



Canada Revenue  
Agency

Agence du revenu  
du Canada

Canada

# Summary of the Corporate Business Plan

2017-2018 to 2019-2020





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# A message from the Minister

I am honoured to lead the Canada Revenue Agency (CRA) as the Minister of National Revenue and am proud of all we have accomplished since my appointment in November 2015. I have been working closely with CRA officials to deliver on our government's priorities, including improving service to Canadians, modernizing the rules for charities, and strengthening efforts to tackle tax evasion. This Summary of the Corporate Business Plan describes how we intend to continue to make these commitments a reality.

Canadians deserve high-quality services, delivered in a way that makes them feel respected and valued. This is why the Government of Canada is dedicated to improving all its service offerings to ensure tax fairness for the middle class and making the CRA an agency that is more client-focused. More Canadians than ever before are filing their returns electronically and, as the CRA continues to expand and enhance its digital services, I am confident the number of Canadians filing electronically will continue to grow. The CRA will therefore continue to support Canadians who want to file their tax and benefit returns without using paper forms.

The government recognizes the importance of small businesses in creating jobs and supporting the economy. Planned initiatives include a dedicated telephone support line for tax service providers, giving them greater access to CRA information to the benefit of the millions of clients they serve. The Serving You Better consultations that were held at the end of 2016 highlight the government's commitment to take into consideration the points of view of stakeholders and adapt government services to their needs. These consultations are a forum for small and medium businesses and professional accountants to share valuable insights that the CRA can use to make its programs and services more streamlined and client-focused. The CRA will continue its efforts to improve the structure, design, language and format of written correspondence for businesses. To help support these businesses, I am committed to making the CRA a fairer and more service-oriented organization.

The Government of Canada provides many credits specifically designed to benefit lower-income Canadians. However, each year, a number of Canadians do not file a tax return, causing them to miss out on potential tax benefits. Given the importance of these benefits, especially for families with children, we will continue to help Canadians understand what benefits they may be eligible to receive, and help them receive the benefits they are eligible for. To this end, the CRA will increase engagement and support for community organizations and volunteers to make the Community Volunteer Income Tax Program available to taxpayers who qualify. The CRA will also continue to reach out to Indigenous people to ensure they are aware of, and apply for, the benefits to which they are entitled. The CRA proudly supports the program by providing local coordinators, training, tax software, and support to assist volunteers in the preparation of simple, straightforward returns.

## Diane Lebouthillier



“Canada is taking an active role in ensuring a fairer tax system, where tax cheats face consequences for their actions. This government has promised to pursue tax cheats and, with the help of our international partners and concrete action at home, I can say that we are closing in on them.”

—Diane Lebouthillier

It is important that charities be allowed to bring their vast experience to the formulation of public policy and the continuing well-being of Canadians. I have called on our partners in the charitable sector to participate in the CRA’s consultation process to further clarify the rules about registered charities’ political activities. I look forward to the results, which will inform the CRA’s efforts to provide updated policy guidance and other educational resources on this subject.

The vast majority of Canadians pay their fair share of taxes and do so on time, but a small minority hide their income and assets in order to get out of paying what they owe. This has to change in order to ensure a tax system that is fair to all Canadians. Investments detailed in Budget 2016 demonstrate the Government of Canada’s commitment to cracking down on tax cheats and those who choose to participate in tax schemes, including those who hide assets abroad and fail to declare offshore income, and to improving the CRA’s ability to collect outstanding tax debts. The CRA and I are determined to find those who fail to declare their income and pay their fair share of taxes, and collect what is owed.

With this plan, the CRA is well placed to support and deliver on the government’s priorities over the next three years. As the Minister of National Revenue, I am very proud to present the Summary of the Corporate Business Plan 2017-2018 to 2019-2020 for the Canada Revenue Agency.

**The Honourable Diane Lebouthillier, P.C., M.P.**

Minister of National Revenue

# Foreword by the Chair

The Board of Management is committed to fulfilling our legislated responsibilities under the Canada Revenue Agency Act. The Board will work diligently in cooperation with the CRA executives and employees to achieve the strategic priorities detailed in this Summary of the Corporate Business Plan.

The Board supports the CRA's commitment to improving service for all Canadians and also supports the Minister's mandate of ensuring those who interact with the CRA feel like valued clients, not just taxpayers. In furtherance of these commitments, the Board will support and provide advice to the CRA in modernizing its service delivery model, and will continue to support CRA's initiatives in simplifying its communication with Canadians; streamlining internal processes; increasing and enhancing digital services; and helping modest to low income earners file their tax returns to avail Canadians to the credits and benefits they may be entitled to. The Board will monitor progress and results on these activities during this planning period.

The Board will ensure the CRA continues to explore and deploy innovative ways to serve Canadians, while ensuring the integrity and security of the information entrusted to the CRA, by Canadians. The Board will offer advice to the CRA in its recruitment strategies and human resources activities to ensure the CRA has a skilled, multi-talented, and diverse workforce and leaders for the future. Furthermore, the Board will continue to ensure compliance with Corporate Policy Instruments, including monitoring of the directives on conflict of interest, gifts and hospitality, and post-employment.

The Board will, on a quarterly basis, review the CRA's fiscal results to ensure they remain within the approved fiscal plan, while making every effort to ensure resources are used efficiently and effectively in supporting the priorities of this Summary of the Corporate Business Plan.

## Richard (Rick) Thorpe



“The Board is focused on ensuring the CRA continues to provide service to Canadians based on the principles of timeliness, fairness, and excellence.”

—Richard (Rick) Thorpe

The Board will monitor the CRA’s performance, especially on the priority funded initiatives under federal Budget 2016, throughout this planning period and offer direction on strategic priorities, and monitor progress and timelines with respect to the CRA’s Service Renewal initiatives.

The Board has recently reviewed the report from the Auditor General of Canada regarding the objections and appeals process at the CRA. With a focus on the stated principles of timeliness, fairness and excellence, and the CRA’s Action Plan, the Board is committed to aggressively monitoring the CRA’s implementation of its plan of action and its timeliness.

On behalf of the CRA Board of Management, I am pleased to recommend the CRA’s Summary of the Corporate Business Plan 2017-2018 to 2019-2020 to the Honourable Diane Lebovitch, Minister of National Revenue.

**Richard (Rick) Thorpe, CPA, FCPA, CMA, FCMA**

Chair, Board of Management



# A message from the Commissioner

The Canada Revenue Agency's (CRA) Summary of the Corporate Business Plan 2017-2018 to 2019-2020 is my first as the new Commissioner of the CRA. It comes at a time when the CRA must find measurable ways to contribute to many of the government's key objectives, while also increasing our responsiveness to the needs of Canadians in an age driven by technology and social media.

I want to ensure that the CRA is a world-class tax and benefits administration and that we achieve excellence in service, fairness, compliance, and integrity. Two factors that are key to our success are our ongoing active engagement with stakeholders, and our commitment to maintaining the integrity of the Agency and its employees. With its strategic investments in human and technical resources, I believe the CRA is well-positioned to fulfil its core responsibilities on behalf of Canadians. This Plan touches on many of the important initiatives the Agency will pursue over the next three years as CRA employees strive to implement Government objectives and realize the Agency's strategic priorities.

To meet the changing service expectations of Canadians in a digital environment, the CRA needs to be innovative and agile. We must be able to measure our progress and performance, make adjustments as necessary, and demonstrate how we have achieved tangible results. We must ensure that we communicate clearly with Canadians regarding their tax obligations and our administrative practices and procedures. In this regard, we will be implementing an action plan in response to the 2016 Fall Report of the Office of the Auditor General on the CRA's administration of income tax objections. We also need to ensure our internal operations are coherent and efficient. To this end, the CRA is working on developing greater internal communication and co-ordination between branches by sharing knowledge, best practices, and innovative solutions.

Ensuring that taxpayers comply with Canada's tax laws is important for fairness and for inspiring trust and confidence in our administration, and remains a priority for the Agency. I believe this Plan clearly discusses how we will support compliance. The Government of Canada is committed to addressing tax evasion and aggressive tax avoidance, and recent significant investments are allowing us to recruit additional auditors and specialists, increase our verification activities, and improve the quality of our investigative work targeting non-compliance risks domestically and internationally. Of particular note is the work we are doing to combat the abusive use by Canadians of offshore tax jurisdictions to conceal their financial assets. This Plan signals that current and future investments in financial and human resources

## Bob Hamilton



“With its strategic investments in human and technical resources, I believe the CRA is well-positioned, now and in the future, to fulfil its core responsibilities and deliver results on behalf of Canadians.”

—Bob Hamilton

in this area will improve our analysis of relevant information and lead to the identification of more individuals and businesses engaging in abusive or illegal offshore transactions.

In fulfilling the Agency’s core responsibility of delivering benefits, the CRA continues to innovate and to adapt to the demands of our digital age. Readers of this Plan will learn how the CRA’s sophisticated technology environment is ensuring that benefit payments are delivered to citizens efficiently and accurately. One service highlighted in this Plan is MyBenefits CRA, a mobile application for individual benefit recipients, which allows users a fast, easy, and secure way to verify upcoming benefit payments. Future improvements to this service will allow individuals to quickly update personal details, including phone number and address, sign up for direct deposit, and see the breakdown of provincial/territorial benefits.

This Plan outlines how the CRA intends to deliver on its priorities. The Agency’s capacity to respond adeptly to its business needs and the environment in which it operates should ensure that it will continue to meet its core responsibilities and serve Canadians well in the years to come, protecting Canada’s revenue base and supporting the economic and social well-being of Canadians.

### Bob Hamilton

Commissioner of the Canada Revenue Agency

# Section 1

# Overview

The Canada Revenue Agency (CRA) administers tax, benefits, and related programs, and in this way we touch the lives of more Canadians than any other part of the Public Service of Canada.

## Canada Revenue Agency



**Mission:** To administer tax, benefits, and related programs, and to ensure compliance for governments across Canada, thereby contributing to the ongoing economic and social well-being of Canadians.

**Vision:** The CRA is the model for trusted tax and benefit administration, providing unparalleled service and value to its clients, and offering its employees outstanding career opportunities.

The Canadian tax system is founded on self-assessment and voluntary compliance. For this system to function effectively, it must be, and be seen to be, fair. Taxpayers are more likely to comply with the law when they are treated fairly and have the information, advice, and services they need to meet their obligations. In designing and delivering all our programs and services, fairness and integrity are our guiding principles, informing our decisions and underscoring our conduct.

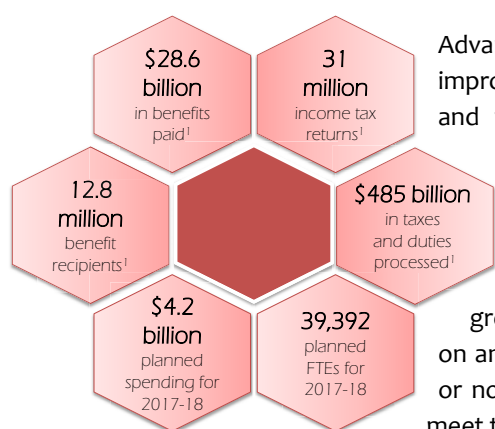
**“As Minister of National Revenue, your overarching goal will be to ensure that the CRA is fairer, more helpful, and easier to use. You will lead the government’s work to overhaul its service model so that people who interact with the CRA feel like valued clients, not just taxpayers.”**

— Minister of National Revenue Mandate Letter

In fulfilling its core responsibilities, the CRA designs and delivers its many programs and services with the needs of taxpayers and benefit recipients in mind. We aim to meet the expectations and interests of the public by providing accessible, timely, and useful information on our website, through our call centres, on social and conventional media, and in person. Meanwhile, the CRA protects the integrity and fairness of the tax system by ensuring those who have not met their tax obligations do so.

This plan highlights specific initiatives in support of the Government of Canada priority to further improve the services we offer. We will take more steps to make sure Canadians, especially Indigenous peoples, seniors, lower-income earners, and people with disabilities, receive their proper benefit entitlements. Through service enhancements, the CRA will increase its capacity to provide taxpayers with certainty regarding their tax obligations and to provide timely resolution of taxpayer objections.

#### CRA at a Glance



<sup>1</sup> Source: 2015-16 Departmental Performance Report

Advances in information technology drive and facilitate many of our service improvements. Canadians expect to interact digitally and securely with the CRA and we have reflected this expectation in our e-services modernization strategy, which will make interacting with the CRA easier.

Improved service will lead to improved compliance for those who want to comply. Unfortunately, there are still those who willfully choose to not comply with Canadian tax laws both at home and abroad. With the growth of the global economy, we are seeing an increase in non-compliance on an international scale, particularly offshore non-compliance involving low- or no-tax jurisdictions. As a matter of fairness for all Canadians (those who meet their tax obligations and all those who benefit from tax-funded programs, services, and infrastructure), we are committed to preventing all underground economic activity, tax evasion, and aggressive tax planning.

Technology serves to extend the scope of our business intelligence solutions, including predictive analytics to allow us to better respond to taxpayer needs and expectations, therefore allowing us to deliver results more efficiently. Innovative use of business intelligence enables us to accurately direct our resources to areas where non-compliance is most likely.

We continue to seek opportunities to work with international and domestic partners, including other government agencies and departments, in order to be successful in achieving our mandate, especially in the areas of client service and addressing tax avoidance.

## **100 years of income tax**

1917, a year which marked the 50th anniversary of Confederation, was an eventful year in Canadian history. Three years into the First World War, Canadian troops demonstrated their courage and tenacity, and their military acumen, in the battle of Vimy Ridge (April 9th – 12th). Later in the year, on December 6th, Canadians at home displayed their own resolve and valour in responding to the death and destruction that overwhelmed Halifax as a result of the largest human-made explosion prior to the detonation of the first atomic bombs in 1945.

1917 was also the year taxation on income was introduced in Canada. Although some provinces had already imposed a tax on income, the Income War Tax Act of 1917 represented “a new departure in Canadian methods of raising money for federal purposes.”

Originally implemented to finance Canada’s war effort, income tax today – together with other taxes such as the GST/HST – supports numerous government programs and contributes to the economic and social well-being of all Canadians. Income tax helps pay for our health care, for infrastructure and regional development, assistance to farmers and other food producers, benefits to seniors and children, national defence and public safety, foreign aid, and student assistance programs.

In marking the 100th anniversary of the introduction of income tax in Canada, it is worth reflecting on the extent to which it has given Canada a secure economic and social foundation and provided Canadians with an enviable standard of living and a high quality of life.

## Strategic Framework:

### WE ARE GUIDED BY

#### Our strategic priorities

<b>Service</b>	Access to clear, accurate information and timely, convenient services makes it easier for Canadians to comply with tax laws and receive the benefits they are entitled to.
<b>Compliance</b>	The CRA works with those who are willing to comply, promotes compliance where needed, vigorously pursues those who try to evade their tax obligations, and offers recourse when taxpayers disagree with CRA decisions.
<b>Integrity and security</b>	Canada's voluntary self-assessment system is sustained in large measure by the trust Canadians have placed in the CRA to safeguard the information entrusted to it.
<b>Innovation</b>	Canadians expect the CRA to seek ever more effective and timely ways of interacting with clients, managing day-to-day operations, securing taxpayer information, and detecting, deterring, and acting against non-compliance.
<b>People</b>	CRA employees act with integrity, professionalism, and respect.

## TO FULFILL

### Our core responsibilities

#### Tax

Canada's revenue base is protected

#### Benefits

Support the economic and social well-being of Canadians

## TO DELIVER

### Results

Canadians comply with tax obligations, non-compliance is addressed, and Canadians have access to appropriate mechanisms for resolving disputes

Canadians receive their rightful benefits in a timely manner

## WE CONTRIBUTE TO

### Government-wide priorities

Inclusive and sustainable economic growth

Social inclusion and diversity

Open and transparent government

### Ministerial priorities

Improve service to Canadians to ensure the CRA is fair, efficient, and accessible

Crack down on tax evaders and work with international partners to adopt strategies to combat tax avoidance

Work with the Minister of Finance to clarify the rules regarding political activities, in recognition of the valuable contribution registered charities make to public policy and debate



The following indicators, developed with the CRA's Board of Management, will help to assess the CRA's performance in providing Canadians with access to clear, accurate information and timely convenient services, while promoting and supporting compliance. Results will be published in the CRA's yearly Departmental Results Report. These indicators provide additional support to the CRA's overall Departmental Results Framework as described in pages 43 and 48 of the plan. The table below explains how each key indicator contributes to the CRA's overall performance story.

