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Chair: The Honourable Wayne Easter



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• (1400)

[English]

The Chair (Hon. Wayne Easter (Malpeque, Lib.)): We'll call the meeting to order. Welcome to meeting number 60 of the House of Commons Standing Committee on Finance. Pursuant to Standing Order 108(2), the committee is meeting to study the coming into force of Bill C-208, an act to amend the Income Tax Act (transfer of small business or family farm or fishing corporation).

We went through the rules for this room this morning, on the pandemic and social distancing and so on, so we don't need to go through those again.

We'll start with the witnesses.

I see, Ms. Aitken, you've been working steadily. We've had you on screen here and you've been getting a lot of work done while you've been waiting for us to come on.

We welcome Ms. Aitken, executive director and senior general counsel, finance legal services, law branch. Then we have Mr. Jovanovic, associate assistant deputy minister, tax policy branch; and Trevor McGowan, director general, tax legislation division, tax policy branch.

Trevor is no stranger to this committee. I think he has spent pretty near as many hours as some of us have. Am I right, Ed?

I don't believe there's an opening statement. If there is, raise your hand or yell. Otherwise we'll start with questions, six-minute rounds, with Mr. Fast, Ms. Dzerowicz, Mr. Ste-Marie and Ms. Mathysen.

Mr. Fast, you're first on deck. Welcome. Go ahead.

Hon. Ed Fast (Abbotsford, CPC): Well, thank you, Mr. Chair. My questions will be for Mr. McGowan.

Trevor, you've been at parliamentary committees many times before, as the chair has suggested, so you know the drill. When private members' legislation comes before a committee, we generally have a robust discussion about the legislation. The government, through its MPs, has the ability to bring forward amendments that would fix loopholes or deficiencies in those bills.

Mr. McGowan, you were present at committee as a witness, as Bill C-208 was being discussed. Is that correct?

Mr. Trevor McGowan (Director General, Tax Legislation Division, Tax Policy Branch, Department of Finance): That is correct.

Hon. Ed Fast: All right. Your recent press release, the finance department's press release dated July 19, highlights four specific loopholes that it feels should be fixed in Bill C-208. My question to you is, when you appeared before committee as a witness to discuss this bill, did you or any of your officials recommend amendments that would have addressed the shortcomings Bill C-208 had, and specific wording for those amendments?

Mr. Trevor McGowan: As was stated, my colleague Shawn Porter and I appeared before the House finance committee and the Senate committee on agriculture to discuss Bill C-208 and provide comments on the technical aspects of the bill. During that time, we provided technical commentary and analysis in respect of the bill, but our involvement was limited to that. We weren't suggesting amendments, but certainly we did raise some of the concerns that are alluded to or mentioned in the July 19 press release.

Hon. Ed Fast: What was the purpose of your appearing before committee if there was no process by which Finance could inform the committee and provide it with the assistance and the wording for amendments that could have fixed the so-called loopholes that you've identified after the fact?

Mr. Trevor McGowan: As I understood it, the purpose of my appearance before the House finance committee was to provide information and analysis on the technical aspects of the bill so that members of the committee had the appropriate information to make decisions.

• (1405)

Hon. Ed Fast: Okay, so after royal assent, somebody in government, maybe in Finance or maybe in the Prime Minister's Office, made the decision to announce that Bill C-208 would not be applied. In other words, it wouldn't be implemented right away. Is that correct?

Mr. Trevor McGowan: Just to be technical in the terminology, when Bill C-208 received royal assent, it became effective. It became part of law. It amended the Income Tax Act. On June 29, the date of royal assent, Bill C-208 amended the Income Tax Act. As of that date, the provisions it had amended were part of Canadian law. That's the date on which it came into law. That's just a fact and not something that could be changed.

Hon. Ed Fast: Well, let me say this: I'm so glad that you're now acknowledging that Bill C-208 became the law on June 29. It's something that was not reflected in your June 30 press release.

I want to know who it was in your department, or who it was in government, who made the decision not to respect Bill C-208 and issue the press release that led to the confusion, and quite frankly the bewilderment, of the small business community in Canada.

Mr. Trevor McGowan: I suppose there are two things to discuss there. The first relates to the decision-making process in terms of the press release. In that, the department follows the regular approval process that we use for all of our public communications projects, in alignment with the requirements of the federal communications policy.

