ongoing revisions to Form T2229 will enable taxpayers to use a single form, with one signature, to make elections for multiple controlled foreign affiliates. 	February 5, 2026
<p><u>General comments - Form T2SCH130</u></p> <ul style="list-style-type: none"> • Reduce the information required so that only totals for significant definitions under the EIFEL rules are reported • Other complex legislative rules (Section 55 – Safe Income, Section 95 - FAPI etc.) do not require such detailed reporting 	<ul style="list-style-type: none"> • The level of detail requested reflects the complexity of the EIFEL regime and the seriousness of the tax planning context to which it applies and is intended to support the accurate completion of the EIFEL calculation under subsection 18.2(2). • Unlike earlier rules, many of which were enacted before modern information technology significantly enhanced the CRA’s ability to verify compliance through detailed reporting and electronic storage, the EIFEL rules rely on more granular information to ensure effective administration and compliance monitoring. 	

<p><u>Parts 1B of Form T2SCH130 – Exempt IFE</u></p> <ul style="list-style-type: none"> • Remove this Part • Loan details have no bearing as exempt IFE is excluded from the computation of EIFEL 	<ul style="list-style-type: none"> • The filing requirement under subsection 18.2(18) mandates the filing of a prescribed form for the purpose of determining: <ul style="list-style-type: none"> ○ the deductibility of a taxpayer’s interest and financing expenses; and ○ its exempt interest and financing expenses. • Part 1B is required to fulfill the second of these legislative requirements. 	
<p><u>Parts 1C and 1D of Form T2SCH130 - Information on borrowings/loans and other financings and related derivatives</u></p> <ul style="list-style-type: none"> • Remove Parts 1C and 1D • The required details take time for taxpayers to gather and provide no value in determining the denied interest under EIFEL 	<ul style="list-style-type: none"> • The level of detail requested reflects the complexity of the EIFEL regime and the seriousness of the tax planning context to which it applies and is intended to support the accurate completion of the EIFEL calculation under subsection 18.2(2). • Consultations with other CRA internal stakeholders confirmed that this information is essential to enabling proper risk assessment and supporting audit activities. 	
<p><u>Part 2B and 2C of Form T2SCH130 - Capitalized IFE in the cost of depreciable assets and IFE included in resource deductions</u></p> <ul style="list-style-type: none"> • Remove Parts 2B and 2C • We do not believe the level of detail in Part 2B – the capitalized interest in depreciable assets and resource pools – is necessary to prepare the EIFEL computation 	<ul style="list-style-type: none"> • The CRA needs this detail to make sure capitalized interest and financing expenses are correctly included in EIFEL calculations. • These Parts mirror Forms T2SCH8 (Capital Cost Allowance) and T2SCH12 (Resource Related Deductions) but focus specifically on tracking the 	

<ul style="list-style-type: none"> • Amounts needed to determine denied interest under EIFEL currently submitted in Part 1C and flow through to Part 2A should simply be entered directly onto the applicable lines of Part 2A, reducing resource needs and the cost of complying with the new rules. 	<p>interest and financing expenses capitalized in these assets.</p>	
<p><u>Part 2I of Form T2SCH130 – Cumulative unused excess capacity (CUEC)</u></p> <ul style="list-style-type: none"> • Allow taxpayers to report the amount of excess capacity transferred in the current period. 	<ul style="list-style-type: none"> • CUEC is a defined term and does not include amounts transferred in the current period. • Current period transfers are reported on Form T2226 and will be included in Part 2I in the following tax year. 	
<p><u>Part 2M of Form T2SCH130 - Amounts determined under clause 95(2)(f.11)(ii)(D)</u></p> <ul style="list-style-type: none"> • Where a CFA has no amounts determined for Variable A in the interest and financing expense definition, the CRA should clarify that taxpayers are not required to list the CFA in the relevant table 	<ul style="list-style-type: none"> • The Supplemental Instructions webpage or a future version of Form T2SCH130 will be updated to clarify the instructions for Part 2M. 	
<p><u>Forms T3SCH130 and T5013SCH130</u></p> <ul style="list-style-type: none"> • Many comments regarding Form T2SCH130 are also applicable to T3SCH130 and T5013SCH130 • Note 4 of T3SCH130 states if a loss restriction event occurs the CUEC for any taxation year after the event should be determined without regard for certain defined balances. Concern is that CRA will override taxpayer balances when the CRA cannot reconcile a year over year balance change. 	<ul style="list-style-type: none"> • The Supplemental Instructions webpage was updated on December 24, 2025, to note that the CRA will not automatically adjust taxpayer balances but may contact taxpayers to confirm the accuracy of reported amounts. 	<p>December 24, 2025</p>