## WE MEASURE OUR SUCCESS AGAINST

Key indicator/volumetric	Why it is important
1. Percentage of individuals who paid their taxes on time	Indicating the rate of on-time payment by taxpayers strengthens trust and confidence in the CRA and, most importantly, in the voluntary compliance system.
2. Dollar value of payments the CRA processed	Specifying the value of tax dollars collected shows the volume of tax processing and supports transparency by reporting the value of Canadian taxpayer dollars recovered by the Agency.
3. Dollar value of benefit and credit payments to recipients	Reporting the dollar value of support provided to eligible families and individuals under provincial, territorial, and federal programs, shows the volume of benefit payment processing and supports benefit program transparency.
4. Percentage of electronic filing rates for individuals; Percentage of electronic filing rates for businesses	Reporting on the percentage of electronic filing rates for individuals and businesses shows the CRA's efforts and success in directing taxpayers to electronic channels. Electronic filing allows for more taxpayer control. This type of filing it is faster, more convenient and secure, and reduces the compliance burden.
5. Processing electronic individual income tax returns within an average of two weeks; Percentage of electronic corporate income tax returns processed within 45 days	The CRA's electronic return processing time frames show the level of service provided to taxpayers who chose to file electronically. The time frames show the efficiency of electronic filing.
6. Percentage of individual taxpayers with My Account, either directly or through their tax representative; Percentage of businesses using My Business Account, either directly or through their tax representative	Reporting on the percentage of individual taxpayers and businesses using My Account or My Business Account, either directly or through their representative, shows the CRA's success in promoting innovative and modern services that are easy to access.
7. Dollar value of identified non-compliance	Identifying how much money is owed by taxpayers failing to meet their obligations promotes accountability and transparency in cases where individuals/corporations do not abide by the tax laws. This identification quantifies the CRA's work to address non-compliance and protect the revenue base.
8. Tax debt as a percentage of gross revenues	Describing the CRA's success in meeting its standards to collect payments owed to the Crown.
9. Caller accessibility	<p>This accessibility shows the ability of individuals and businesses to access timely responses to their tax and benefit enquiries on the telephone.</p> <ul style="list-style-type: none"> <li>• Caller accessibility for tax enquiries (individuals and businesses) <ul style="list-style-type: none"> <li>– individual enquiries (peak season)</li> <li>– individual enquiries (non-peak season)</li> <li>– business enquiries</li> </ul> </li> <li>• Caller accessibility for benefit enquiries</li> </ul>
10. Percentage of service complaints resolved in 30 working days	The percentage shows the aim to resolve issues quickly, help the taxpayer, and improve service. This helps make sure all the mechanisms are in place to resolve issues effectively, as well as foster co-operation with taxpayers.
11. Percentage change in appeals (closing) inventory	Managing the appeals inventory shows the CRA's commitment to providing service to Canadians, while preserving the integrity of the tax system.

# Canada Revenue Agency

## Budgetary financial (in dollars)

## Human resources (full-time equivalents)

The financial and human resource information presented in this plan includes all of those items for which the Canada Revenue Agency has received approval as of February 1, 2017. Any approvals for funding adjustments received after that date will be reflected in future documents.



### Planned 2017-18<sup>1</sup>

Canada Revenue Agency: 4,159,715,814	Taxpayers' Ombudsman: 3,183,760
<b>Total: 4,162,899,574</b>	

### Planned 2018-19<sup>1</sup>

Canada Revenue Agency: 4,179,099,077	Taxpayers' Ombudsman: 3,203,422
<b>Total: 4,182,302,499</b>	

### Planned 2019-20<sup>1</sup>

Canada Revenue Agency: 4,174,153,711	Taxpayers' Ombudsman: 3,200,778
<b>Total: 4,177,354,489</b>	

### Main Estimates 2017-18

Canada Revenue Agency: 4,159,715,814	Taxpayers' Ombudsman: 3,183,760
<b>Total: 4,162,899,574</b>	



### Planned FTEs 2017-18<sup>2</sup>

Canada Revenue Agency: 39,361	Taxpayers' Ombudsman: 31
<b>Total: 39,392</b>	

### Planned FTEs 2018-19<sup>2</sup>

Canada Revenue Agency: 38,964	Taxpayers' Ombudsman: 31
<b>Total: 38,995</b>	

### Planned FTEs 2019-20<sup>2</sup>

Canada Revenue Agency: 38,988	Taxpayers' Ombudsman: 31
<b>Total: 39,019</b>	

<sup>1</sup> Planned spending refers to those amounts for which a Treasury Board submission approval has been received no later than February 1, 2017. This cut-off date differs from the Main Estimates process. In any given year planned spending may include amounts incremental to planned expenditure levels presented in the Main Estimates, however, this year it does not.

<sup>2</sup> Planned FTEs (full-time equivalents) represents the hours worked by one employee on a full-time basis. Since the CRA employs persons on both a full-time and part-time basis, the number of persons employed by the Agency is not equal to the number of FTEs utilized; the number of actual persons employed will always be higher.

# Section 2

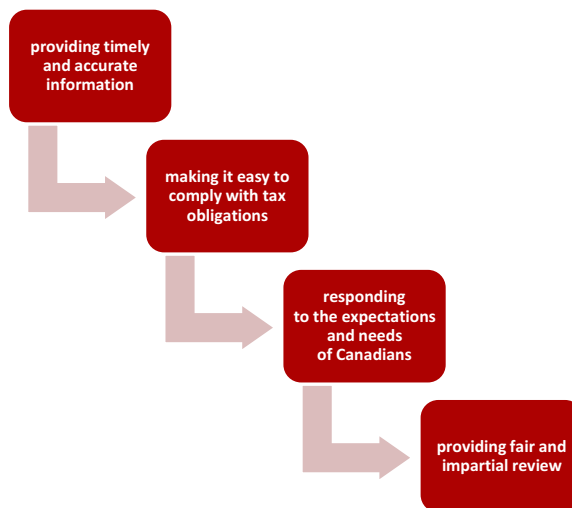
## Core Responsibilities

# Tax

## Service to Canadians

The Canada Revenue Agency (CRA) places a high priority on providing information and services, meeting diverse needs, and treating all Canadians fairly, equally, and respectfully. The CRA is continually improving its services to help taxpayers meet their tax obligations and receive the benefits to which they are entitled. We want people who interact with us to feel like valued clients, not just taxpayers, through interactions that are easy, helpful, fair, and consistent.

The CRA is working to improve its service model by:



## Providing timely and accurate information

The CRA strives to provide taxpayers with the accurate and timely information they need through its website, social media, written communication, and call centres. The CRA is making it easier for individuals and businesses to access the information they need, providing them with early certainty to help manage their tax affairs with greater confidence and comply with Canada's tax laws.

In developing its service improvement initiatives, the CRA took into account Treasury Board Secretariat's Policy on Service and that policy's requirements on such matters as real time service delivery performance.

## Digital communication

The CRA website is the mainstay of our communication efforts. There are more than 180 million visits to [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca) every year to find information, forms, and answers to tax-related questions.

We are active in the government-wide Web Renewal Initiative, which will make all CRA website content available on Canada.ca in 2018. Once complete, Canadians will be able to easily find tax and benefit information.



Canadians also seek information online through videos on the CRA's branded YouTube channel and through messages from the Agency's Twitter account @CanRevAgency. Recognizing the

increasing importance of social media, the CRA will develop and implement a social media strategy to prioritize digital media for Canadians who favour these forms of communication.

## Telephone services

While our digital services continue to grow in popularity, some Canadians prefer to pick up the phone and call the CRA, sometimes for clarification on a technical issue or for information about a specific file. The CRA answers more than 23 million calls every year from taxpayers and benefit recipients. We will continue to improve our telephone services to meet the needs of this population.

Over the planning period, and using Budget 2016 investments, the CRA will modernize its call centres so Canadians receive a higher standard of service. The CRA will leverage new contact centre technology to provide a modern, robust, consistent call centre platform. This new technology will provide new features such as call-back options and access to enhanced tools for reporting and monitoring by 2020.

We are undertaking an initiative to further analyse the main reasons for calling the CRA, with a view to improving telephone access and service. We have developed a five-point action plan for the most frequent reasons for calling and, after the action plan is implemented, caller demand for more simple enquiries should be significantly reduced. The key to success is to answer calls quickly, without as many busy signals. As part of the plan, agents will encourage callers to use our easy-to-use self-service and digital service tools.

The CRA will run a pilot project through 2020 to offer income tax service providers, such as accountants and bookkeepers, a dedicated telephone service separate from our general lines. Income tax service providers provide general audit, accounting, and income tax services to individuals and businesses and often have complex income tax technical enquiries. This pilot will offer the technical expertise to answer specialized questions and free up our phone agents to answer general type inquiries calls more quickly.

## Written correspondence

The CRA sends out approximately 130 million pieces of correspondence each year. It is important for recipients of our letters to easily understand them and know what action they need to take.

To this end, we have already made many of our notices and letters more straightforward and easier to read and, using Budget 2016 investments, will continue to improve the design, style, clarity, and tone of our written correspondence to Canadians.

Individuals, businesses, and their representatives can also access CRA's written correspondence online through the My Account, My Business Account, and Represent a Client services. If they choose this option, paper correspondence is suppressed.

## Planning highlights

To provide timely information over the planning period, the CRA will:

- > implement a strategy to modernize the Agency's online presence and expand the use of social media
- > migrate the CRA webpages to Canada.ca by 2018
- > increase the number of phone agents in 2017 to improve service
- > modernize call centres by 2020, including new features to improve caller experience, and enhanced tools for reporting, monitoring client service quality, and workforce management
- > pilot a dedicated telephone service for income tax service providers through 2020
- > improve the design, style, clarity, and tone of 90% of CRA correspondence by 2018

## Expected results

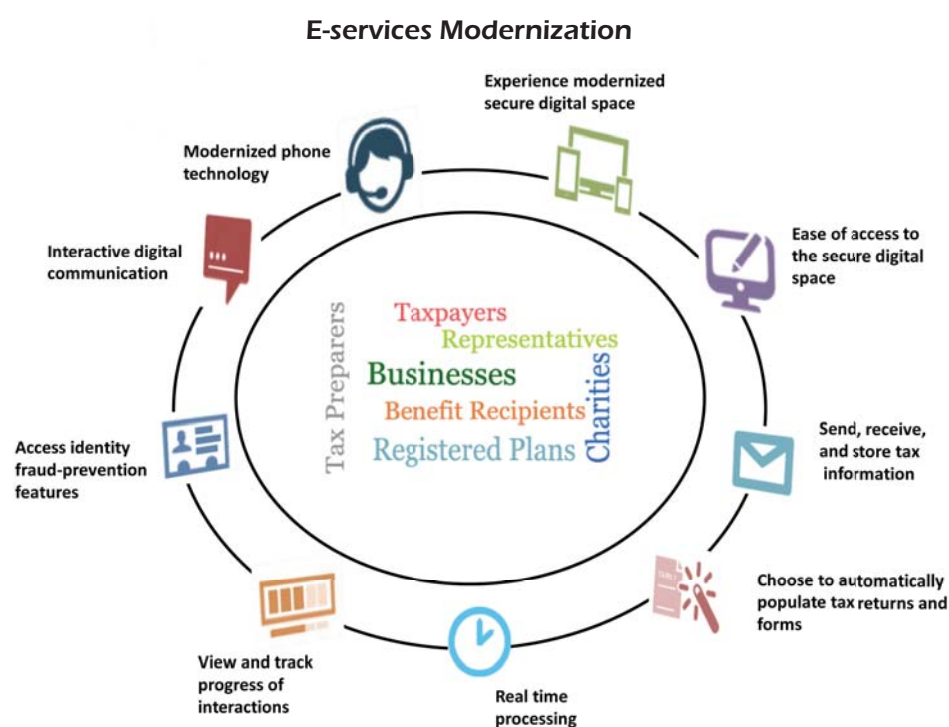
- > Fewer Canadians will have to contact the CRA because messages will be clearer, more convenient to access, and easier to understand
- > Canadians receive a higher standard of call centre service, with reduced wait times, fewer reasons to call, and more self-service options
- > Tax professionals receive effective responses to their highly complex and specialized calls, helping them help their clients and freeing up the CRA's general phone lines for other enquiries

# Making it easy to comply with tax obligations

Although the vast majority of Canadians comply voluntarily with Canada's tax laws, the CRA is working hard to improve all of our services to make it easier to comply. Our suite of services includes convenient and easy to use secure digital services, as well as personalized assistance to help Canadians meet their tax and benefit obligations.

## Digital services

As Canadians do more online, increasingly, many also prefer to interact with us digitally. To respond to this, we will further enhance our digital service options to provide end-to-end, modern e-services, which are fast, easy, and secure. The CRA's plan for full digital interactions is articulated through nine service goals.



Many of our digital services are accessed through the My Account, My Business Account, and Represent a Client services. We will continue to enhance these secure services, making them easier to use, while improving the related information technology infrastructure to prepare for future program growth and advances in technology. This will allow us to provide more digital services and ensure we are better able to integrate emerging technology.

We will continue to enhance the MyCRA and My Benefits mobile apps and plan to develop a mobile app for businesses so more people can access frequently-used services and information in one convenient, mobile-friendly location.

## Targeted outreach

The CRA serves all Canadians and we recognize customized service can be an effective way to offer assistance in meeting tax and benefit obligations. As part of our commitment to improve service to Canadians and facilitate compliance, we will continue to offer support to those who cannot complete their filing obligations on their own.

Our Community Volunteer Income Tax Program supports community organizations offering free clinics to help prepare income tax and benefit returns for eligible individuals. The CRA will expand and strengthen the program's services by providing enhanced training and support for community organizations, including those in Indigenous communities wanting to host



clinics for the first time. Through 2020, we will increase our support for this program to encourage an increase in the number of taxfilers assisted.

The CRA's liaison officers work with small business to provide information and in-person support. This helps businesses get their taxes right, promotes compliance, and limits the potential need for compliance action. In addition to new and enhanced digital services to facilitate compliance, the CRA is continuing to advance the Liaison Officer Initiative with a national expansion of the Liaison Officer Assistance Request feature, which offers taxpayers the opportunity to request a visit from a Liaison Officer. Services offered through the Liaison Officer Assistance Request program include in-person visits to address tax-related questions and concerns, to review books and records and, where necessary, to provide recommendations on ways to strengthen a business's bookkeeping system, as well as visits to provide information on the various tools and services offered by the CRA to small businesses. Additional enhancements to the program will build on the successes of the early phases of the project and will include support for both income tax and GST/HST.

Funding from Budget 2016 supports a broader outreach strategy, providing more resources to expand regional outreach activities to various segments of the population. These outreach programs will build awareness and education about the benefits and credits available through participation in the tax system, strengthening partnership, and fostering knowledge and research. Extending the CRA's reach through partnerships with other government agencies and departments and non-governmental organizations will maximize linkages to many populations.

## Planning highlights

To make it easy to comply with tax laws over the planning period, the CRA will:

- > implement an e-services modernization strategy through 2020
- > implement a national outreach strategy through regional expansion of in-person outreach
- > offer an option to include online applications for charitable registration and electronic filing of the annual registered charity information return in 2018
- > increase the number of registered plan forms accessible electronically from 1 to 11 by 2019



- > enable secure digital two-way communication related to a specific audit through My Account, My Business Account, and Represent a Client by 2019
- > implement an online tool to allow taxpayers to calculate their repayment amounts and options in 2017
- > roll out the Liaison Officer Assistance Request feature nationally by 2018
- > analyze the results of our Office Audit Letter Campaign to identify areas of risk and adapt annual letters, which will be sent in February of each year

## Expected results

- > Canadians will have access to improved, easy-to-use, modern, digital service options
- > More Canadians will be able to comply with their tax and benefit obligations
- > The number of returns completed through the Community Volunteer Income Tax Program will increase by 100,000 by 2020

## Responding to the expectations and needs of Canadians

The CRA will continue to adapt its service model in response to Canadians' needs and expectations. We will listen and respond to taxpayers and benefit recipients. We will work with partners, including other government agencies and departments, to achieve our service goals and align with the Government of Canada model for service delivery and with the changing needs of Canadians.

### Service Renewal

Canadians are increasingly turning to the Internet to file their taxes. In 2016, approximately 84% of Canadians filed their tax returns electronically. In order to offer world-class services, the CRA will be streamlining its processing activities and creating three new National Verification and Collections Centres (NVCCs). The changes are part of the Agency's Service Renewal Initiative, which will see the work the CRA currently undertakes in nine processing centres across the country transitioned into seven specialized sites. Of the nine current processing centres, four – in Winnipeg, Sudbury, Jonquière, and Summerside – will eventually specialize exclusively in tax return processing and will grow in size. Meanwhile, the three centres currently located in Surrey, Shawinigan, and St. John's will be converted to NVCCs and will grow, using Budget 2016 funding and funding reallocated from other sites. These changes will improve the CRA's effectiveness, strengthening its ability to serve Canadians while ensuring a strong presence in all regions of the country. The creation of specialized sites will result in faster, more efficient processing and better handling of calls to call centres. Overall, the Service Renewal Initiative will enhance the ways in which Canadians are able to engage with the Agency.