In terms of the substantive portion of the question, as I said, on June 29 Bill C-208 produced its effect and amended the Income Tax Act. The government's announcement on June 30 was that the government proposes to introduce legislation providing that the amendments would apply only as of January 1, 2022. It's perhaps a technical point that the June 30 amendment would amend the Income Tax Act, which had been amended by Bill C-30 ahead of time, but the government was announcing its intention to table legislation to provide a January 1, 2022, application date.

Hon. Ed Fast: Trevor, really, that is a re-characterization of what has happened. The June 30 press release made it very clear that the government was going to withhold implementation of Bill C-208 until it had a chance to amend it. In that, it was moving in a way that effectively defied the will of Parliament. My question, which you didn't answer, is who in Finance or who in government actually made the decision that was then reflected in the press release that was issued on June 30?

Mr. Trevor McGowan: Well, as I said, getting back to the—

Hon. Ed Fast: Answer the question.

Mr. Trevor McGowan: —approval process for the press release, it followed the normal federal communications policy, which involved a number of groups or branches within the Department of Finance working on the press release, so—

Hon. Ed Fast: I'm not asking about process. I'm asking who made the final decision—

The Chair: Mr. Fast, give Mr. McGowan the opportunity and the courtesy of time to answer the question—

Hon. Ed Fast: With respect, Mr. Chair, you know what he's doing. He's not answering the question. I asked who, and he will not provide me with that answer.

All we want to know is this: Who's the decision-maker who made the decision to issue the press release that reflected the government's decision not to respect the will of Parliament?

The Chair: You've been in government, and in these matters it isn't usually a single individual.

Mr. McGowan, answer as specifically as you can, please.

Mr. Trevor McGowan: Thank you.

I just want it to be clear that in terms of the press release, we're being clear on specifically what it did. In terms of who made the decision, the press release stated that the “government” proposes to introduce legislation. That is a reference to the elected Government of Canada and its intention to table a bill. That is a proposal of the Government of Canada and not—

• (1410)

Hon. Ed Fast: That's right. Let me stop you right there.

The Chair: You're out of time, but I will give you and others time as well. That will be the last question.

Hon. Ed Fast: Thank you, Mr. Chair.

Who in the elected government made the decision to issue this release, or to instruct your department to issue this release, which has led to all of this confusion?

The Chair: Mr. McGowan, I believe you answered that question, but go ahead. We'll give you another snap at it.

Hon. Ed Fast: No, he hasn't answered the question.

Who in the elected government made that decision?

The Chair: That's the last question, Mr. Fast.

Hon. Ed Fast: You guys are awful.

The Chair: I have a point of order from Mr. Gerretsen. I'm sorry, Mr. McGowan.

Mr. Mark Gerretsen (Kingston and the Islands, Lib.): With all due respect, Mr. Chair, Mr. Fast just said, off the cuff, “You guys are awful.” Can he explain who he is referring to? Is it the departmental officials who are before us? If so, he owes an apology for that comment.

The Chair: I'm going to leave it at that. You've made your point.

Mr. McGowan, do you want to say a couple of last words in this round? Then we'll move on to Ms. Dzerowicz.

Mr. Trevor McGowan: As I said, it was an announcement of the government's proposal. As we start with the approval process, of course the Department of Finance officials provide advice to the minister, and then we implement the government's decisions. I was simply trying to highlight the fact that this was a government proposal to table a bill in Parliament that would affect the application date of the amendments included in Bill C-208.

The Chair: Thank you.

Hon. Ed Fast: On a point of order, Mr. Chair, my comment that “you guys are awful” was not addressed to our civil servants, and it certainly wasn't addressed to Mr. McGowan. It was addressed to my Liberal friends across the table from us, who were heckling and guffawing about our asking very significant questions of Mr. McGowan related to Bill C-208.

The Chair: We'll leave it at that on the across the table. We're more than two sword lengths apart here, so we're okay at the moment. We will go to Ms Dzerowicz.

Because we don't have the witnesses here at the table, Mr. McGowan, if some of your other colleagues want to come in and assist on an answer or give an answer, they'll have to yell, I guess. It's the only way I can bring them in, or you can direct us that way.

Ms. Dzerowicz, go ahead for six minutes, if you could, or a little better.

Ms. Julie Dzerowicz (Davenport, Lib.): Thank you so much, Mr. Chair.

I want to thank the three officials from our Department of Finance for being here today. I really appreciate their being here to answer our questions.

I want to start off by clarifying a couple of things, because I think it's important to have this on the record. Could you please explain the difference between coming into force and application, or coming into effect?

