

23 April 2020

# Global Tax Alert

News from EY Americas Tax

## Canada's Economic Response Plan: Additional tax administration measures and extensions announced

---

### EY Tax News Update: Global Edition

EY's Tax News Update: Global Edition is a free, personalized email subscription service that allows you to receive EY Global Tax Alerts, newsletters, events, and thought leadership published across all areas of tax. Access information about the tool and registration [here](#).

---

### EY Americas Tax

EY Americas Tax brings together the experience and perspectives of over 10,000 tax professionals across the region to help clients address administrative, legislative and regulatory opportunities and challenges in the 33 countries that comprise the Americas region of the global EY organization. Access more information [here](#).

---

### Executive summary

On 17 April 2020, the Canada Revenue Agency (CRA) released an update on measures concerning tax administration. This update follows on the measures announced 26 March 2020 and those announced in the Government's Economic Response Plan, which was released on 18 March 2020 (see EY Global Tax Alerts, [Canada announces Economic Response Plan](#), dated 23 March 2020, [Canada Revenue Agency announces new Economic Response Plan measures](#), dated 24 March 2020, and [Canada Revenue Agency announces additional filing deadline extensions](#), dated 30 March 2020 for more information).

Details are included in this [stakeholder email](#).

### Detailed discussion

#### Filing deadline extensions

The CRA's update confirms the following filing deadline extensions:

- ▶ **Part XVIII (Enhanced International Information Reporting) and XIX (Common Reporting Standard) Information Returns** - Filers will be allowed to defer, without penalties or interest, the filing of required information returns until 1 September 2020. In addition, no penalty will apply for any failure to obtain a self-certification on financial accounts opened before 1 January 2021.

- ▶ **Requests for transfer pricing documentation** - Requests for contemporaneous transfer pricing documentation made prior to 1 April 2020 having a deadline of 18 March 2020 or later will be considered cancelled and will be reissued at a later date, providing the maximum amount of three months to submit the documentation.

### Other administrative measures

Recent CRA updates also confirm and clarify the following administrative measures:

- ▶ **Audits** - The CRA will generally not start new audits or ask taxpayers currently under audit for information until further notice.
- ▶ **Reassessments** - Audits will only be finalized and reassessments issued in exceptional circumstances, such as where there is an impending statute-barred date or where requested by a taxpayer. Reassessments may be forestalled by taxpayers providing a waiver – except where the proposed reassessment is due to a treaty-specified time limit.
- ▶ **Objections and appeals** - For objections due on or after 18 March 2020, the deadline is extended until 30 June 2020. Any objections related to Canadian taxpayers' entitlement to benefits, credits, Goods and Services Tax (GST)/Harmonized Sales Tax (HST) refund claims, and Scientific Research & Experimental Development (SR&ED) claims have been identified by the CRA as a critical service that will continue to be delivered during this time. With respect to objections related to other tax matters filed by individuals and businesses, the CRA is currently holding these accounts in abeyance. The Canada Pension Plan (CPP)/Employment Insurance (EI) appeals program is currently only actioning appeals that are related to cases where EI benefits are pending. All other CPP/EI appeals will be actioned when normal services resume.
- ▶ **Requirements for information** - Taxpayers who have received requirements for information can (generally) defer acting on the requirement until further notice.
- ▶ **Collections** - Collections activities on new debts will be suspended until further notice, and flexible payment arrangements will be available. Banks and employers do not need to comply or remit on existing requirement-to-pay orders until further notice.
- ▶ **SR&ED claims** - Reviews currently in progress will be expedited – most refundable claims will be processed as soon as possible. No new reviews will be started for the time being.
- ▶ **Service** - The CRA is transitioning its Liaison Officer service for small businesses to a phone-only service. The CRA is also piloting a chatbot service called "Charlie."
- ▶ **GST/HST credits** - The GST/HST Refund Integrity Program will continue operating to ensure that GST/HST credits are not unnecessarily delayed.

For additional information with respect to this Alert, please contact the following:

**Ernst & Young LLP (Canada), Toronto**

- ▶ Linda Tang                      linda.y.tang@ca.ey.com
- ▶ Mark Kaplan                    mark.kaplan@ca.ey.com
- ▶ Phil Halvorson                phil.d.halvorson@ca.ey.com
- ▶ Terry McDowell                terry.mcdowell@ey.com

**Ernst & Young LLP (Canada), Montréal**

- ▶ Albert Anelli                    albert.anelli@ca.ey.com
- ▶ Angelo Nikolakakis            angelo.nikolakakis@ca.ey.com
- ▶ Nicolas Legault                nicolas.legault@ca.ey.com
- ▶ Nik Diksic                        nik.diksic@ca.ey.com

**Ernst & Young LLP (Canada), Calgary**

- ▶ Mark Coleman                   mark.coleman@ca.ey.com

**Ernst & Young LLP (Canada), Vancouver**

- ▶ Eric Bretsen                    eric.r.bretsen@ca.ey.com

**Ernst & Young LLP (United States), Canadian Tax Desk, New York**

- ▶ Trevor O'Brien                trevor.m.obrien1@ey.com

**About EY**

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit [ey.com](http://ey.com).

EY Americas Tax

© 2020 EYGM Limited.  
All Rights Reserved.

EYG no. 002398-20Gbl

1508-1600216 NY  
ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

**[ey.com](http://ey.com)**