## Enhanced Canada Pension Plan

On June 20, 2016, Canada's Ministers of Finance reached an agreement in principle to enhance the Canada Pension Plan (CPP). Federal legislation to implement this agreement received Royal Assent on December 15, 2016. The CPP enhancement will provide Canadians with greater retirement income security by increasing both the replacement rate on earnings and the range of earnings on which benefits are earned. The initiative has a gradual seven-year phase-in, starting in January 2019. Over the planning period, the CRA will engage with federal partners and key external stakeholders so the Agency is well-positioned to administer the changes and to ensure Canadians and the businesses they work for can adjust to the changes. The Agency will implement changes to a number of systems to effect the enhancements contemplated by the legislation, touching a broad cross-section of CRA programs (including for example, assessment, compliance, and enquiries programs). The identification and implementation of systems changes will begin in the first quarter of 2017-2018 and continue through project completion.

## Engagement

A pivotal part of expanding and improving CRA services will be regular external engagement and direct feedback mechanisms. Feedback from taxpayers and benefit recipients helps us create programs and services which are fair, helpful, and accessible. Asking Canadians what they want and incorporating their feedback will allow us to meet their evolving service expectations.



The CRA strives to improve service to the millions of small and medium business owners in Canada, resulting in less cost, time, and effort spent on paperwork. The Serving You Better consultations are a forum for small and medium businesses and professional accountants to share valuable insights, which the CRA will use to make its programs and services more streamlined and client-focused for the small and medium business community. Consultations began in 2012 and are conducted every two years, with the most recent round of consultations occurring in summer and fall 2016. Serving You Better is a key component of our commitment to first-class government service for small and medium businesses. When small and medium businesses give their feedback to the CRA, they are helping us create fairer, more helpful, and easier to use programs and services.

Charities play a critical role in our society. They make a valuable contribution to public policy and public debate for all Canadians. To help charities continue this important work, they must be assured they are operating in a regulatory environment which respects and encourages their contribution. We are working to modernize the rules governing the charitable sector, including clarifying the rules governing political activities. Registered charities are allowed to engage in non-partisan political activities within certain limits. They are not allowed to engage in partisan political activities. As announced in Budget 2016, we will collaborate with the Department of Finance to engage with charities to clarify the rules governing political activities. As part of this engagement process, the CRA is collecting feedback from both charities and the public, which will be considered in the development of new guidance, or educational resources, for charities on the rules governing political activities.

## Collaboration

Strong relationships with other government agencies and departments will ensure we can continue to focus on providing efficient and effective services to respond to people's needs and advance the Government of Canada service agenda. We will continue to engage other government agencies and departments, other levels of government, and stakeholders to achieve the CRA's agenda and improve service and business processes.

Several initiatives are underway to make it easier for Canadians to interact with the Government. For example, it can be time consuming to update personal information with multiple organizations, so the CRA is working with Employment and Social Development Canada to allow Canadians to update their direct deposit information with either the CRA or Employment and Social Development Canada. For example, in 2017, when Canada Pension Plan recipients provide their direct deposit information to one organization, it will be updated simultaneously in the other one. Future plans include expanding this service to other programs.

The CRA continually looks for ways to engage with external stakeholders to leverage their industry knowledge and better tailor our services, approaches, and support. For example, to combat the underground economy, the CRA partners with public- and private-sector stakeholders to distribute information and tools to provide information on the underground economy and the risks it poses to consumers.

## Planning highlights

To respond to Canadians over the planning period, the CRA will:

- > update guidance and educational resources for charities on the rules governing political activities, as a result of the outcome of consultations between government and the charitable sector
- > publish an annual report outlining the priorities and activities of the CRA's Charities Directorate
- > work with other government agencies and departments to implement a common business number for federal-facing business programs and services by 2018
- > implement, in partnership with ESDC, a tell-us-once approach to direct-deposit information for Canada Pension Plan recipients in 2017
- > engage other government agencies and departments and industry associations to increase awareness of the scientific research and experimental development program through 2018
- > continue to conduct service-experience surveys, through 2020, to ask for feedback on interactions
- > undertake user-experience testing of new and updated webpages in preparation for migration to [Canada.ca](https://Canada.ca) by 2018
- > implement changes to employer and individual assessing and compliance systems to support the gradual seven-year phase-in of increases to the CPP contribution rate beginning January 2019, and introduce system changes to effect both an increase to the working income tax benefit (roughly offsetting incremental CPP contributions for eligible low-income workers) and the tax deductibility of the enhanced portion of employee CPP contributions

## Expected results

- > Canadians will experience a tell-us-once environment, reducing time and effort spent informing federal agencies and departments about their direct deposit/banking information
- > Businesses will be able to track their interactions with the CRA online, giving them assurance their requests are being addressed in a timely manner
- > Increased opportunities to provide feedback will lead to improved services directly reflecting Canadians' needs and expectations
- > Employer's and individual's information needs will be achieved by the implementation of a dedicated eCPP communication strategy

## Providing fair and impartial review

If a taxpayer is unsatisfied with a service or a decision they have received, they have the option of a fair and impartial redress process. We resolve disputes and requests for relief arising from decisions made under the legislation and programs administered, and services we provide. A responsive redress process promotes voluntary compliance and fosters trust in the integrity of the CRA.

Every taxpayer who disagrees with a CRA decision about an assessment has access to the CRA's dispute-resolution process. We ensure each objection is treated fairly and in accordance with applicable laws, including the Income Tax Act. As part of our ongoing commitment to improve service and provide early certainty of tax obligations, the CRA plans to increase capacity to resolve more objections, more quickly. Enhancing digital services to include the ability to receive a response to a service complaint will also realize efficiencies.

The CRA also administers a process under which the Minister of National Revenue may, under legislative provisions, grant relief to taxpayers from penalties and interest arising from an inability to pay, through no fault of their own or circumstances beyond their control. Requests for taxpayer relief can arise due to any number of circumstances, ranging from widespread disaster to individual hardship. The CRA continually seeks to improve service, including electronic options to interact with taxpayers and allow for more efficient and timely processing of incoming taxpayer relief requests.

The 2016 Fall Report of the Office of the Auditor General focused on how efficiently the CRA manages income tax objections in terms of timeliness and whether performance indicators regarding the process were developed and reported. The audit also examined if the CRA analyzed and reviewed objections and appeals decisions and if it shares this information internally. We agree with the recommendations issued in the report and see this as a good opportunity to further strengthen our management of tax objections and review the adequacy of our service standards. By taking action to resolve income tax objections in a timely manner, the CRA will give Canadians the certainty they need about their tax affairs to make decisions for themselves and their families.

## Planning highlights

To provide fair and impartial review over the planning period, the CRA will:

- > implement electronic delivery of responses to service complaints through the secure portals by 2018
- > improve communications to taxpayers to clarify the appropriate channels available to them to seek resolution of their complaint
- > address recommendations made in the Office of the Auditor General Report by:
  - implementing an action plan in 2017 pertaining to income tax objections
  - establishing a new service standard in 2017-2018 for the resolution of low complexity objections. The new service standard is detailed in Section 3 - Other items of interest.
  - communicating objections and appeals decisions, including the reasons why changes are made, ensuring they are shared with assessing and audit areas through a formalized feedback process, and identifying opportunities for improvement in the service provided to Canadians
- > renew processes, improve tools, and improve workload management by 2020 to enhance efficiency for Canada Pension Plan and employment insurance disputes
- > introduce a new standard for service for issuing decisions on taxpayer relief requests to cancel or waive penalties and interest in 2017

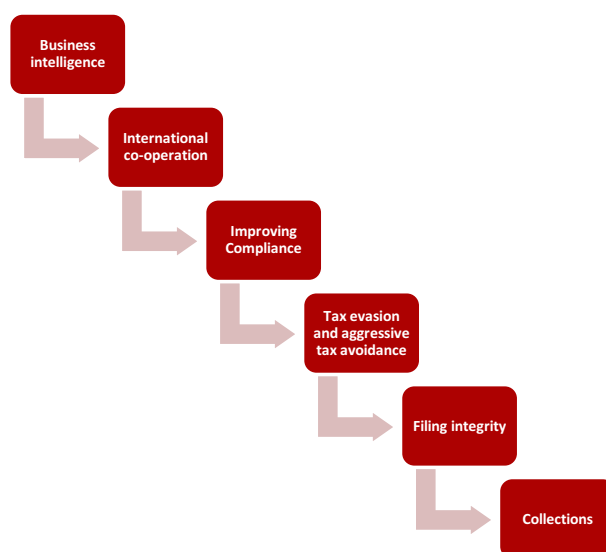
## Expected results

- > Disputes will be resolved faster, allowing taxpayers to resolve their tax issues in a timely manner
- > Decisions on taxpayer relief requests to cancel or waive penalties will be issued in a timely manner

# Compliance

The CRA aims to make it easier for taxpayers who want to comply with Canada's tax laws and more difficult for those who choose not to comply. By selecting the right intervention for the risk, we ensure taxpayers are supported in the most effective way for compliance. We use the least intrusive and most efficient approach to encourage taxpayers to comply with their tax obligations, while reserving enforcement interventions for those who do not intend to comply.

In recent years, the CRA's significant actions to deter, detect, and correct non-compliance have included: increasing focus on high-risk segments of the population; reinforcing strategic partnerships with key countries and organizations; developing business intelligence tools to maximize the use of available data; and enhancing risk-assessment capacity. We intend to build on the successes of these initiatives.



## Business intelligence

The CRA's innovative use of research, analytics, and data mining plays an important role in our ongoing long-term compliance efforts. The Agency's business intelligence encompasses both big data to enhance predictive analytics (how we detect non-compliance) and behavioural economics to strengthen compliance. The application of advanced analytics allows for improved decision making and enhances the CRA's tactical and strategic business processes. The nature of our business environment means we are constantly developing innovative, flexible, and strategic approaches to support our activities in research, analytics, and data mining.

The CRA currently invests a great deal in its business intelligence infrastructure, and an additional \$28 million has been earmarked to develop an even more robust infrastructure at the Agency over the next few years. This long-term investment will help the CRA to renew its business intelligence computing platform, tools, and processes to further strengthen our business intelligence foundation. The renewed business intelligence environment will improve the Agency's advanced research, trend analysis, and compliance-risk analysis. Adjustments to the platform, together with a research-and-development approach in a lab environment will allow experimentation and learning, while producing exceedingly faster outcomes. We will also implement a plan to meet the evolving need for CRA employees to use data for risk assessment and business development.

## Research

In our ongoing effort to determine the most appropriate and effective intervention for a particular compliance risk, the CRA will conduct behavioural research and launch pilot projects to assess the impact of new or modified compliance treatments. We plan to further refine the use of behavioural economics and to develop experimental designs for projects to assess the impact of different treatments on similar groups of taxpayers. This research will, in turn, assist in the development of predictive models, which will allow the CRA to better focus resources to target material non-compliance with the most appropriate interventions, while maximizing outreach to taxpayers through education and assisted compliance treatments.

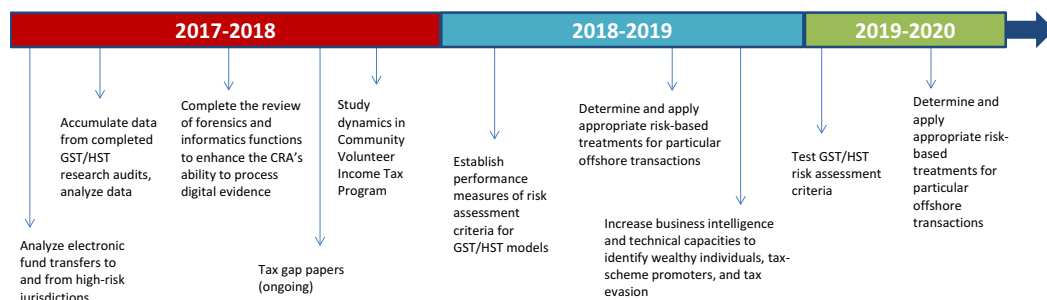
### Why study the tax gap?

- Research on particular components of the tax gap (for example, type of tax, stage of compliance continuum, subset of taxpayers) will enrich the CRA's analysis of various aspects of non-compliance and provide additional insight into the concrete work being done by CRA to combat non-compliance.
- An examination of the international tax gap with a focus on offshore compliance issues from a Canadian perspective will identify data to assist the CRA in estimating the international tax gap overall.

Protecting Canada's revenue base and the fairness of our tax system includes understanding and addressing the tax gap. Broadly defined, the tax gap is the difference between the tax payable if all obligations were fully met in all instances, and the tax actually paid and collected. The CRA will continue to study the tax gap, collaborating with international counterparts, other organizations,

academics, and other experts. Building on the two tax gap papers published in 2016, the CRA will publish a series of papers on other aspects of the tax gap.

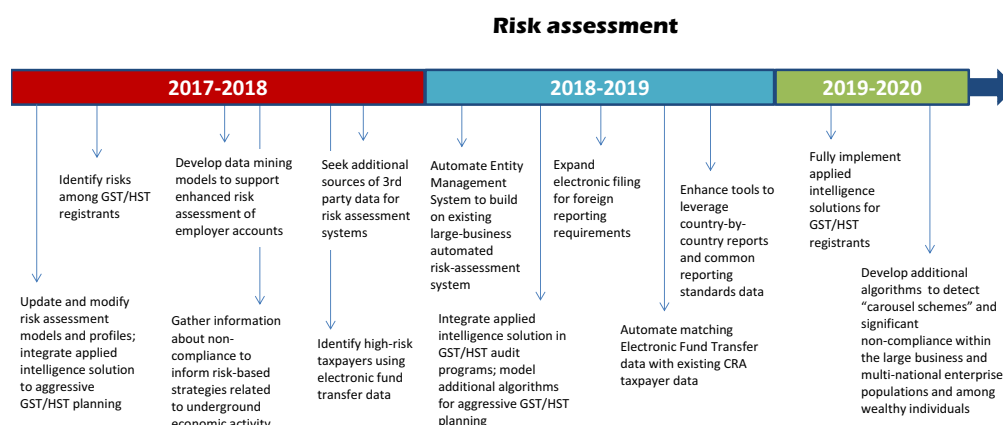
### Research



## Risk assessment

The CRA assesses many types of risk to deter, detect, and address non-compliance. Our compliance risk-assessment methods are constantly evolving and improving. In addition to its own data, the CRA receives a wide variety of information from international parties to use for risk assessment. In the planning period, the Agency will seek additional sources of information and refine data-mining and risk-assessment models related, among others, to GST/HST registrants, employer accounts, third-party data, underground economic activity, and high-risk taxpayers.

By expanding capabilities in predictive analytics, the CRA will deliver more results Canadians expect, such as detecting and deterring tax avoidance and maximizing tax recovered. We will extend the scope of our business intelligence solutions by adopting big-data technologies to include more semi-structured and unstructured data.



## Outcomes analysis

The CRA analyzes the results of its research, risk assessment, and predictive analytics to assess their effectiveness and to inform future decisions. The CRA's strategic, systems-based approach increases the efficiency and effectiveness of our compliance programs by concentrating our resources over the long term on addressing non-compliance with the greatest materiality. This protects Canada's revenue base and the fairness of the tax system.

## Planning highlights

The CRA will continue to use business intelligence to:

- > develop innovative, flexible, and strategic approaches to support research, analytics, and data mining
- > identify and target high-risk industry and population sectors
- > enhance forensic and informatics capabilities for criminal investigations
- > examine the international tax gap, focusing especially on offshore compliance issues, to assist the CRA in estimating the international tax gap overall
- > inform outreach activities by analyzing results of previous efforts
- > meet the evolving need for CRA employees to use data for risk assessment and business development
- > apply behavioural economics through the use of outreach strategies and reinforcement messaging (e.g., letter campaigns, automated messages), allowing the CRA to continue to influence taxpayer attitudes and improve voluntary compliance
- > implement a modernized workload management system for most collection and compliance workloads that will provide a suite of enhanced system capabilities that will be more sustainable and efficient, and provide the flexibility to accommodate shifting business needs



## Expected results

Planned business intelligence improvements support the CRA's efforts to prevent the issuing of unwarranted goods and services tax/harmonized sales tax (GST/HST) refund and rebate claims and to address willful non-compliance and aggressive GST/HST schemes.

The acquisition of tools and technological expertise needed for complex investigations and audits will increase the exposure of sophisticated and well-organized schemes. The CRA anticipates updated risk-detection technology will:

- > enhance our identification and risk assessment of high net worth individuals and large corporations to detect and correct non-compliance
- > increase capacity to redirect current resources to compliance-enforcement activities, ensuring the most effective intervention to protect the tax base and the integrity of Canada's tax system
- > increase understanding of complex networks deliberately designed to avoid paying tax
- > ensure taxpayers have access to accurate information to assist them in meeting their tax obligations
- > foster innovation in the technology platform and the business intelligence infrastructure enabling the Agency to continue to improve its programs and services, thus making it easier for individuals and businesses to interact with the CRA

The CRA's tax gap papers will provide more in-depth analysis of the methodological and practical considerations associated with tax gap estimation, and will further enhance our understanding of how this information could assist in administering Canada's tax system.

## International co-operation

In support of our strategy to address international tax risks, the CRA continues to play a leadership role in collaborating with the growing global network of tax administrations and international bodies working together to fight international tax evasion and aggressive tax avoidance and to build capacity among developing country tax administrations.