Mr. Trevor McGowan: It is a somewhat arcane thing that doesn't come up much, but it is critically important in the preparation of tax amendments.

As I said initially, for example, the amendments in Bill C-208 came into force on the date they received royal assent; that is to say that the bill amended the Income Tax Act on that date.

That doesn't necessarily mean their application to any particular transaction is going to be clear. In particular, when we're putting together income tax amendments, we typically set out specific application dates. For example, one reading of a coming-into-force date in the middle of a taxation year is that it applies to transactions that occur on or after the date of royal assent. Another reading of the measure is that because a taxpayer's liability for tax crystallizes at the end of the taxation year when it is computed, it's the law at the end of the taxation year that is relevant for the purposes of computing tax.

A coming-into-force date that simply appears in the act on, let's say, June 29, is ambiguous in that it's not clear if it applies to transactions that occur on or after that particular date or for the 2021 taxation year. That's the reason we typically, in drafting income tax amendments, set out specifically when an amendment applies. It could apply, for example, in respect to transactions that occur on or after a particular date. It could apply as of a particular taxation year. There are a number of different formulations. We do that to address that and provide clarity—

● (1415)

Ms. Julie Dzerowicz: Thank you. I'm sorry, but it's past two minutes now, and I have to get to a few more questions. I appreciate your response.

I'll get to it very quickly. What was the intention behind the June 30 news release? Was it to change the coming-into-force date, the date on which Bill C-208 came into law?

Mr. Trevor McGowan: I apologize. I'll try to be more brief.

As I said, the coming into force of Bill C-208 was a factual matter. It amended the Income Tax Act on June 29. That's just when it produced its effect.

The proposed amendment would.... Of course, it would have to be included in a bill, as stated. The government would have to propose it to introduce legislation, and that bill would need to receive royal assent. If passed, it would have the effect of providing that the

amendments that had been made as a result of Bill C-208 would apply as of January 1, 2022.

Ms. Julie Dzerowicz: It would go into effect, but the amendments would be applied after January 1, 2022, according to the news release.

Mr. Trevor McGowan: Yes. It's quite common that when income tax amendments are made, they apply as of a future date. A bill like Bill C-30, the recent budget bill, might have a number of amendments that, even though it also received royal assent on June 29, might not start to apply until a later taxation year or a later date in the future, in order to give the taxpayers and the tax administration time to respond.

Ms. Julie Dzerowicz: If I own a family farm right now and I decide I'm going to sell it to my daughter, and that transaction happens over the next month, what actually happens? Does Bill C-208 apply, or is whatever is passed or introduced as of November 1 retroactive to sales after June 29?

Mr. Trevor McGowan: The July 19 announcement provided that Bill C-208 amendments currently apply and that any new amendments put forward by the government, which as we discussed would need to be included in a bill and passed through Parliament, would not apply before November 1, 2021.

Ms. Julie Dzerowicz: If I sold a farm to my daughter right now, would Bill C-208 apply, including whatever amendments we actually make for the income tax provisions that we introduce after November 1?

Mr. Trevor McGowan: The relevant provisions of the Income Tax Act as amended by Bill C-208 would apply to a transaction undertaken today. That's based on yesterday's press release. The government announced that any new amendments would not apply before November 2021. For any transaction undertaken between now and the end of October, the government announced that whatever new conditions it might include in the bill, which, again, would need to be passed by Parliament, would not apply.

Ms. Julie Dzerowicz: I'm actually clear on that, thank you.

I have another question. As you know, Mr. McGowan, the bill that finally passed.... It's actually after the third time of being introduced into the House of Commons that it has passed. It's been discussed for probably around 10 years within the finance department. We know that the U.S. and Quebec already have a model that works. Why is it taking so long to address the loopholes we've identified?

● (1420)

Mr. Trevor McGowan: It's a complex issue with a number of competing factors. As I said in my earlier committee appearance, a lot of people have an intuitive sense of what it means to transfer a business to the next generation, but it is a difficult thing to legislate with precision so that all of the genuine intergenerational transfers are accommodated under the rules but more contrived or artificial transactions are not. It is a complex thing.

Ms. Julie Dzerowicz: Thank you.

The Chair: Did you want to add more there, Trevor?

Mr. Trevor McGowan: No, thank you.

The Chair: All right. We'll go to Mr. Ste-Marie, followed by Ms. Mathysen.

[*Translation*]

Mr. Gabriel Ste-Marie (Joliette, BQ): Thank you, Mr. Chair.

I'd like to welcome the witnesses and thank them for being with us today.

