

REPORTING/ DISCLOSURE REQUIREMENTS

SPEAKERS:

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MODERATOR:

Kim Wood, PwC Canada, Calgary

IFA CANADA INTERNATIONAL TAX CONFERENCE

IN-PERSON EVENT



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Mandatory Disclosure Rules

- **“Reportable transactions”** – 237.3 (expansion of existing rules)
 - “Avoidance transaction” (lowered threshold from “primary purpose” test to “one of the main purposes” test).
 - Triggered by (now any one of) three hallmarks relating to contingent fees, confidential protection and contractual protection.
- **“Notifiable transactions”** - 237.4 (new)
 - Triggered by resemblance to specifically designated transactions published by government.
- **“Reportable uncertain tax treatments”** – 237.5 (new)
 - Triggered by transactions in respect of which uncertainty is reflected in the audited financial statement of the corporation or consolidated group for the year.

Session Outline

- Part I: Where are we today? History and policy considerations
- Part II: Panelist observations and analysis
- Part III: Practical implications to taxpayers

Part I: Where are we today?

- History
- Global and domestic policy considerations
- Bill C-47 - key recent changes to sections 237.3 and 237.4
- Penalty application
- Quebec MDR

Part II: Panelist observations and analysis

- Legislative revisions / CRA administrative guidance.
- Process for reporting by taxpayers and advisors/promoters.
- Potential retroactive application (series test).
- Solicitor-client privilege exemption.
- Implications to CRA audits.
- Interaction with voluntary disclosure under GAAR amendments.
- Uncertain tax treatments.

Part III: Practical Implications to Taxpayers

- Transfer pricing, CRA audits, financial statements, due diligence, file documentation