A key element of the global tax evasion and tax avoidance strategy includes enhanced transparency. To this end, the CRA is preparing for the implementation of the Common Reporting Standard (CRS)

to facilitate the automatic exchange of information. In June 2015, the CRA signed a multilateral administrative arrangement to prepare for effective, secure, and timely exchanges under the CRS. More than 100 jurisdictions, including Canada, are committed to implement the CRS with the first exchanges of information occurring in 2017 or 2018. The CRA is scheduled to begin information exchanges with respect to accounts held in 2017 by September 2018. Work is ongoing at the CRA to prepare for, and benefit from, the first exchanges of CRS information.

To further enhance transparency, Budget 2016 investments will allow Canada to also implement country-by-country (CbC) reporting, one of the recommendations of the OECD/G20 Base Erosion and Profit Shifting (BEPS) action plan. The objective of CbC reporting is to increase transparency on the global operations of certain multinational enterprises. CbC reporting includes information on these multinational enterprises' global allocation among countries of income, economic activity, and tax paid. CbC Reports will be filed in the jurisdiction of tax residence of the ultimate parent entity of the multinational entity group, then shared between jurisdictions through automatic exchange of information pursuant to government-to-government agreements. The CRA will implement CbC reporting standards for improved transfer-pricing documentation in 2017.

In addition, the CRA Commissioner will continue to play a leadership role at the international level through his participation in the OECD Forum on Tax Administration (FTA). The FTA is a forum through which tax administrators from 46 countries can identify, discuss, and influence relevant global trends and develop new ideas to enhance tax administration around the world. FTA Commissioners have acknowledged that the new measures to enhance transparency will better position tax administrations to combat tax evasion and tax avoidance, in part, by encouraging greater voluntary compliance.

Key elements of the FTA work over this planning period include supporting the OECD/G20 international tax agenda (including BEPS implementation), strengthening global efforts to tackle cross border tax avoidance and evasion, and enhancing core tax administration (service and compliance) functions.

In this context, the CRA will continue to participate in the Joint International Taskforce on Shared Intelligence and Collaboration (JITSIC). Under the auspices of the FTA, JITSIC-participating countries operate under a legal framework of bilateral and multilateral conventions and tax information exchange agreements to share experience, resources, and expertise to tackle common tax evasion and avoidance issues.

Furthermore, as a member of the FTA Bureau, the CRA Commissioner will lead efforts designed to support the international tax agenda, namely through his sponsorship of the Large Business and International Programme and Capacity Building Network.

In addition to continuing to build tax administration capacity in developing countries bilaterally and multilaterally, the Agency will also further the development of a global on-line Knowledge Sharing Platform. This Platform will connect tax officials and experts from advanced and less-advanced administrations to share practical information and tools on all aspects of tax administration.

### **What is BEPS?**

(Base erosion and profit shifting)

The OECD defines BEPS as tax planning by multinational enterprises that exploits gaps in tax rules. These enterprises shift otherwise taxable profits to jurisdictions with low or no tax, even if little or no activity has actually taken place in these jurisdictions.

Because they pay little or no tax, multinational enterprises that artificially separate their taxable profits from where these profits arose:

- erode the tax base by not paying their fair share of tax
- negatively affect competition
- distort investment decisions
- reduce overall trust in the tax system.

Canada is an international leader in addressing BEPS.

## Planning highlights

To foster international co-operation for detecting non-compliance, the CRA will:

- > implement the automatic exchange of information with international partners as part of the OECD's Base Erosion and Profit Shifting (BEPS) project
- > build tax administration capacity in developing countries
- > enhance operational collaboration among tax administrations
- > engage with other tax administrations to identify trends, develop strategies, set benchmarks, share best practices, and develop future initiatives related to debt management

## Expected results

- > Increased compliance from multinational and large corporations
- > The CRA will develop systems, policies, and procedures, and recommend legislative changes, leading to a set of common rules between countries, tighter international rules, enhanced exchange of information, and improved dispute resolution
- > Beginning in 2017, the CRA will receive certain required information from Canadian financial institutions regarding accounts held by non-residents
- > The implementation of the Common Reporting Standard will allow for a first exchange of information in 2018. The confidentiality of exchanged information will be protected by the CRA with the inclusion of safeguards to ensure the information is used only by tax authorities and only for tax purposes
- > Under CbCR, specified multinational enterprises will be required to provide tax administrations with information on revenues, profits, taxes accrued and paid, and some activity indicators

## Improving compliance

The CRA's compliance activities seek to protect the integrity of Canada's self-assessment system by identifying and addressing those who do not accurately report income. Our compliance interventions follow an escalating approach, from influencing compliance to enforcing it. We seek to positively influence compliance attitudes by increasing taxpayers' understanding of their tax obligations through targeted outreach activities, client service, social marketing, communications, and education. To protect Canada's revenue base, we also conduct examinations, audits, and investigations at the domestic and international levels to ensure compliance with Canada's tax laws.

During the planning period, in addition to efforts to combat the underground economy, the CRA will focus on enhanced compliance measures related to tax evasion and aggressive tax avoidance, filing integrity in high-risk sectors, and increasing the collection of tax debts. This focus over the planning cycle will increase the CRA's ability to find those who evade or aggressively avoid taxes and ensure they pay their fair share of tax.

# Tax evasion and aggressive tax avoidance

Tax evasion and aggressive tax avoidance by individuals and businesses cost governments and taxpayers, reducing the fairness and integrity of the tax system. Detecting and addressing tax evasion and aggressive tax avoidance is a Government of Canada priority. Significant investments from Budget 2016 will allow it to hire additional auditors and specialists, increase verification activities, and improve the quality of investigative work targeting non-compliance risks both domestically and internationally. The CRA plans to implement strategies addressing aggressive tax avoidance and tax evasion among large and multinational businesses and wealthy individuals, particularly those operating offshore.



The CRA is committed to combatting the abusive use of offshore jurisdictions and protecting the integrity of the Canadian tax system. International tax evasion and aggressive tax avoidance are complex global issues. Information from the Offshore Tax Informant Program, international electronic funds transfers, and exchanges with treaty partners help the Agency detect offshore non-compliance. Enhancements to our teams and tools will improve our analysis of relevant information and identification of Canadians who may have used accounts to

hide or conceal money offshore. We will undertake projects to ensure full coverage of the segment of the population engaging in offshore transactions. This is a shift to a more concentrated risk assessment of this entire taxpayer segment.

## Large businesses

Approximately 1,200 corporate groups make up the large business population in Canada. These groups include parent companies and their subsidiaries, which can make up a total of 25,000 to 26,000 legal entities. Over the next three years, the CRA will increase our capacity to conduct audits and reassessments within the large business sector. The Agency will allocate resources to various regions based on the compliance risks identified through our preliminary analysis. Over five years, the CRA will create 16 new large business audit teams to detect and correct non-compliance among the largest and most complex taxfilers, to ensure profits are not shifted offshore and Canada receives any taxes owed.

## Multinational enterprises

The CRA will also add new tax professionals to our already robust team to assist in auditing high-risk multinational corporations and unravelling complex international and aggressive tax avoidance transactions. Technical experts, including lawyers, accountants, valuation specialists, economists, and industry sector specialists, will be deployed to strengthen technical expertise and provide assistance to auditors when required. All intelligence gathered and assessing positions developed by these teams will be fed back into the CRA's risk-assessing systems to inform future plans. The CRA recognizes the importance of tax certainty for large business competitiveness and for overall economic growth. Through the adoption of more industry and sector approaches to audit combined with the additional technical capacity for our senior auditors, the Agency aims to increase its commercial awareness and enhance the efficiency and effectiveness of audit actions for large business.

## Wealthy individuals

Some wealthy individuals and related parties use private corporations or complex schemes to inappropriately reduce or defer tax. This includes involvement in complex offshore structures and transactions. The CRA is expanding the scope of the wealthy population segment and its related party initiative through new risk assessment strategies and additional audit teams.

## Aggressive GST/HST planning

There are 3.5 million GST/HST registrants in Canada. The CRA receives two million refund and rebate claims totalling about \$60 billion annually. Some of these claims are false, and some people knowingly and aggressively avoid paying GST/HST. The CRA will deploy additional audit resources to prevent the issuance of unwarranted GST/HST refund and rebate claims and to address willful non-compliance and aggressive GST/HST schemes.

## Tax scheme promoters

Promoters, acting individually or through a network of sales agents, market and sell schemes which, ultimately, contravene Canadian tax law and, unfortunately, result in taxpayers losing money. Budget 2016 provided funding to the CRA to allow the Agency to increase its audit efforts on promoters of tax schemes. To protect individuals and the tax base, the CRA plans to enhance a Promoter Centre of Expertise and deploy additional specialized audit teams to detect abusive tax schemes earlier, effectively addressing the supply of these arrangements before they are widely sold.

The CRA has the authority to apply third-party penalties against tax preparers, promoters, and other third parties who make misrepresentations about tax matters, which could result in other persons making false statements or omissions on their tax returns. The CRA is committed to conducting fair and impartial reviews and strictly controlling the application of penalties.

Meanwhile, the provision of legal counsel specifically dedicated to offer advice at the investigation stage of tax evasion cases will enhance the quality of promoter cases referred for prosecution. To maintain the integrity of the tax system, deter intentional non-compliance, and warn Canadians of potential fraud schemes, the CRA will publicize successful prosecutions and investigation actions more widely. Publicizing the consequences of engaging and promoting these schemes underscores the fact tax evasion and fraud are criminal offences and offenders will be pursued and prosecuted.

## Underground economy

Individuals or businesses deliberately under-reporting or failing to report income or sales to avoid paying taxes undermine the fairness and integrity of the tax system and the competitiveness of law-abiding businesses. The CRA is committed to reducing the social acceptability of, and participation in, the underground economy. During the planning period, our specialist teams will enhance their focus on those who do not file their returns. These teams will also conduct comprehensive audits of businesses using software to hide sales, as well as audits of businesses in high-risk sectors.

## Planning highlights

To improve compliance and address tax evasion and aggressive tax avoidance, the CRA will:

- > expand technical capacity, risk assessment, audit, and assessment of large businesses, multinational enterprises, and wealthy individuals
- > coordinate industry and sector approaches to large business audit to enhance commercial awareness and audit efficiency, resulting in increased tax certainty for taxpayers and the Government of Canada
- > deploy more resources to address aggressive GST/HST planning
- > take additional steps to address underground economic activity, including audits of businesses using software to hide sales
- > implement a national eDiscovery process, using a suite of tools to enhance our forensic and informatics capabilities, and assist legal and investigative teams with the review and analysis of high volumes of electronic evidentiary documents to expose sophisticated and well-organized schemes

## Expected results

- > Overall, and as a result of Budget 2016's compliance investments, the CRA estimates its planned measures to target aggressive tax avoidance and tax evasion will generate new, incremental revenue of \$2.6 billion over the next five fiscal years
- > New large-business audits are expected to generate \$500 million of federal revenue over five years
- > Audits of wealthy individuals over the next five years are expected to generate \$432 million of federal revenue
- > With more specialists, the CRA will be better positioned to identify potential loopholes in current legislation, which may be exploited to inappropriately avoid or willfully evade tax. The Agency will identify these issues to the Minister of Finance. Any resulting legislative remedy will further limit potential leakage in tax revenue
- > With more focus on promoters, wealthy individuals, and those moving money from offshore, the CRA expects to apply more penalties against those abusing the tax system and make more timely referrals for criminal investigations when appropriate
- > The CRA will continue to benefit from international partnerships through enhanced information sharing. Compliance actions will be current, advanced and used as a model for effectiveness
- > An enhanced focus on those in the underground economy who do not file tax returns is expected to generate over \$100 million in additional revenue
- > The CRA will begin to report on the compliance impact of audit interventions for small and medium enterprises in 2018-2019
- > Our national eDiscovery process will deliver consistent and timely eDisclosure appropriate to today's complex legal and digital environment

## Filing integrity

To fully comply with Canada's tax laws, taxpayers must file their returns on time, pay their tax debts on time and, when required, register to collect GST/HST or other levies and remit amounts deducted at source to the CRA. Over the planning period, the CRA will extend certain enhanced compliance initiatives to enforce registration and complete validations and reviews of withholding, remitting, reporting, and filing obligations for individuals and businesses.

### Individual reporting

During the off-season of the Individual Income Tax (T1) Program, the CRA will address new instances of non-compliance and promote ongoing voluntary compliance by increasing our focus on the early detection of unwarranted refunds. This will permit us to identify more individual non-compliance trends and concerted non-compliance tactics. It will also better protect those who are vulnerable within the tax-filing population. We will do more assessment reviews, conduct screening, issue contact letters, and process responses, assessments, and reassessments. Where warranted, cases of suspected tax evasion will be investigated and referred for prosecution.

### Business reporting

To target known or suspected non-compliance, the CRA will increase our verification activities to strategically review corporate (T2) and GST/HST returns. Matching information across CRA business lines ensures we identify the highest risk returns. These reviews are aimed at improving compliance with reporting obligations, increasing corporation assessing and GST/HST post-assessing, enhancing federal reporting to the provinces and territories, and increasing taxpayer awareness of how to properly report deductions and credits.

### SR&ED claims

The Scientific Research and Experimental Development (SR&ED) Program is the largest single source of federal government support for industrial research and development in Canada. The CRA is committed to administering the program with fiscal integrity. Accordingly, the CRA will implement a number of initiatives to further enhance consistency in the treatment of claims and ensure a robust claim-review process.

### Disclosures and tips

We encourage taxpayers who have not filed or reported, or who realize their previous tax filings are inaccurate, to voluntarily disclose this to the CRA. Those who do not voluntarily disclose non-compliance may be subject to audit or investigation, which can result in significant penalties, fines, or imprisonment. As approximately 80% of voluntary disclosures are filed on behalf of taxpayers by third-party authorized representatives, the CRA plans to promote the electronic filing of disclosures to the tax professional community, making it easier for the taxpayers they represent to put their tax affairs in order.

The CRA also encourages the public to come forward and provide information leading us to detect a violation of tax legislation. Leads can be communicated to the CRA by phone, mail, fax, in person, and electronically. They can be submitted anonymously and are all confidential. In the planning period, the CRA plans to modernize how it screens and assesses leads information.



## Planning highlights

To enhance filing integrity and deliver on Budget 2016 commitments, the CRA will:

- > review an estimated additional 16,000 non-filer accounts in 2017
- > review an estimated additional 28,000 small/medium T2 corporation returns for accuracy and compliance in 2017
- > conduct additional verification activities on over 32,500 business accounts in 2017 (verifying over 180,000 accounts in the next five years)

## Expected results

- > Enhanced registration enforcement, validations, and reviews of withholding, remitting, reporting and filing obligations are expected to generate \$279.5 million of federal revenue in 2020-2021
- > Increased scrutiny of income tax and benefit returns is expected to generate \$143 million in federal revenue over five years
- > Enhanced business reporting review is expected to generate \$302.9 million of federal revenue over five years

## Collections

The success of the CRA's work in combatting aggressive tax avoidance, the underground economy, and tax evasion, together with the growth of Canada's tax base, has contributed to tax debt growth. The CRA will manage tax-debt growth by further developing services for taxpayers who want to resolve their debt, enhancing our strategies to better assess risk, and assigning cases for the intervention most appropriate to the risk. We will also increase resources to address cases which have been risk-scored and not resolved after automated collection efforts. A portion of these resources will focus on debts raised through our reporting-compliance actions on underground economy, aggressive international tax avoidance, offshore, and tax evasion files. The Agency will complement these efforts by encouraging earlier payment of outstanding tax liabilities and working with those who cannot pay the full amount when it is due.

The CRA Service Renewal initiative is one of the largest transformations to the way we structure and deliver our collections and verification program activities in many years. More specifically, the CRA is evolving its program delivery footprint in the regions to meet the challenges and opportunities for taxpayer compliance and service delivery over the coming years. This evolution will set the course for us to adapt to rising service expectations, advances in technology, demographic changes, and globalization. An initiative such as this one also recognizes the ongoing government inspired goal to be even more efficient and productive with the investment being made in us.