Before I get to my questions, I want to recognize the important work that senior officials and all employees at the Department of Finance have done during the pandemic. This committee met often, and we regularly heard from department officials. They have done incredible work to save the economy. I want to commend them and thank them again for all their hard work.

My questions are for Mr. McGowan.

After yesterday's news release and Ms. Bendayan's earlier comments, everything was clear in my mind, but the answers, details and clarifications you gave Ms. Dzerowicz confused me. Therefore, I'm going to ask you the same question.

Since Bill C-208 received royal assent in June, the provisions in Bill C-208 have applied in the case of parents who sell their farm or family business to their son or daughter. Is that correct?

[*English*]

Mr. Trevor McGowan: Right now that is absolutely correct. What I was saying with respect to the government's July 19 announcement was that while the government has announced its intention to provide additional conditions that may need to be met at the end of a consultation process, those new conditions would not apply before November 2021. Right now the rules in the Income Tax Act that were amended by Bill C-208 are the law and can be relied upon.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you.

Julie Bissonnette of the Fédération de la relève agricole du Québec wanted to ask you that question. Both my fellow member Ms. Dzerowicz and I have asked it now. You gave a clear answer, which I appreciate.

Nevertheless, something you said in response to my fellow member's question worried me, and you said it again when you answered my question. You said that it has been that way since yesterday's news release. This morning, however, the law clerk for the House of Commons and former members of the House told the committee that it has actually been that way since the bill received royal assent, regardless of what the news release said. Yesterday's news release reiterated that fact. However, since Bill C-208 received royal assent, it has been possible to sell a business for the purposes of an intergenerational transfer of a family farm with the usual rights and benefits. Is that correct?

[*English*]

Mr. Trevor McGowan: If I understand the question correctly, right now the rules as enacted by Bill C-208 apply and can be relied upon. It is the law of the land.

[*Translation*]

Mr. Gabriel Ste-Marie: Very good. Thank you.

Now I'm going to move on to another topic; it has to do with the amendments. As you said, in yesterday's news release, the government announced its intentions to make changes to the amendments set out in Bill C-208. It is our understanding that a new bill will be introduced to amend the changes contained in Bill C-208, without altering the bill's intent.

Something about this whole process surprises me. As we heard this morning, the first reading of the bill took place on February 19, 2020. That means the period between when the bill was given first reading and when it received royal assent was 527 days. As Mr. Dufresne, the law clerk, pointed out this morning, at almost every stage of the legislative process, the government could have brought forward the amendments it is now saying it will introduce in a future bill.

I gather from the answers you gave Mr. Fast that, when Bill C-208 was at committee stage, the government had not asked the Department of Finance to draft amendments to the bill that would close the potential tax loopholes. Is that correct?

• (1425)

[*English*]

Mr. Trevor McGowan: As part of our committee appearance this spring to discuss Bill C-208, the departmental officials were present to help explain the technical aspects of the bill, and I would need to defer to the honourable chair of the committee in terms of the rules. I'm not even aware of whether departmental officials could table amendments to a bill at a committee hearing, or whether that would have to be done by another—

[*Translation*]

Mr. Gabriel Ste-Marie: Pardon me, Mr. McGowan. I don't think I made myself clear. I meant that it was up to members of the government, not public servants or senior officials, to bring forward amendments that would have addressed the concerns you raised with the government regarding this bill.

My question is this. Did the government ask you to draft amendments to rectify the potential problems resulting from Bill C-208, amendments that could have been proposed when the bill was being studied by the committee? Did the government ask you to draft such amendments?

[*English*]

Mr. Trevor McGowan: In connection with my last statement, I want to answer the questions as fully as possible, but that starts to get pretty close to describing our advice and internal instructions from the government. I would defer to my colleague Jenifer as to whether that's something that can be appropriately answered.

The Chair: Ms. Aitken, would you like to come in? I think it's pretty clear that the officials would advise government on what amendments should be made, and those would have to come forward at that stage as either government amendments or those by a member of the committee. I think that's the procedure.

Ms. Aitken, do you want to come in?

Ms. Jenifer Aitken (Executive Director and Senior General Counsel, Legal Services, Law Branch, Department of Finance): Mr. Chair, I think you've expressed it very well in terms of what we are or are not at liberty to say. I agree with Mr. McGowan that we want to say everything we possibly can to be helpful—that's what we're here for—but we're not at liberty to talk specifically about questions of advice. I think, Mr. Chair, you explained the process.

The Chair: That's fine. We understand that there's the political side and there's your side. I thank you all for that round.

We'll go to Ms. Mathysen for six minutes, and she will be followed by Mr. Kelly for five.

Ms. Lindsay Mathysen (London—Fanshawe, NDP): Thank you, Mr. Chair.

I want to back things up a little and go back into the history of this bill. As Ms. Dzerowicz mentioned, there were several iterations of it. Of course I refer to the NDP version of this, Bill C-274, which was actually voted against by this government, and which we were told would not pass.

However, after the election, in budget 2019, it was indicated that a similar piece of legislation would come forward to help farmers, small businesses and fishing businesses, and in fact it was also in the minister's mandate letter from the Prime Minister.

Can you indicate to this committee what plans and what directions were received from government, from the minister as directed by the PMO, to put forward this legislation? I think, to build upon what my colleague Mr. Ste-Marie was discussing, with all of that time and with those plans in place, why were a lot of the amendments that came forward under Bill C-208 not prepared for legislation?

• (1430)

The Chair: Mr. McGowan or Ms. Aitken, we may be—

Ms. Lindsay Mathysen: That's for whoever is allowed to answer.

Mr. Miodrag Jovanovic (Associate Assistant Deputy Minister, Tax Policy Branch, Department of Finance): Maybe I can take this one.

Mr. Chair, I think the question goes somewhat in the same direction as the previous one. It seems to be related to the nature of the advice provided to the government. I don't think it would be appropriate for us to go into any detail as to the advice that was provided or what the advice would cover. I would just say our role as tax policy officials in the department is to make sure that on an ongoing basis the department and the government have all they need to make decisions. Our role is to try to provide advice to the extent possible and—

Ms. Lindsay Mathysen: I appreciate and understand that, and I understand the response that was given previously. However, I

would argue that this is actually the other way, right? This is direction from the government—coming through the minister, coming through a mandate later and coming through budget 2019—and you were told to put it forward in terms of ongoing or upcoming legislation that the government had in its plans. It would be going the other way.

Mr. Miodrag Jovanovic: I would maintain my answer, that effectively it would not be for me to say, for instance, what measure has been considered by cabinet, which would potentially become a cabinet confidence. I don't think I'm at liberty to say whether following the commitment made in 2019 or in the mandate letter a specific proposal had indeed been put forward and discussed with the government. I'm not sure I'm at liberty.

The Chair: It's just the other way around, Ms. Mathysen. I think Mr. Jovanovic is correct on that.

Ms. Lindsay Mathysen: Okay. That's fair enough.

Could we then discuss those specific amendments that are being brought forward and that were in the newly released press release in which clarification was provided? It's my understanding that the government said that parents could already sell to their children on a tax-free basis, using a lifetime capital gains exemption, before this Bill C-208 was brought forward. Is that true or is that false? I believe it was in a speech from Mr. Gerretsen, actually, when he was discussing Bill C-208.

Mr. Trevor McGowan: That's correct. The amendments relating to Bill C-208 apply only where an individual sells shares to a corporation owned by their child or grandchild. On a direct sale of shares from a parent to their child, the anti-avoidance rule in section 84.1 would not apply, to cause there to be a dividend. In fact, assuming all the conditions are met, the lifetime capital gains exemption can apply to eliminate tax—or up to the lifetime capital gains exemption limit anyway—on any gains.

Ms. Lindsay Mathysen: One of the requirements or the amendments being made was that enough time and a specific timeline be put forward for that transition to ensure that it was a legitimate.... It's the idea of a legitimate sale to a child. Within that Bill C-208 legislation, it also says, though, that the person receiving the gift of this farmer or small business would have to own it for five years. Why is that not good enough within the Bill C-208 legislation?

• (1435)

Mr. Trevor McGowan: There are a few technical issues with that. First of all, the amendments enacted by Bill C-208 place the five-year, or 60-month, holding period on the corporation that purchases the shares from the parent, and not the child. There's actually no requirement in Bill C-208 that the child maintain any sort of share ownership in the business. It's the corporation that purchased it. The child could, in fact, sell the shares of the [*Technical difficulty—Editor*] within the five-year window.

The Chair: This is your last question, Ms. Mathysen.

Ms. Lindsay Mathysen: Well, it's just confusing. Where these amendments don't.... They seem to do what's already being done, and if not.... It's that there's a belief that ultimately these families and these children are trying to undermine the government, to take advantage of tax loopholes. I find it interesting that the government now is so interested in closing tax loopholes where it wasn't before. However, it seems that a lot of this was already done and that these amendments may be redundant.