## Planning highlights

To increase the capacity to collect tax debts, the CRA will:

- > enhance collections activities by hiring more people to more effectively address intake levels and the high inventory of tax-debt files, better assist taxpayers who want to pay, and take appropriate collection action against those who do not pay the tax they owe
- > hire more people for specialized teams to collect on debts raised through reporting compliance initiatives, such as those targeting aggressive tax avoidance, offshore non-compliance, and the underground economy
- > modernize tax centres, call centres and establish National Verification and Collections Centres (NVCCs) to enhance our client-focused services
- > as part of the enhanced service agenda, CRA will implement an enhanced problem resolution model to resolve urgent, complex, and sensitive taxpayer issues

## Expected results

- > The CRA's increased capacity to collect outstanding tax debts will lead to the collection of an additional \$7.4 billion in tax debt over five years, and \$1.65 billion ongoing
- > The Agency anticipates stabilizing the growth of the tax debt over the next five years
- > Improve our compliance, collections, and verification capacity, and ultimately ensure the ongoing sustainability of our presence in all regions of the country

# Tax

Budgetary financial (in dollars)  
Human resources (full-time equivalents)



## Planned 2017-18<sup>1</sup>

2,737,078,407

## Planned 2018-19<sup>1</sup>

2,748,402,606

## Planned 2019-20<sup>1</sup>

2,755,219,080

## Main Estimates 2017-18

2,737,078,407



## Planned FTEs 2017-18<sup>2</sup>

30,104

## Planned FTEs 2018-19<sup>2</sup>

29,934

## Planned FTEs 2019-20<sup>2</sup>

30,109

<sup>1</sup> Planned spending refers to those amounts for which a Treasury Board submission approval has been received no later than February 1, 2017. This cut-off date differs from the Main Estimates process. In any given year planned spending may include amounts incremental to planned expenditure levels presented in the Main Estimates, however, this year it does not.

<sup>2</sup> Planned FTEs (full-time equivalents) represents the hours worked by one employee on a full-time basis. Since the CRA employs persons on both a full-time and part-time basis, the number of persons employed by the Agency is not equal to the number of FTEs utilized; the number of actual persons employed will always be higher.

# Tax Planned results

Canadians comply with tax obligations, non-compliance is addressed, and Canadians have access to appropriate mechanisms for resolving disputes

Indicator	Target	Actual result
Percentage of filers who have filed a tax return by their due date (by March 31, 2018) <sup>1</sup>	90%	2013-14: 92% 2014-15: 93% 2015-16: 94%
Percentage of known businesses registered for GST/HST (by March 31, 2018)	90%	2013-14: 94.5% 2014-15: 94.6% 2015-16: 94%
Percentage of reported taxes (including instalments) and source deductions that are paid on time (by March 31, 2018)	90%	2013-14: 90.4% 2014-15: 89.9% 2015-16: 89.9%
Percentage of external service standards targets that are met or mostly met (by March 31, 2018)	90%	2013-14: 92% 2014-15: 94.1% 2015-16: 91.5%
Public Perception Index: score compared to baseline (by March 31, 2018)	Maintain or Increase	N/A <sup>2</sup>
Percentage of total volume of improved correspondence (i.e. changes to structure, design, language and format) (by March 31, 2018)	90%	N/A <sup>2</sup>
Percentage of services available online (by March 31, 2018)	77%	N/A <sup>2</sup>
Number of Community Volunteer Income Tax Program returns completed (by March 31, 2018)	800,000	2013-14: 606,128 2014-15: 633,468 2015-16: 749,963
Complete an online consultation open to charities and the public (by March 31, 2018)	March 2018	N/A <sup>2</sup>
Incremental revenue resulting from Budget 2016 investments (by March 31, 2021)	\$2.6B over 5 years	N/A <sup>2</sup>
Incremental debt collected (resolved) resulting from Budget 2016 investments (by March 31, 2021)	\$7.4B over 5 years	N/A <sup>2</sup>

<sup>1</sup> Note the methodology for determining the results for this indicator has recently been revised and therefore the 2016-2017 calculations will not be directly comparable with past figures.

<sup>2</sup> This is a new indicator and results were not reported on previously.

# Benefits

The Canada Revenue Agency (CRA) administers a range of ongoing benefits and one-time payment programs for the federal government and the provinces and territories. Benefit programs offered by the federal, provincial, and territorial governments support the economic and social well-being of Canadians across the country. Many Canadians depend on benefit payments for a significant part of their household income. Benefits include the goods and services/harmonized sales tax (GST/HST) credit and the Canada child benefit (CCB), which is a tax-free monthly payment made to eligible families to help them with the cost of raising children under 18 years of age.

The CRA issues close to \$29 billion in credit and benefit payments to 13 million Canadians each year. We strive to make the right benefit payment to the right individual at the right time, and to give benefit recipients accessible information and timely responses to their enquiries. The CRA is taking steps to make sure all Canadians, including Canadians with lower incomes, Indigenous peoples, and newcomers, are getting the benefits they are entitled to, in a timely manner.

## Outreach



Further to the successful launch of the Canada child benefit in July 2016, we will continue implementation efforts to increase our outreach activities, focusing on the availability of benefits by proactively reaching out to all Canadians, particularly to vulnerable and Indigenous segments of the population. We are collaborating with other government and non-government partners to develop a broad outreach approach to increase the number of Canadians receiving the benefits to which they are entitled.

During the planning period, the CRA will proactively contact Canadians who are entitled to, but may not be receiving tax benefits. The CRA will continue sending letters to certain Canadians who have not filed an income tax and benefit return, but who are likely to be entitled to receive tax credits, encouraging them to file a return. The Non-Filer Benefit Letter initiative is a targeted campaign to increase the number of Canadians filing their returns so they receive benefits to which they may be entitled. Annually, the CRA will send reminder letters to potentially eligible non-filers encouraging them to file in order to receive benefits.

The CRA is expanding its outreach in Indigenous communities, providing information on benefits and credits which individuals may be entitled to receive if they file a tax return.

As noted earlier, the Community Volunteer Income Tax Program is a collaborative initiative between the CRA and community organizations. Community partners across Canada host tax preparation clinics and arrange for volunteers to prepare income tax and benefit returns for eligible individuals. The CRA provides training, support, and tax preparation software for participating organizations and volunteers. We will increase our support for the program by providing more in-person training and increased partnerships with organizations involved in preparing returns for eligible individuals, including Indigenous peoples, seniors, lower-income earners, and people with disabilities. This direct outreach effort will ensure all segments of the population receive the benefits to which they are entitled.

## Digital Services

The CRA's Automated Benefits Application service gives Canadians a quick, easy, secure way to apply for all child benefit programs. We are working toward expanding this service to include the three territories, which would mean eligible Canadians could apply for their child's benefits, including the CCB, as well as any related provincial or territorial benefits, and register the newborn for the goods and services/harmonized sales tax credit in one secure space.

MyBenefits CRA is a web-based mobile app for individual benefit recipients offering a personalized view of benefit and credit payment details. The app is a fast, easy, and secure way to verify the amount and date of upcoming benefit payments. During the planning period, the CRA will continue to enhance MyBenefits CRA by adding features so Canadians can:

- > update personal details, including phone number and address
- > sign up for direct deposit
- > see the breakdown of the provincial/territorial benefits



The CRA has a very sophisticated technology environment with the capacity to handle large volumes of benefit transactions accurately, securely, and on time. We continue to modernize our information technology infrastructure to keep pace with advancements and to protect the integrity of our benefit services. The Benefits System Renewal project will be completed in 2019 and will ensure benefit payments are delivered in the most efficient way possible, while also enabling future growth and excellence in service delivery.

# Telephone services

Canadians expect to have timely and accurate responses to their enquiries and to be able to contact the CRA in multiple ways. Often, benefit recipients will call the CRA to seek confirmation of their understanding of information they have read on the web, or to seek assurance their benefit payments will be issued.

In a typical year, the CRA answers over six million calls on the benefit enquiries line and is committed to providing a client-focused approach by responding to all calls within our targeted time frame.

During the planning period, the CRA will strive to provide a more accessible telephone service by:

- > modernizing the telephone service, in the longer-term, as part of the Government-wide service strategy. This project will be completed in 2020 and will introduce technologies to improve the quality of the caller experience and, over time, will present a new range of options to improve service and will invite clients to self-serve
- > simplifying all benefit notices, including the disability tax credit letter, making them straightforward and easy to read, to potentially reduce the number of calls received for clarification on issues related to benefit entitlement
- > improving digital services to make it easier to interact with the CRA from an electronic device. Call centre agents will encourage callers to use the CRA's digital services
- > continuing to implement a call-driver reduction strategy, while increasing the number of call agents to improve client service

## Planning highlights

To make sure Canadians receive the benefits to which they are entitled, the CRA will:

- > issue 160,000 letters each year over the planning period through the Non-Filer Benefit Letter initiative
- > introduce a new service by 2018 to automatically complete returns (with taxpayer confirmation) for lower or fixed-income Canadians
- > take steps to expand the Automated Benefits Application service
- > complete the Benefits System Renewal project by 2019

## Expected results

- > There will be an increase in the number of taxpayers receiving benefits payments
- > The number of returns completed through the Community Volunteer Income Tax Program will increase by 100,000 by 2020
- > Benefit recipients who provide complete and accurate information will receive the proper entitlement
- > Payments will be issued to benefit recipients on time
- > Canadians will be satisfied with the benefit application processing time

# Benefits

Budgetary financial (in dollars)  
Human resources (full-time equivalents)



Planned 2017-18<sup>1</sup>

487,819,400

Planned 2018-19<sup>1</sup>

498,060,088

Planned 2019-20<sup>1</sup>

495,711,914

Main Estimates 2017-18

487,819,400



Planned FTEs 2017-18<sup>2</sup>

1,592

Planned FTEs 2018-19<sup>2</sup>

1,586

Planned FTEs 2019-20<sup>2</sup>

1,550

<sup>1</sup> Planned spending refers to those amounts for which a Treasury Board submission approval has been received no later than February 1, 2017. This cut-off date differs from the Main Estimates process. In any given year planned spending may include amounts incremental to planned expenditure levels presented in the Main Estimates, however, this year it does not.

<sup>2</sup> Planned FTEs (full-time equivalents) represents the hours worked by one employee on a full-time basis. Since the CRA employs persons on both a full-time and part-time basis, the number of persons employed by the Agency is not equal to the number of FTEs utilized; the number of actual persons employed will always be higher.

## Benefits Planned results

**Canadians receive their rightful benefits  
in a timely manner**

Indicator	Target	Actual result
Percentage of Canada Child Benefit (CCB) recipients who provide complete and accurate information in order to receive the proper entitlement (by March 31, 2018)	95%	N/A <sup>1</sup>
Percentage of benefit payments issued to benefit recipients on time (by March 31, 2018)	99%	2013-14: 99.9% 2014-15: 99.9% 2015-16: 99.9%
Percentage of respondents satisfied with benefit application processing time (by March 31, 2018)	75%	2013-14: 84.3% 2014-15: N/A <sup>2</sup> 2015-16: N/A <sup>2</sup>
Percentage of taxpayers (benefit recipients) who filed as a result of targeted CRA intervention (by March 31, 2018)	25%	N/A <sup>3</sup>

<sup>1</sup> Data to calculate the actual number of CCB recipients who provide complete and accurate information on their applications is not provided every year. The most recent results only became available in May 2016 and will be reported on for 2016-2017.

<sup>2</sup> Results were not available for 2014-2015 due to a lack of respondents. In 2015-2016, no survey was conducted.

<sup>3</sup> This is a new indicator and results were not reported on previously.



# Internal services

Internal services are groups of related activities and resources which apply across an organization and are administered to support the needs of the organization's programs and corporate obligations. The groups of related activities are: management and oversight services, communications services, legal services, human resources management services, financial management services, information management services, information technology services, real property services, materiel services, and acquisition services.

The CRA has in place a rigorous system of financial controls over planning and budgeting to support the efficient administration of the Government of Canada's tax and benefits system. Through an ongoing commitment to clear and well-defined accountabilities, and an efficient financial services delivery model, the CRA ensures the disbursement of its resources is done prudently and effectively, and is aligned with the strategic direction and priorities of the Agency and the Government.

We regularly review our finance and administration organizational and service delivery models to maximize efficiencies, simplify processes and procedures, and identify improvement and savings opportunities. As a first wave adopter of the new Policy on Results from the Treasury Board of Canada Secretariat, the CRA will use a new framework in 2017, the Departmental Results Framework, for all of its planning and reporting activities. Indicators and outcomes set out in this plan are fully aligned with this framework. This is in direct support of the Government of Canada's transition to a new results-based reporting framework, which will make sure key priorities are met and communicated to Canadians.

The CRA's strategic priorities of service, compliance, innovation, people, and integrity and security permeate all we do. While service and compliance are mainly outward-facing as we administer tax and benefits, internal activities and resources provide the support and oversight necessary to fulfill our organizational obligations and to ensure integrity and security, innovation, and the right people are in place to allow the Agency to deliver results.

# Integrity and security

The CRA recognizes the importance of maintaining Canadians' trust and is committed to protecting the data we receive. The CRA has one of the largest and most sophisticated information technology environments within the Government of Canada. In the face of ever-evolving security threats, the protection of taxpayer information and the security of the Agency's electronic services are always paramount.



The CRA's Agency Security Plan outlines the way we will continue to enhance our protection of taxpayer data from inappropriate access and from increasingly complex security and cyber threats. Several multi-year projects are underway to continue to evolve the protection of the Agency's data, technology, and physical assets. For example, the Agency will continue to advance its Application Sustainability Program to make sure its systems remain stable and to protect the integrity of the tax base and the systems delivering benefit services.

Canadians expect CRA employees will perform their duties with the utmost integrity. The CRA's computer systems are designed to protect personal information. The Agency has in place, and is continually evolving and developing, tools and methodologies to prevent, detect, and mitigate unauthorized access and information misuse. To this end, the CRA will continue to enhance its audit trail monitoring process to track, identify, and quickly verify that taxpayer information is accessed by employees only as necessary.

Our integrity is also evident in the extent to which Canadians view the CRA as open and transparent. By making data available to other government agencies and departments, academics, and the public while protecting taxpayer information, we inform public debate and public policy. Where permitted by law, the CRA proactively makes information, such as a selection of its manuals, public. The Agency also participates in the Access to Information and Privacy (ATIP) Online Request Portal to provide Canadians with timely access to their personal information held by government.

## Planning highlights

The CRA will:

- > centralize and standardize the provisioning and tracking of end-user and privileged-user accounts with the completion of Phase 4 of the Identity and Access Management project in June 2017
- > improve proactive analysis of user actions on CRA systems in 2018
- > complete the Data Security Initiative in 2019
- > develop new capabilities in 2017, including the development of fraud risk test case scenarios, to proactively detect internal fraud and information misuse
- > participate in consultations aimed at proposing legislative changes to the Access to Information Act

## Expected results

- > Stronger technological controls and processes related to identity and access management will improve assurance employees can access only the information they need to do their jobs
- > Improved audit trails will provide greater assurance taxpayer information is accessed only as necessary
- > Better protection of the Agency's data, technology, and physical assets keeps pace with emerging threats
- > Identifying security weaknesses before they can be exploited protects information, data, and technology assets
- > Informed enhancements to Canadians' access to information balances openness, transparency, and appropriate protection of sensitive information

## Innovation

Tax administrations around the world are challenged to keep pace with technological changes, emerging threats, and rapid shifts in economic activity. The CRA fosters innovation to ensure it continuously improves services for Canadians and protects Canada's revenue base. From our information technology infrastructure, to our use of business intelligence, to how we manage our resources, we are committed to turning good ideas into successful solutions.

In fostering a culture of innovation at the Agency, employees are encouraged to offer new ideas, to take risks and experiment. It is recognized not all new ideas and approaches to the ways in which we deliver our programs and services will be successful, but without taking risks, the CRA is unlikely to be able to adapt to social and technological changes as they occur and will then likely fall short in being able to respond adequately to the needs and expectations of Canadians. Intelligent risk taking involves having a process in place to clearly identify the problems or issues to be resolved, the outcomes desired, which takes stock of lessons learned from past successes and failures, and evaluates and reports on the results of any new ideas and processes implemented.

The CRA undertakes complex research, trend analysis, and compliance risk analysis. To continue doing this, the Agency will renew its business intelligence environment by 2020. Similarly, by 2018, we will have the foundation in place to re-engineer the secure online portals My Account, My Business Account, and Represent a Client. We will ensure the portals are fast, secure, and easy to use for taxpayers and their representatives, while allowing capacity for future program growth and advances in technology.



How we work is also changing, enabled largely by technology, and driven by the need for collaboration and innovation. The workplace of the future must be flexible to allow employees to collaborate more efficiently, and to work differently, choosing the environment in which they can be most productive, based on the actual tasks they have to do at any given moment. The traditional workplace design

of providing a dedicated, one-size-fits-all workstation is obsolete. Increasingly workstations sit idle, while meeting and collaborative spaces are at a premium. In 2017, the CRA will pilot a more efficient activity-based workplace design with unassigned workspaces. This will give employees the flexibility to choose where, how, and with whom they work, which will, in turn, increase employee satisfaction, collaboration and innovation, and save space.

Innovation is ensuring the CRA's IT infrastructure remains robust, secure, and adaptable. Through incorporating efficient, modern technologies and processes, the CRA is in the process of reengineering its T1, benefits, and various business systems, including the business number (BN) system, providing these systems with flexible and resilient foundations and enabling future program growth.