The Chair: Do you have any thoughts on that, Mr. McGowan?

Mr. Trevor McGowan: As I said, the five-year holding period imposed by the rules enacted by Bill C-208 applies to the purchasing corporation and not the child. The child could sell within that period. It does not actually provide an effective rule that would require the child to indirectly hold shares for five years.

I should say as well that the government's news release that went out yesterday did not provide specific amendments that would be made. Rather, it announced a general set of issues that would be taken into consideration in the development of draft legislative proposals. Those included the transfer of legal and factual ownership of the corporation to the child, the extent to which the involvement of the business is transferred from the parent to the child, and some other measures like that. It was more a description of the types of issues that would be considered in the development of draft legislation than a specific set of draft legislative proposals that was announced yesterday. The draft legislative proposals, I think, would be released at an early opportunity and then subject to comments. The final draft legislative proposals would be released later on.

The Chair: Thank you, all.

We'll go to five-minute rounds.

Mr. Kelly, you're up, followed by Mr. Fragiskatos.

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Thank you, Mr. Chair.

Mr. McGowan, Mr. Fast asked you many times in his opening statement who authorized the announcement or who decided to put that announcement out. The first several times, you didn't answer the question, merely referring to the regular process. The final time, you spoke of members of the elected government as making the decision on this announcement. By that I presume you mean the Prime Minister, other members of his cabinet, or the members of their offices who serve them.

Can you tell the committee who in the elected government decided to put out the first notice on June 30 to announce that you were not implementing a law passed by Parliament?

Mr. Trevor McGowan: Thank you for the opportunity to continue that. I apologize if my answers were a bit long-winded in getting to the point. To your question on who decided to announce that the amendments would apply as of June 30, as I said, it was an announcement of the Government of Canada. It's something that the department officials briefed on, the minister made her decision, and it was implemented—

Mr. Pat Kelly: Did I just hear you correctly that it was the minister who decided that you would delay implementation of a law passed by Parliament? Was that the Minister of Finance?

Mr. Trevor McGowan: You see, that's part of the difficulty in answering the question, because the announcement was not to delay implementation of a bill passed by Finance. Rather, it was to table a bill in Parliament that would, if passed by Parliament and given royal assent, provide that amendments, or rules in the Income Tax Act that had been implemented through Bill C-208, apply starting as of January 1, 2022. Of course, as we discussed, the amendments to the Income Tax Act were made on June 29. There was nothing that could be delayed on that front.

As I have said before, including before the senate committee on agriculture, the CRA would apply the law as enacted, because it is the law of the land, barring some future Parliament action.

• (1440)

Mr. Pat Kelly: Mere hours before this committee meeting was scheduled to begin, where parliamentarians could demand answers as to why this announcement of June 30 went out, there was a clarification to backpedal this announcement.

Again, the question I really want clarity around is this: Whose idea was it in the first place to delay? The June 30 announcement is pretty clear. It talks about the absence of an application date. It talks about implementing on January 1 following amendments. You said “the minister” in your last answer to me. Can you clarify that you meant the Minister of Finance?

The Chair: Mr. Jovanovic.

Mr. Trevor McGowan: I see that Mio has joined in.

Mr. Miodrag Jovanovic: Yes, if I may, Mr. Chair. Thank you.

I think I would like to maybe go back to the nature of the announcement to understand the process here.

Mr. Pat Kelly: Please answer the question.

Mr. Miodrag Jovanovic: I think it's instrumental to understanding the decision process, because what happened in this instance is no different from what happens in all other instances where the elected government announces that it intends to table legislation, if Parliament approves, to modify existing legislation.

Just to be clear, this is exactly what happened here with the announcement on June 30. It's no different. The process we follow is that typically we provide advice and options to the government. It's frank and impartial advice. The government deliberates. At the political level, it has its own set of considerations. We don't necessarily participate in those discussions. The government makes a decision, and we have to implement that. As part of the implementation, we continue to provide advice to make sure—

Mr. Pat Kelly: I'm sorry. I'm going to have to interrupt. You're—

The Chair: I'll give you the time. We'll go over the time a little, because we're going to have lots of time in this two-hour panel, but I want Mr. Jovanovic to have time to respond to the question.

Mr. Miodrag Jovanovic: Thank you, Mr. Chair.

In this instance, when a decision is made to release that announcement, we want to make sure that the announcement reflects the decision of the government, that it is technically accurate, and that it is respectful of the role of Canadian institutions, including Parliament. That is our primary role and, to the extent possible, we hope we do it properly.

When it comes to determining who made the decision, it's unfortunate but we really cannot provide more answer to that.

Mr. Pat Kelly: We've had about 10 minutes now of the question from my Conservative opposition colleagues, and in this time we've circled it down to a "minister" seems to have the decision. We can't confirm yet which one, but that was the question, whether it was the Minister of Finance.

Further to that, I take you to the June 30 announcement. This announcement speaks of the bill having received royal assent but not having an application date. Then it goes on to talk about amending it and starting on January 1.

I don't really even want to go down that path any further about what the amendments you may propose might be. We'd like to know who made the decision on that press announcement—which minister.

The Chair: I actually think, in fairness, Mr. Kelly, the witnesses have said all they can on that subject. Any decision is by executive council as a whole. Whatever specific minister helped make the decision, it's a matter of cabinet decision.

• (1445)

Hon. Ed Fast: Did cabinet make the decision?

The Chair: Well, it's the executive council, at the end of the day. You know that. You've been in cabinet.

Mr. Pat Kelly: This was a decision of cabinet, not of the department.

The Chair: I don't know if you want to add anything further on that, Mr. Jovanovic.

Mr. Pat Kelly: This was the decision of the executive council.

Mr. Miodrag Jovanovic: No, Mr. Chair, I think I'm fine.

The Chair: All right.

We'll go to Mr. Fragiskatos.

Mr. Peter Fragiskatos (London North Centre, Lib.): Thank you, Chair.

Thank you to the officials.

Mr. Chair, I will be splitting time with Mr. Gerretsen.

The Chair: We have lots of time for everybody to get on, if you don't want to split, but go ahead. You can split this time and come back later.

Mr. Mark Gerretsen: I'm still going to take my turn.

Mr. Peter Fragiskatos: There still may be an opportunity to split with Mr. Gerretsen. He can have his turn too.

The Chair: You can split and then come back and split again, if you like.

Pat is going to chair for a minute.

Mr. Peter Fragiskatos: For reasons that I'm about to put on record, Mr. Chair, I think you'll see why there's a need to split time.

I guess this could go to any official, but I'll begin with you, Mr. McGowan. Did you have an opportunity to hear the testimony this morning offered by Mr. Dufresne, who serves, as you know, as Parliament's chief legal counsel and is the law clerk for Parliament?

Mr. Trevor McGowan: Unfortunately, I was in meetings this morning, but I had a summary of that prepared for me by some of my colleagues.

Mr. Peter Fragiskatos: As part of that summary, perhaps you would have seen that Mr. Dufresne made clear when I asked him—I think this question was put to him by others as well—that yesterday's press release clarifies the matter. If clarity was needed, yesterday's press release makes things absolutely crystal clear. That is to say that by recognizing Bill C-208 in the way that the government did yesterday, the matter is a matter of law that came into being through royal assent. While my friends in the opposition can point to one press release, interestingly enough they're pointing to one press release but not yesterday's. They're pointing to one released a few weeks ago.

We've provided clarity here on the matter today through a meeting called by the chair. To his credit, I think it was a good idea to call the meeting. However, there's no air in this balloon, colleagues. I don't understand. We can go around and offer hypotheticals about what might be, what could be, what happens months from now and years from now, but that's all hypothetical. We have to focus on the concrete. I think we have, through the statement that was offered yesterday through the Department of Finance, a very clear understanding now that the government recognizes that Bill C-208 is a matter of law.

Mr. McGowan, you offered an answer when prompted. I'm not sure who put the question. Maybe it was Mr. Fast. I remember your statement that Bill C-208 is now the "law of the land". Is that accurate? Can we understand it that way?

Mr. Trevor McGowan: Yes. It amended the Income Tax Act and produced its effect. The amendments it introduced are now part of the law of Canada.

Mr. Peter Fragiskatos: Well, I'm satisfied. As I said before, I wanted that understanding, because I voted for this bill. I think it was worth supporting. We can go around, and colleagues will take their time to ask questions that they think need to be put on record. I won't question their privilege to do so, but we really are spinning our tires. I think the matter has been resolved.

I'll turn to Mr. Gerretsen to fill out the rest of the time.

Mr. Mark Gerretsen: Given what the chair said, I think I'm the next person on our side anyway, so I'll just....

I don't think there was that much time left, was there?