## Planning highlights

The CRA will:

- > renew the business intelligence computing platform, tools, and processes by 2020
- > re-engineer the T1, benefits, and various business systems in 2019
- > pilot an activity-based work environment in order to provide an increased number and variety of reservable, collaborative, and individual workspaces best-suited to employees' immediate tasks

## Expected results

- > A renewed business intelligence environment will ensure the CRA has the ability to do advanced research, trend analysis, and compliance-risk analysis
- > Redesign and renewal of our core systems will enable the CRA to quickly detect and correct errors, validate data, and direct enforcement resources to the highest-risk accounts
- > Creating innovative workspaces will help to foster innovation through collaboration, increase productivity and employee satisfaction, and achieve cost savings through space savings by reducing daily vacancies associated with traditional dedicated workstations

## People

The more than 40,000 individuals employed by the CRA comprise a diverse, experienced, and highly qualified workforce who administer Canada's tax and benefit programs with proficiency and integrity. The Agency continues to develop and implement strategies to sustain a healthy, productive, and high-performing workforce in order to deliver on Government of Canada priorities, meet current and future business needs, and strive at providing the best possible service to all Canadians.



Leadership development, recruiting for specialized skills, and enhancing the workplace environment are three key priorities for the Agency over the next three years. Regarding the first priority, focusing on talent management and building the Agency's leadership capacity will be essential to maintaining the Agency's success now and in the future. Meanwhile, the Agency's workforce strategies are designed to focus on identifying areas with existing or emerging workforce gaps, and targeting recruitment efforts towards specialized professionals the CRA will need in the years ahead, such as auditors and data analysts. The Agency also recognizes talent thrives in a healthy environment and recognizes the importance and value of workplace well-being to a high-performing workforce. Accordingly, the CRA is implementing a comprehensive Respectful Workplace and Well-being Strategy, which will foster respectfulness, health, and employee empowerment.

### Planning highlights

The CRA will:

- > modernize our online presence and expand our use of social media for recruitment purposes in 2017
- > conduct targeted national recruitment campaigns in 2018 and 2019, working in partnership with public and private stakeholders
- > implement the three-year Respectful Workplace and Well-being Strategy by 2019
- > launch a pilot of a national succession planning approach for CRA leadership development in 2018

### Expected results

- > Targeted recruitment efforts ensure there are no gaps in our current and potential future workforce and the Agency's specialized business requirements are met
- > CRA employees have the technical knowledge and skills to keep pace with evolving business methods and to lead the Agency in the future
- > The work environment at the CRA shows respect for employees and supports their well-being

# Internal services

## Budgetary financial (in dollars)

## Human resources (full-time equivalents)



Planned 2017-18<sup>1</sup>

934,818,007

Planned 2018-19<sup>1</sup>

932,636,383

Planned 2019-20<sup>1</sup>

923,222,717

Main Estimates 2017-18

934,818,007



Planned FTEs 2017-18<sup>2</sup>

7,665

Planned FTEs 2018-19<sup>2</sup>

7,444

Planned FTEs 2019-20<sup>2</sup>

7,329

<sup>1</sup> Planned spending refers to those amounts for which a Treasury Board submission approval has been received no later than February 1, 2017. This cut-off date differs from the Main Estimates process. In any given year planned spending may include amounts incremental to planned expenditure levels presented in the Main Estimates, however, this year it does not.

<sup>2</sup> Planned FTEs (full-time equivalents) represents the hours worked by one employee on a full-time basis. Since the CRA employs persons on both a full-time and part-time basis, the number of persons employed by the Agency is not equal to the number of FTEs utilized; the number of actual persons employed will always be higher.

# Section 3

## Other items of interest

### Board of Management strategic priorities

The Board of Management (Board) is responsible for overseeing the organization and administration of the Canada Revenue Agency (CRA) and the management of its resources, services, property, personnel, and contracts. The Board undertakes this oversight responsibility in co-operation with CRA management to ensure the CRA is well managed and accountable, and achieves the results outlined in this plan.

#### Board goal for 2017-2018 to 2019-2020

The Board oversees the administration and management of the Canada Revenue Agency (CRA) according to statutory responsibilities set out in the Canada Revenue Agency Act. Over this planning period, the Board will remain focused on ensuring the CRA continues to enhance service to Canadians in innovative ways, which are effective, efficient, timely, and secure. The Board supports senior management in building a service culture at the Agency, a culture responsive to the needs and expectations of Canadians.

#### Board priorities for 2017-2018 to 2019-2020

The CRA remains focussed on a client-centric service and to ensure Canadians are aware of their fiscal obligations, available credits, and benefits eligibility. One of the main responsibilities of the Board is to guide the development of the CRA's business plan. This plan provides continuity with preceding plans and aligns with overall CRA and government priorities. Board members will monitor performance against the plans objectives, using assessment tools such as the annual Board of Management oversight framework process, quarterly Board of Management performance dashboard reports, and other planning and results measurement tools. The Board will also participate in assessing senior management performance for continued leadership excellence. As an oversight responsibility, the Board will approve the corporate risk profile and enterprise risk action plans, which will be integrated into the CRA's annual corporate planning.

For the planning period, the main **Board priorities will remain: service to Canadians; integrity and security; people management; innovation; and resource optimization.** Board priorities for the period 2017-2018 to 2019-2020 are summarized in the following sections.

## Service to Canadians

The Board will continue to oversee the CRA's efforts in enhancing service to Canadians, whether it is offered digitally, by telephone, or through the Community Volunteer Income Tax Program, a program to help Canadians with a modest income and a simple tax situation. The Board will oversee the CRA's efforts in ensuring Indigenous peoples, seniors, low-income earners, and persons with disabilities receive their benefits entitlement. The Board will ensure the CRA's approach to service is based on principles of fairness, timeliness, and excellence. The Board believes Canadians will voluntarily comply with the law, if they are treated fairly and have access to correct information and timely services.

The Board will support the CRA's efforts in simplifying and streamlining internal processes to enhance service to individuals, small businesses, and partners and third parties such as tax practitioners and preparers, various industry associations, and professional organizations. For example, the Board will continue to provide advice to the CRA on service enhancements to reduce the administrative burden on small and medium businesses.

The Board will support the CRA's communication with Canadians to ensure the organization remains aware of taxpayer rights, expectations, and concerns, and offers clear messaging to taxpayers and benefit recipients. To this end, the Board will review results from the CRA's consultations with small and medium businesses and results from public opinion research.

## Integrity and security

Canadians trust the CRA to apply the tax laws with integrity and protect their personal information. The Board will continue to ensure this trust is maintained by reviewing the CRA's yearly integrity framework, as well as reporting on internal disciplinary processes, as well as overall security issues. The Board will provide advice on further strengthening the CRA Code of Integrity and Professional Conduct, including its directives on conflict of interest and post-employment.

In the information age, a large part of security relates to information technology and the digital world. The Board will continue to aggressively support and monitor the CRA's work with Shared Services Canada, and approve the yearly agency security plan. The Board will also review measures to protect confidential information and maintain security governance for processes and people management, for instance, by examining reports on privacy management and internal audit reports.



## People management

The Board will support the CRA's efforts in maintaining an efficient and innovative human resources function and ensure the CRA has the leadership and workforce to meet the challenges of the future. To this end, the Board will approve the annual agency workforce plan and monitor recruitment strategies and implementation. The Board will continue to oversee the modernization of human resource service delivery to facilitate effective people management decisions and to support the transition to a new generation of employees.

## Innovation

The Board will continue to encourage innovation at all levels of the CRA to ensure the Agency is ready to address the challenges and opportunities of the future. Innovations will focus on optimizing day-to-day operations, using business intelligence to make informed decisions and technological innovations in service offerings to better serve Canadians. The Board will monitor and provide advice on the implementation of findings generated by areas such as the CRA's Accelerated Business Solutions Lab, which was set up to plan innovative strategies to enhance service to Canadians. The Board will consider the experiences and innovative ideas gathered from private-sector innovators during its annual planning meeting and provide advice to senior management.

## Resource optimization

The Board will ensure the CRA shows strong and effective management of its financial resources. The Board will fulfil its statutory resource management oversight role by monitoring and reviewing the CRA's strategic investment plan, approving and supervising major projects, examining the CRA's quarterly financial results, and approving its annual financial statements.

Over the planning period, the Board will pay special attention to reviewing the results of Government-funded priority initiatives detailed in the 2016 federal budget.

# Board membership

The Board of Management of the CRA consists of 15 members appointed by the Governor in Council. They include a Chair, a Commissioner and Chief Executive Officer (ex officio member), a director nominated by each province, one director nominated by the territories, and two directors nominated by the federal government. Members of the Board bring a diverse business and community perspective from the private, public, and not-for-profit sectors to the work of the CRA.

## Board members as of March 2017



**Richard (Rick)  
Thorpe**  
CPA, FCPA, CMA,  
FCMA

**Chair, Board of Management**  
**Penticton, British Columbia**  
**(Appointed October 2013 for 4 years)**

Nominated by the federal government, Richard (Rick) Thorpe has more than 45 years of experience in the private and public sectors. He was a member of the British Columbia Legislative Assembly from 1996 to 2009 where he represented the ridings of Okanagan-Penticton and Okanagan-Westside. During his tenure as a member of the Legislative Assembly, he served as Minister of Small Business and Revenue, Minister Responsible for Regulatory Reform, Minister of Provincial Revenue, and Minister of Competition, Science and Enterprise. From 2001 to 2009, Mr. Thorpe served on the British Columbia Treasury Board, including five years as the Deputy Chair.

Before his election to the Legislative Assembly, Mr. Thorpe worked in the Canadian brewing industry for 22 years in a number of senior executive positions in Canada, and internationally. In addition, he was involved in repositioning the British Columbian grape and wine industry and was a partner in an Okanagan winery. Mr. Thorpe formerly served on the Boards of the Insurance Corporation of British Columbia from May 2012 to October 2014 as Director and Vice-Chair, and the Canadian Snowbirds Association as Director from 2012 to 2014. He is a former volunteer Chair of the Fiscal Review Board for the City of Penticton (2010 to 2013), and has also served on non-profit boards, including Summerland Charity Shops Society (Penny Lane) 2010 to 2013, Agur Lake Camp Society, and the Heart & Stroke Foundation of British Columbia and Yukon.

Mr. Thorpe is a chartered professional accountant and a certified management accountant.

Mr. Thorpe was recognized as a Fellow of the Society of Management Accountants of Canada in 2007, and named a Fellow of the Institute of Chartered Professional Accountants in 2015.



**Kathryn A.  
Bouey**  
B.A., M.A., CMC,  
ICD.D

**Toronto, Ontario**  
**(Appointed December 2016 for 3 years)**

Nominated by the Province of Ontario, Kathryn Bouey is the Founding President of TBG Strategic Services, a boutique management consulting firm providing a variety of services to support public sector executives and boards. Having worked for the federal and Ontario governments for many years she has a deep understanding of the public sector environment. In particular, she served as Deputy Minister of Ontario's Management Board Secretariat where she advised the Management Board of Cabinet on all ministries' business plans along with their risk, expense and performance measurement issues.

Previously, she served on the Board of Hydro One, where she chaired the Business Transformation Committee, and the Boards of St. Joseph's Health Centre (Toronto), Sheridan College, Ontario Power Generation, Ontario Pension Board, and the Canadian Comprehensive Auditing Foundation. She is currently on the Board of SPRINT Senior Care in Toronto where she chairs the Quality and Program Evaluation Committee.

Ms. Bouey holds a Master of Arts degree in Economics, as well as an Honours Bachelor of Arts in Mathematics with an Economics minor, both from Carleton University. She is a graduate of the Institute of Corporate Directors (ICD) Directors Education Program, and has been an Institute-Certified Director since 2006. Additionally, she is a Certified Management Consultant (CMC) and a member of the Institute of Public Administration of Canada.



**Myles Bourke**  
B.Comm., FCPA,  
FCA

**Lethbridge, Alberta**  
**(Re-appointed October 2012 for 3 years)**

Nominated by the Province of Alberta, Myles Bourke is a chartered accountant who worked for KPMG and predecessor firms for over 30 years before his retirement in 2001. Mr. Bourke's experience spans a range of functional areas within the assurance field, including audit and review engagements, training and program development, special provider to larger institutions, and confidant and advisor to owner-managers. He served as a member of the Not-for-Profit Organizations Advisory Committee of the Canadian Institute of Chartered Accountants. From 2004 to 2005, Mr. Bourke held the position of President of the Institute of Chartered Accountants of Alberta. He has been a member of the Board of Governors of the University of Lethbridge, where he has also been a lecturer and a member of the Senate. Mr. Bourke has served as well as President of the Rotary Club of Lethbridge and as a Rotary District Committee Chair. He has also served as a Director of the Lethbridge Chamber of Commerce and as Chair of the City of Lethbridge's Economic Development Committee. Mr. Bourke holds a Bachelor of Commerce degree from the University of Toronto, as well as his Chartered Accountant and FCA designations.



**Rossana Buonpensiere**  
CMC, LL.B, CHRP

**Winnipeg, Manitoba**  
**(Appointed December 2014 for 3 years)**

Nominated by the Province of Manitoba, Rossana Buonpensiere is Vice President of organizational development at Wawanesa Insurance, with a portfolio consisting of learning and development, organizational change management, organization design, succession planning and employee engagement. Prior to her current role, Ms. Buonpensiere was a partner in MNP's national consulting services practice responsible for leading all aspects of the firm's organization and people services practice in the Manitoba region. Ms. Buonpensiere has extensive experience working with clients to improve organizational efficiency and effectiveness in the areas of human resources, organizational development, performance, strategy and managing change. Ms. Buonpensiere has worked with a broad range of clients, with a strong emphasis on crown corporations and the public sector, and has a proven track record of delivering high quality professional services. She has also worked with public sector clients on many planning and human resource management initiatives that have included developing an executive development program and talent pool assessment process for senior level positions. Ms. Buonpensiere is certified in the Prosci Change Management methodology, which provides her with a wide range of tools for assessing change readiness and promoting effective staff transition and leadership engagement during significant workplace changes. Ms. Buonpensiere is a Certified Management Consultant (CMC), a Certified Human Resources Professional (CHRP), and holds a Bachelor of Law degree from the University of Manitoba and a Bachelor of Arts degree from the University of Winnipeg. Ms. Buonpensiere was called to the Manitoba bar in June of 1998.



**Richard J. Daw**  
FCPA, FCA, CMC

**St. John's, Newfoundland and Labrador**  
**(Re-appointed June 2013 for 3 years)**

Nominated by the Province of Newfoundland and Labrador, Richard J. Daw was most recently the Executive in Residence at the Faculty of Business Administration of Memorial University and a senior counsel to Deloitte's Newfoundland and Labrador practice. A chartered accountant since 1975, Mr. Daw was a tax partner in the St. John's office of Deloitte & Touche, LLP from 1984 until his retirement in 2008. He had served as Chair of the Government Affairs Committee of the Institute of Chartered Accountants of Newfoundland, on the Board of Directors of the Institute of Certified Management Consultants of Atlantic Canada, and as Vice-Chair of the Dr. H. Bliss Murphy Cancer Care Foundation. Mr. Daw currently serves on the executive of the Institute of Corporate Directors, Newfoundland Chapter. He is a member of the Memorial University's Faculty of Business Advisory Board and of the Board of Muskrat Falls Corporation, a Nalcor subsidiary. Most recently, he was elected to the governing council of the Institute of Chartered Accountants of Newfoundland and Labrador, and was appointed to the Deloitte Retired Partner Council representing Atlantic Canada. He has served many public and private sector organizations in tax and consulting, has hosted a radio program on business, has authored a newspaper column on taxes and business and has been a frequent speaker to business groups.



**France-Élaine  
Duranceau**  
CPA, CA,  
LL.M.Fisc, ICD.D

**Montreal, Quebec**  
**(Appointed November 2016 for 3 years)**

Nominated by the federal government, France-Élaine Duranceau is an accomplished bilingual professional and entrepreneur with 15 years of taxation experience in an accounting firm and a public corporation in Montreal. Over the course of her career, Ms. Duranceau has acquired a global understanding of financial, accounting, tax and legal issues and risks of a business. As an entrepreneur, she has gained experience and a practical perspective on operational issues and challenges that small and medium-sized enterprises face.

Ms. Duranceau is currently Vice-President, private capital group, at Colliers International (Quebec) Inc., and is co-founder and investor at DIGAMMA, a private commercial real estate development firm.

Ms. Duranceau is a Certified Corporate Director (ICD.D), and holds a CPA, CA designation, and a Masters in Taxation from HEC Montréal. She has been actively involved in the CHU Sainte-Justine Foundation and its Board of Directors for over 15 years.

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**Mark S. Dwor**  
B. A., LL.B

**Vancouver, British Columbia**  
**(Appointed May 2015 for 3 years)**

Mr. Mark S. Dwor, from the Province of British Columbia, is a retired member of the Law Society of British Columbia. He is a member and leader of many professional, arts, and other community organizations, with a strong emphasis on charity and not-for-profit governance. Mr. Dwor is the co-founder and chairman of the Canadian Academy of Independent Scholars. He has been a member and sat on the executive of boards including Variety, the Children's Charity, where he was the inaugural Chair of the Board Development Committee; Osteoporosis Canada, where he chaired the investment committee; and the Vancouver Children's Festival.

Mr. Dwor has presented and published papers on varied subjects in the cultural and legal arenas, including art law and franchising and distribution. He holds a Bachelor of Laws Degree from the University of British Columbia, and a Bachelor of Arts Degree from Glendon College, York University.

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**Gerard J.  
Fitzpatrick**  
CPA, FCA, TEP

**Charlottetown, Prince Edward Island**  
**(Re-appointed June 2015 for 3 years, effective November 1, 2015)**

Nominated by the Province of Prince Edward Island, Gerard J. Fitzpatrick has more than 30 years of experience in public accounting, primarily specializing in income tax for professionals and owner-managed businesses. He is a past President of the Institute of Chartered Accountants of Prince Edward Island, past Chairperson of the Atlantic School of Chartered Accountancy, and a past Board member of the Canadian Institute of Chartered Accountants. He is currently a member of the Future Directions Committee of the Institute of Chartered Accountants of Prince Edward Island. Mr. Fitzpatrick began his career as founding partner of a firm of chartered accountants in 1977. In 2008, he established Fitzpatrick & Company, Prince Edward Island's first father and son firm of chartered accountants. Throughout his career, Mr. Fitzpatrick has provided professional services to a diverse clientele and his practice today includes management consulting, business plans and feasibility studies. He is also a regular speaker on farm and other tax matters.

Mr. Fitzpatrick has served on a number of boards as both director and chair. From 2002 to 2008, he was a member of the Board of Directors of the Atlantic Pilotage Authority where he served as both vice-chair of the Board and chair of the Audit Committee. Mr. Fitzpatrick received a Bachelor of Business Administration degree from the University of PEI, and holds designations as a Chartered Accountant, Fellow of the Order of Chartered Accountants and Registered Trust and Estate Practitioner.

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**Norman G.  
Halldorson**  
B.Comm., FCPA,  
FCA

**Clavet, Saskatchewan  
(Re-appointed December 2014 for 3 years)**

Nominated by the Province of Saskatchewan, Norman G. Halldorson has extensive private sector experience, having retired in 2008 from a 40-year career with KPMG Chartered Accountants, where he held several senior leadership positions. Mr. Halldorson is a member of the Board of a private company, which operates several full service hotels, and chairs their Acquisition Committee. He also served as a member of the Institute of Chartered Accountants of Saskatchewan Council, chaired a number of their committees, and represented the University of Saskatchewan Senate. As well, he chaired the Saskatchewan Chamber of Commerce ABEX Awards, which honour outstanding achievements in business excellence. Mr. Halldorson was a founding director of the Saskatchewan chapter of the Canadian Association of Family Enterprise. Mr. Halldorson holds a Bachelor of Commerce (Honours) degree with Distinction from the University of Saskatchewan and a Chartered Accountant designation. He was awarded a Fellow of the Order of Chartered Accountants designation for distinguished service.



**Susan Hayes**  
LL.B

**Halifax, Nova Scotia  
(Appointed February 2015 for 3 years)**

Nominated by the Province of Nova Scotia, Susan Hayes is the current Chief Professional Resources Officer at the law firm of Stewart McKelvey, part of the executive team responsible for the overall operations of the firm. Ms. Hayes' community involvement includes being a Professional Development Committee member for the Canadian Bar Association, Nova Scotia Branch, and Board Member of the Halifax Visiting Dispensary. She holds a Bachelor of Laws Degree from the Dalhousie University Law School, and a Bachelor of Arts Degree from Acadia University.



**Francine  
Martel-  
Vaillancourt**  
FCPA, FCA, ASC

**Saint-Laurent-de-l'Île-d'Orléans, Québec  
(Appointed March 2015 for 3 years)**

Nominated by the Province of Quebec, Francine Martel-Vaillancourt is currently Chair of Shared Services Canada's Audit and Evaluation Committee. She is also the vice-president of the Board of Directors of Desjardins Financial Security, and teaches at the Collège des administrateurs de sociétés of Université Laval, a leader in governance education. Ms. Martel-Vaillancourt's public service career has been exceptional. She was twice deputy minister at Revenu Québec (from 2000 to 2003, and 2007 to 2011), and chief executive officer and chair of the Board of Directors at the Commission des normes du travail. She was also chief executive officer of Services Québec. Ms. Martel-Vaillancourt has been recognized by her peers. In 1997, she received both the CA Émélite award and the title of Fellow from the Ordre des comptables agréés du Québec. She was also awarded the "Public Service" grand prize at the YWCA Women of Distinction Awards in 2006, the Hermès de carrière 2007-2008 from the Faculty of Administrative Sciences at Université Laval, and the "Prix hommage 2011" from the Institut d'administration publique du Québec. Ms. Martel-Vaillancourt has a bachelor's degree in actuarial sciences and a licence in accounting from Université Laval in Québec. She also completed the "programme de certification universitaire en gouvernance de sociétés" of the Collège des administrateurs de sociétés at Université Laval. She is a Fellow of the Ordre des comptables professionnels agréés du Québec.





**Margaret Melhorn**  
B.A., M.A.

**Yellowknife, Northwest Territories**  
(Appointed November 2012 for 3 years)

Nominated by the Northwest Territories, Margaret Melhorn is a former Deputy Minister of Finance and Secretary to the Financial Management Board of the Government of the Northwest Territories. Ms. Melhorn's 28-year career at the Department of Finance was spent in areas such as economic analysis, fiscal policy and budget development. Among her many significant achievements, Ms. Melhorn led the successful amalgamation of Finance and the Financial Management Board Secretariat addressing issues related to organizational structure, human resources, systems and corporate culture. She also oversaw the replacement of the GNWT's 30-year-old financial information system with a new Enterprise Reporting and Planning System, on time and within budget. Ms. Melhorn began her career as a Financial Analyst with Alberta Treasury. Ms. Melhorn is currently a member of the Board of the Yellowknife Community Foundation. She is a former member of the Northwest Territories Opportunities Fund Board and has recent governance experience on numerous GNWT Deputy Minister committees, such as the Audit Committee, Informatics Policy Committee, Capital Planning Committee and Human Resources Deputies Committee. Ms. Melhorn holds a Bachelor of Arts (Honours) in Economics and History from Carleton University and a Master of Arts in Economics from the University of Alberta.

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**Mireille A. Saulnier**  
B.Ps., LL.B

**Tracadie-Sheila, New Brunswick**  
(Appointed June 2016 for 3 years)

Nominated by the Province of New Brunswick, Mireille A. Saulnier is the owner of the law firm Mireille A. Saulnier C.P. Inc. Prior to her current role, Ms. Saulnier was a partner with the lawyer-notary firm Lebouthillier Boudreau Saulnier where she began as an articling student before being made partner.

She is an active leader in her community, participating in various initiatives including being a member of the Board of Directors at Service New Brunswick since October 2015. Ms. Saulnier is also the outgoing chairman of the Chambre de Commerce du Grand Tracadie-Sheila, Inc. Since 2010, she has been the regional representative of the Association des juristes d'expression française du Nouveau-Brunswick. Prior to that, she was a student advisor at the Université de Moncton, in the administrative tribunals.

Ms. Saulnier holds a Bachelor of Laws degree from the Faculty of Law and a Bachelor of Psychology degree, both from the Université de Moncton. She was called to the New Brunswick bar in 2008.

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**Joyce Sumara**  
B.A.

**Haliburton, Ontario**  
(Appointed December 2014 for 3 years)

Nominated by the federal government, Ms. Joyce Sumara is an accomplished information technology (IT) executive with over 30 years of experience in large multi-national organizations. Ms. Sumara has broad experience in systems delivery and IT strategic planning in the automotive, healthcare and telecommunications industries. From 2009 to 2011, Ms. Sumara was the Vice President, IT and Information Security Officer, with Rogers Communications, where she was responsible for the security of corporate information and IT governance. She previously held the positions of Chief Information Officer of GM Canada, and Chief Information Officer of OnStar at General Motors Corporation. Throughout her career, she has occupied various consulting positions, and served on the boards of the Grandview Children's Centre for six years, and Medic-Alert Canada for two years. Ms. Sumara holds a Bachelor of Arts degree in Mathematics from Wayne State University, in Detroit, Michigan, as well as an Industrial Engineering Certificate from General Motors Institute (now Kettering University), in Flint, Michigan. She was recognized as a "Top 100 Most Powerful Women in Canada," both in 2003, and 2004.

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**Bob Hamilton**  
B.A., M.A.

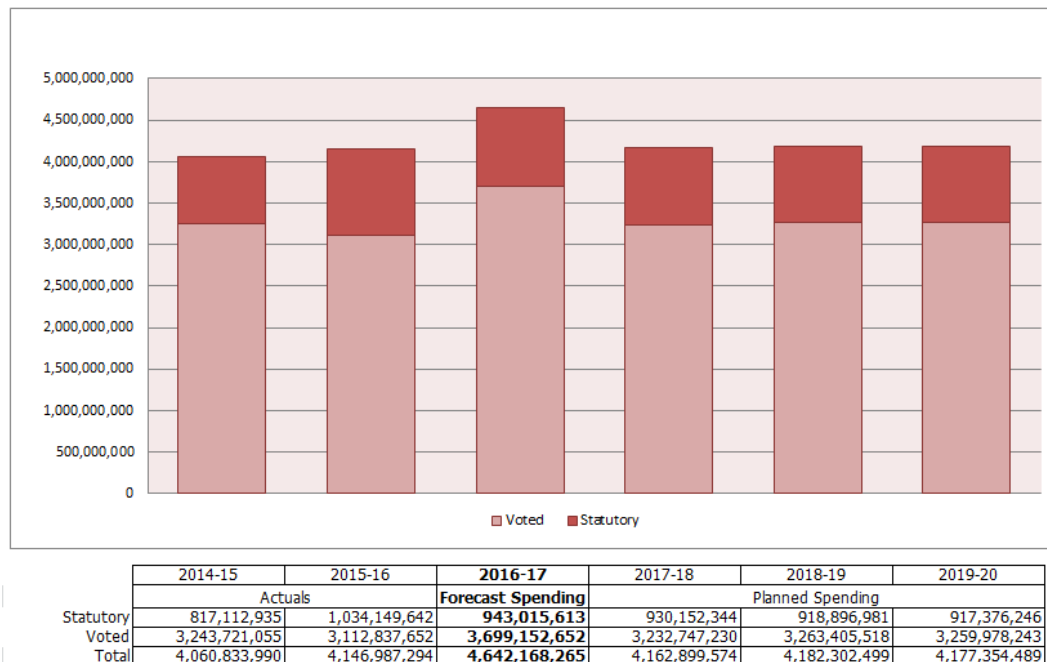
**Commissioner of Revenue and Chief Executive Officer of the CRA**  
(Appointed August 2016)

Bob Hamilton was appointed as the Commissioner of the Canada Revenue Agency (CRA) effective August 1, 2016. Prior to joining the Canada Revenue Agency, Mr. Hamilton served as Deputy Minister of Environment Canada, and Deputy Minister of Natural Resources Canada. Mr. Hamilton was appointed Senior Associate Secretary of the Treasury Board in March 2011 and named by the Prime Minister as the lead Canadian on the Canada-United States Regulatory Cooperation Council. Mr. Hamilton has held many senior positions in the Department of Finance, including Senior Assistant Deputy Minister, Tax Policy, and Assistant Deputy Minister of Financial Sector Policy. He received his Honours BA and Master's degrees in Economics from the University of Western Ontario.

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# Financial tables

## CRA spending trend



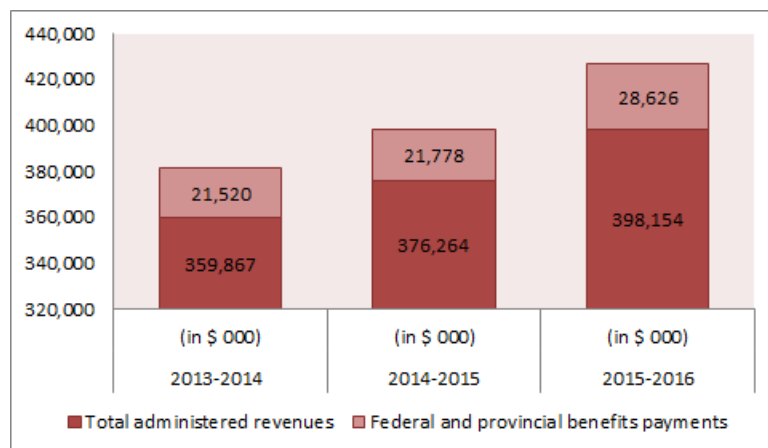
Planned spending refers to amounts in Main Estimates, as well as any other additional funding for inclusion in the Agency's reference levels, approved by Treasury Board no later than February 1, 2017. In fiscal year 2017-2018, Planned Spending is identical to expenditure levels presented in the Main Estimates.

The planned spending trend figure shows all parliamentary appropriations (Main Estimates and Supplementary Estimates) and revenue sources provided to the CRA for: policy and operational initiatives arising from various federal budgets and economic statements, transfers from Public Services and Procurement Canada for accommodations and real property services, disbursements under the Softwood Lumber Agreement, responsibilities related to the harmonization of sales tax, the children's special allowance payments, as well as the implementation of initiatives to improve efficiency.

Total spending for fiscal years 2014-2015 to 2016-2017 includes technical adjustments such as the CRA's carry-forward from the previous year and funding for maternity and severance benefits.

Over the period 2014-2015 to 2019-2020, the CRA's appropriations show an increase primarily as a result of funding received to implement and administer various measures announced in the federal budgets, transfers from Public Services and Procurement Canada for accommodation and real property services, wage settlements, as well as increases in the CRA's Statutory Authorities for children's special allowance payments. The 2016-2017 fiscal year also reflects a significant increase as a result of retroactive payments associated with collective bargaining increases for employees represented by the Public Service Alliance of Canada (PSAC) bargaining unit, as well as amounts for other bargaining units that have been set aside in anticipation of wage settlements for the period under the operating budget freeze.

These increases have been partially offset by reductions in funding for the upgrade of the individual income tax processing system and the administration of the Softwood Lumber Agreement, as well as other miscellaneous items such as decreases in Government advertising programs, the transfer of CRA training programs to the Canada School of Public Service, and changes in employee benefit plan rates.



As demonstrated in the CRA activities figure, CRA's work volume, as measured based on total administered revenues and benefit payments processed, has increased.





# Main Estimates, planned spending and full-time equivalents



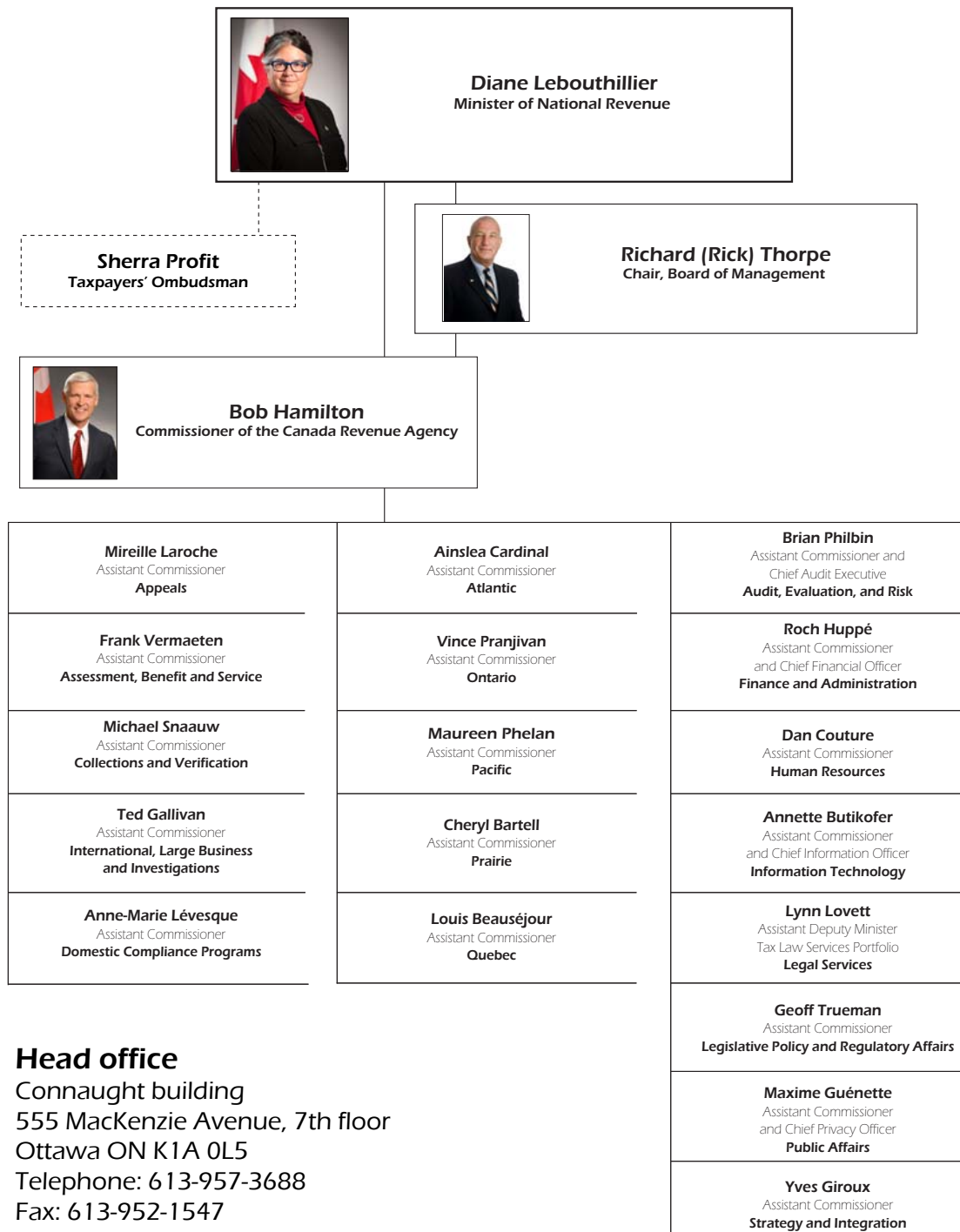
	2016-17 Forecast	2017-18 Planned	2018-19 Planned	2019-20 Planned
<b>Total Main Estimates</b>	4,085,718,183	<b>4,162,899,574</b>	4,182,302,499	4,177,354,489
Taxpayers' Ombudsman included in Main Estimates above	(3,235,854)	<b>(3,183,760)</b>	(3,203,422)	(3,200,778)
<b>Supplementary Estimates</b>				
2015 Omnibus - Part II - Legislative and enhanced compliance measures	7,541,870			
2016 Omnibus - Part I - Cracking down on tax evasion, combatting tax avoidance and enhancing tax collections	74,350,313			
2016 Omnibus - Part II - Client-focused services for Canadians and Canadian businesses	51,402,754			
Funding for the administration of the goods and services tax	30,000,000			
2016 Omnibus Part III - Various tax measures	19,003,767			
Advertising campaign	1,800,000			
Transfer from Public Services and Procurement Canada for accommodation and real property services	10,200,000			
Adjustment to the statutory forecast for disbursements to the provinces under the Softwood Lumber Products Export Charge Act, 2006	(125,600,000)			
<b>Other Adjustments:</b>				
Adjustment to the spendable non-tax revenues	214,935			
CPP/EI adjustment	4,014,518			
Funding for wage increases	126,795,869			
<b>Planned Base Spending</b>	4,282,206,355	<b>4,159,715,814</b>	4,179,099,077	4,174,153,711
Taxpayers' Ombudsman	3,235,854	<b>3,183,760</b>	3,203,422	3,200,778
<b>Items not yet included in outer years' planned spending</b>				
Carry-forward from 2015-2016	277,426,056	-	-	-
Maternity and severance payments	79,300,000	-	-	-
<b>Total Planned Spending<sup>1</sup></b>	4,642,168,265	<b>4,162,899,574</b>	4,182,302,499	4,177,354,489
Respendable non-tax revenues pursuant to the Canada Revenue Agency Act	(166,819,041)	<b>(165,720,262)</b>	(147,517,192)	(138,415,584)
Cost of services received without charge	486,549,388	<b>466,944,402</b>	467,291,590	468,166,827
<b>Total CRA Spending</b>	4,961,898,612	<b>4,464,123,714</b>	4,502,076,897	4,507,105,732
<b>Human Resources (Full-Time Equivalents)</b>				
Canada Revenue Agency	39,357	<b>39,361</b>	38,964	38,988
Taxpayers' Ombudsman	32	<b>31</b>	31	31
<b>Total Full-Time Equivalents</b>	39,389	<b>39,392</b>	38,995	39,019

# CRA planned spending and full-time equivalents

	2016-17 Forecast	2017-18 Planned	2018-19 Planned	2019-20 Planned
 				
Tax	3,119,408,919	<b>2,737,078,407</b>	2,748,402,606	2,755,219,080
Benefits	455,833,373	<b>487,819,400</b>	498,060,088	495,711,914
Internal Services	1,063,400,008	<b>934,818,007</b>	932,636,383	923,222,717
Taxpayers' Ombudsman	3,525,965	<b>3,183,760</b>	3,203,422	3,200,778
<b>Total Planned Spending<sup>1</sup></b>	4,642,168,265	<b>4,162,899,574</b>	4,182,302,499	4,177,354,489
Responsible non-tax revenues pursuant to the Canada Revenue Agency Act	(166,819,041)	<b>(165,720,262)</b>	(147,517,192)	(138,415,584)
Cost of services received without charge	486,549,388	<b>466,944,402</b>	467,291,590	468,166,827
<b>Total CRA Spending</b>	4,961,898,612	<b>4,464,123,714</b>	4,502,076,897	4,507,105,732
<b>Human Resources (Full-Time Equivalents)</b>	39,389	<b>39,392</b>	38,995	39,019

<sup>1</sup> Over the planning period (from \$4.163 billion in 2017-2018 to \$4.177 billion in 2019-2020), the CRA's appropriations show an increase primarily as a result of funding received to implement and administer various measures announced in the federal budgets, adjustments for accommodation and real property services, as well as increases in the CRA's statutory authorities for children's special allowance payments. These increases have been partially offset by decreases in spending of revenues received through the conduct of the CRA's operations for initiatives administered on behalf of the Canada Border Services Agency and the Province of Ontario as well as reductions in funding for the upgrade of the individual income tax processing system. Forecasted spending in the 2016-2017 fiscal year includes a significant increase as a result of new funding for measures announced in the 2016 Federal Budget, retroactive payments associated with collective bargaining increases for employees represented by the Public Service Alliance of Canada (PSAC) bargaining unit, as well as amounts for other bargaining units that have been set aside in anticipation of wage settlements for the period under the operating budget freeze.

# Organizational Contact Information



As of January 2017

# Taxpayer Bill of Rights

The CRA is proud to mark the 10<sup>th</sup> anniversary of the Taxpayer Bill of Rights, which confirms the CRA will serve taxpayers with a high degree of accuracy, professionalism, courteousness, and fairness. The Taxpayer Bill of Rights was developed to uphold the CRA's high service standards and to show accountability.

1. You have the right to receive entitlements and to pay no more and no less than what is required by law.
2. You have the right to service in both official languages.
3. You have the right to privacy and confidentiality.
4. You have the right to a formal review and a subsequent appeal.
5. You have the right to be treated professionally, courteously, and fairly.
6. You have the right to complete, accurate, clear, and timely information.
7. You have the right, unless otherwise provided by law, not to pay income tax amounts in dispute before you have had an impartial review.
8. You have the right to have the law applied consistently.
9. You have the right to lodge a service complaint and to be provided with an explanation of our findings.
10. You have the right to have the costs of compliance taken into account when administering tax legislation.
11. You have the right to expect us to be accountable.
12. You have the right to relief from penalties and interest under tax legislation because of extraordinary circumstances.
13. You have the right to expect us to publish our service standards and report annually.
14. You have the right to expect us to warn you about questionable tax schemes in a timely manner.
15. You have the right to be represented by a person of your choice.
16. You have the right to lodge a service complaint and request a formal review without fear of reprisal.

## Commitment to small business

1. The Canada Revenue Agency (CRA) is committed to administering the tax system in a way that minimizes the costs of compliance for small businesses.
2. The CRA is committed to working with all governments to streamline service, minimize cost, and reduce the compliance burden.
3. The CRA is committed to providing service offerings that meet the needs of small businesses.
4. The CRA is committed to conducting outreach activities that help small businesses comply with the legislation we administer.
5. The CRA is committed to explaining how we conduct our business with small businesses.

# Service standards

The CRA continues to examine opportunities to update and streamline service standards to keep pace with changes, client preferences, technology and business processes, and evolving services. The CRA considers what would be most meaningful to Canadians when updating service standards.

New this year, the CRA has simplified the presentation of its service standards by grouping them into six categories:

- > Tax returns, benefits, and claims
- > Pension, deferred, and education plans
- > Charities
- > Rulings and interpretations
- > Issue resolution
- > Enquiries and account updates

## New service standards

To ensure relevance and client-focus, and to recognize the growing use of electronic services, the CRA is introducing several new service standards:

- > a standard for My Business Account online enquiries
- > two new Debt Management Call Centre telephone enquiries standards
- > new standards focussing on issue resolution rather than acknowledgement

## Revising service standards

The CRA is also revising several service standards to:

- > focus on output instead of process
- > communicate timelines more consistently
- > adopt a common target of 95% for returns processing and account adjustments
- > merge similar services into one, with differing standards for electronic and paper, if applicable
- > streamline and simplify by combining seven enquiries services (general, business, GST/HST credit, e-Services, Charities, GST/HST rulings and interpretations, and Canada child benefit) into one service standard: Telephone enquiries service

## Retiring service standards

The CRA will retire several service standards to streamline the overall portfolio of service standards:

- > service standards for services with relatively low demand
- > timeliness for benefit applications and telephone enquiries
- > written enquiries about benefits as a result of the telephone enquiries focus
- > acknowledgement of issues will be replaced with more meaningful standards for issue resolution

## The full suite of CRA service standards for 2017-2018 is listed below



Tax returns, benefits, and claims		Target
<b>Individual income tax returns (T1)</b>	Our goal is to issue your notice of assessment within two weeks of receiving your digital individual income tax return, and within eight weeks of receiving your paper individual income tax return. <sup>1</sup>	95%
<b>Corporation income tax returns (T2)</b>	Our goal is to issue your notice of assessment within six weeks of receiving your digital corporation income tax return, and within sixteen weeks of receiving your paper corporation income tax return.	95%
<b>GST/HST returns</b>	Our goal is to issue your notice of assessment, if applicable, within four weeks of receiving your digital GST/HST return, and within eight weeks of receiving your paper GST/HST return. <sup>2</sup>	95%
<b>Trust returns (T3)</b>	Our goal is to issue your notice of assessment within seventeen weeks of receiving your trust return.	95%
<b>T1 adjustment requests</b>	Our goal is to issue your notice of reassessment within an average of two weeks of receiving your digital request to change your individual income tax return, and within an average of eight weeks of receiving your paper request to change your individual income tax return.	95%
<b>Benefit applications</b>	Our goal is to issue your notice and payment, if applicable, within eight weeks of receiving your digital benefit application, and within eleven weeks of receiving your paper benefit application.	95%
<b>Claims – SR&amp;ED tax incentives – claimant-requested adjustments to non-refundable claims</b>	Our goal is to process claims for tax incentives from businesses that conduct scientific research and experimental development (SR&ED) in Canada within 365 calendar days from receipt of a complete claim for non-refundable claims related to adjustments requested to previously filed income tax returns.	90%
<b>Claims – SR&amp;ED tax incentives – claimant-requested adjustments to refundable claims</b>	Our goal is to process claims for tax incentives from businesses that conduct scientific research and experimental development (SR&ED) in Canada within 240 calendar days from receipt of a complete claim for refundable claims related to adjustments requested to previously filed income tax returns.	90%



Tax returns, benefits, and claims		Target
<b>Claims – SR&amp;ED tax incentives – non-refundable claims</b>	Our goal is to process claims for tax incentives from businesses that conduct scientific research and experimental development (SR&ED) in Canada within 365 calendar days from receipt of a complete claim for non-refundable claims.	90%
<b>Claims – SR&amp;ED tax incentives – refundable claims</b>	Our goal is to process claims for tax incentives from businesses that conduct scientific research and experimental development (SR&ED) in Canada within 120 calendar days from receipt of a complete claim for refundable claims.	90%
<b>Claims – video and film tax credits – refundable claims – audited</b>	Our goal is to review T2 corporation income tax returns that include claims for the Canadian Film or Video Production Tax Credit, the Film or Video Production Services Tax Credit, the B.C. Film and Television Tax credit, the B.C. Production Services Tax Credit, the Manitoba Film and Video Production Tax Credit, and the Ontario Film and Television Tax Credit, and the Ontario Production Services Tax Credit within 120 calendar days from the date of receipt where audit action is undertaken.	90%
<b>Claims – video and film tax credits – refundable claims - unaudited</b>	Our goal is to review T2 corporation income tax returns that include claims for the Canadian Film or Video Production Tax Credit, the Film or Video Production Services Tax Credit, the B.C. Film and Television Tax credit, the B.C. Production Services Tax Credit, the Manitoba Film and Video Production Tax Credit, and the Ontario Film and Television Tax Credit, and the Ontario Production Services Tax Credit within 60 calendar days from the date of receipt where no audit action is undertaken.	90%

<sup>1</sup> Timeline is only valid for returns received on or before filing due dates.

<sup>2</sup> You will not receive a notice of assessment if there is no balance or credit owing.



Pension, deferred, and education plans		Target
<b>Deferred income plans – response to written enquiries</b>	Our goal is to respond to a written enquiry within 60 calendar days.	80%
<b>Actuarial valuation reports</b>	Our goal is to provide a decision on the recommended employer contributions to a registered pension plan, within 270 calendar days of receipt of the actuarial valuation report.	80%
<b>Applications to register pension plans and deferred profit sharing plans</b>	Our goal is to provide a decision within 180 calendar days of receipt of an application to register a pension plan or a deferred profit-sharing plan.	85%
<b>Education savings plans (applications to register, amend, or terminate)</b>	Our goal is to provide a decision within 60 calendar days to a request to approve, amend, or terminate a specimen for an education savings plan.	85%
<b>Retirement income funds (applications to register, amend, or terminate)</b>	Our goal is to provide a decision within 60 calendar days to a request to approve, amend, or terminate a specimen for a retirement income fund.	80%
<b>Retirement savings plans (applications to register, amend, or terminate)</b>	Our goal is to provide a decision within 60 calendar days to a request to approve, amend, or terminate a specimen for a retirement savings plan.	80%



Charities		Target
<b>Charities – written enquiries</b>	Our goal is to review and respond to a routine <sup>1</sup> written enquiry within 45 calendar days, and review and respond to a complex <sup>2</sup> written enquiry within 120 calendar days.	80%
<b>Charities – responding to applications</b>	Our goal is to respond to a complete simple <sup>3</sup> application for charitable registration within two months, and respond to a complete regular <sup>4</sup> application for charitable registration within six months.	80%

<sup>1</sup> An enquiry that is generally recurring and that needs little research and analysis.

<sup>2</sup> An enquiry that is specific to a given charity or a donor and needs research or analysis, as well as consultation with internal stakeholders.

<sup>3</sup> An application that has only charitable purposes and activities and for which no more information is needed.

<sup>4</sup> An application for which we need more information before we can determine if the organization qualifies for charitable registration.



Rulings and interpretations		Target
<b>GST/HST rulings and interpretations – written enquiries</b>	Our goal is to respond to written requests for a GST/HST ruling or interpretation within 45 business days of CRA receipt of the request and all the relevant facts and supporting documentation. This excludes highly technical and precedent and/or policy-setting rulings and interpretations.	80%
<b>Advance income tax rulings</b>	Our goal is to issue an advance income tax ruling within 90 business days of receipt of all essential information from the client.	85%
<b>Technical interpretations</b>	Our goal is to issue a technical interpretation within 90 business days of receipt of all essential information from the client.	85%



Issue resolution		Target
<b>Taxpayer Relief Program</b>	Our goal is to issue a decision on a taxpayer relief request to cancel or waive penalties and interest within 180 calendar days.	85%
<b>Income Tax and Commodity Tax Objections<sup>1</sup></b>	Our goal is to resolve a low-complexity tax objection within 180 calendar days.	80%
<b>Service Complaints – 30 day resolution</b>	Our goal is to resolve the complaint within 30 business days.	80%

<sup>1</sup> Service standards are being reviewed to address the recommendations of the Auditor General.



Enquiries and account updates		Target
<b>Telephone enquiries service<sup>1</sup></b>	Our goal is to respond to your telephone call within two minutes of your choosing to speak to an agent.	80%
<b>My Business Account enquiries</b>	Our goal is to respond to your enquiries submitted through the My Business Account within two weeks.	95%
<b>Debt Management Call Centre – tax programs telephone service level</b>	Our goal is to respond to a call in the agent queue within one minute.	80%
<b>Debt Management Call Centre – government programs telephone service level</b>	Our goal is to respond to a call in the agent queue within two minutes.	80%
<b>Authorize or cancel a representative</b>	Our goal is to update your account information within three business days of receiving your digital request to authorize or cancel a representative, and within four weeks of receiving your paper request <sup>2</sup> to authorize or cancel a representative.	95%

<sup>1</sup> This service standard is made up of the following telephone enquiries service standards: general enquiries, e-Services Helpdesk enquiries, business enquiries, Canada child benefit enquiries, charities enquiries, GST/HST rulings and interpretations enquiries, and GST/HST credit enquiries.

<sup>2</sup> A paper request includes one that is sent online using our “Submit Documents” service.