The Vice-Chair (Mr. Pat Kelly): There are a couple of minutes left, but if you—

Mr. Mark Gerretsen: I'm going to challenge the chair on that, I think.

Some hon. members: Oh, oh!

The Vice-Chair (Mr. Pat Kelly): If you like, we can move on to the next speaker if you have nothing to add.

Mr. Mark Gerretsen: I'll just wait, unless another colleague would like to go.

The Vice-Chair (Mr. Pat Kelly): Okay. Thank you.

Next on our list is Mr. Ste-Marie for five minutes.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you, Mr. Chair.

I want to start with a few comments.

In yesterday's news release, the government recognized that Bill C-208 has been law since it received royal assent. As I said this morning, I have no doubt that yesterday's news release had to do with the fact that the committee was recalled for a special meeting today. Again, hats off to us.

My concerns stem from the questions I asked Mr. McGowan last time. In yesterday's news release, the government stated that Bill C-208 had become law and that the law was the law, but the government also indicated that it would bring forward new legislation to amend the bill. Since the bill was studied for 527 days, I'm wondering why the government did not propose the amendments during the usual examination process. Five hundred and twenty-seven days is a long time.

What's more, as has been mentioned, this isn't the first time Parliament has considered a bill like this. A few years ago, Liberal member Emmanuel Dubourg proposed similar legislation, as did the NDP's Guy Caron, not to mention my fellow Bloc Québécois member Xavier Barsalou-Duval. Mr. Maguire's version was the one that finally took and got passed by Parliament.

Although the bill received royal assent, the government did not recognize it as law, just as the government did not recognize the authority of the House of Commons. Threats were made, and the Standing Committee on Finance decided to hold an emergency meeting. That was when the government finally acknowledged the application date of the bill, while indicating that it would bring forward amendments. Why were those amendments not brought forward during the legislative process, which lasted 527 days?

I asked the witnesses who were called before the committee whether the government had instructed them to draft amendments. I recall quite clearly that Mr. McGowan, among others, told the committee members that it was rather complicated, that numerous loopholes existed and that they needed to be closed. I then asked whether the Department of Finance had prepared, at the govern-

ment's behest, amendments that could have been brought forward, voted on and adopted during that 527-day period.

Now, Mr. McGowan, Mr. Jovanovic and Ms. Aitken are saying that it is a matter of cabinet confidence and that they can't answer the question. My guess is that, if the amendments aren't ready yet, they will be soon, since the government announced that a bill containing the amendments was on the way.

The government could be accused of being asleep at the wheel, because it dragged its feet and did not do what it should have—construct the department to draft the amendments and bring them forward. On the committee and in the House, we were all able to work together harmoniously. I have no doubt that, had we studied the amendments, the level of co-operation would have been high and the process would have been fruitful, but that was not the case. That makes me wonder what happened. Here's my theory.

I think that, back in the spring, the government was considering calling an election, not caring too much about Bill C-208—figuring it would die on the Order Paper. An election was coming, anyhow. When the third wave of the pandemic hit, the Liberals realized that they couldn't do as they had planned; they would lose face if they called an election in the spring. Subsequently, the bill received royal assent, which was seen as collateral damage in the government's little game of cards. The Liberals weren't expecting it.

Now that the bill has received royal assent, they are saying 527 days was not enough time. They want to recognize the changes, but announced that they were going to bring forward new legislation to do what they should have done when the time was right. The level of ineptitude is astounding, and I have a real problem with that.

Those are my comments. I have no questions.

• (1450)

[*English*]

The Chair: You've used up all your time on your comment, if I might say so, Mr. Ste-Marie.

Just so there's no confusion, the list is as follows: Ms. Mathysen, Mr. Maguire, Ms. Bendayan, Mr. Berthold and Mr. Gerretsen. That's who I have on my list at the moment.

We'll go to you, Ms. Mathysen. You will have the same amount of time Gabriel had, about three and a half minutes.

Ms. Lindsay Mathysen: Thank you so much.

If I may ask, what consultations have been done by the department, not on these exact amendments, but again, as you indicated, in terms of general questions on the amendments put forward in the press release from yesterday?

Mr. Trevor McGowan: The press release announced a set of issues that would be considered as part of the consultations. It announced an intention to release draft legislative proposals in the near term. I believe the language was that they would be “forthcoming”. It put out the ideas under consideration in terms of how best to define a genuine intergenerational business transfer. Shortly, there would be a release of draft legislative proposals, which would provide—of course, as they would be legislative in nature—more specificity as to what those would look like. That release would be followed by another consultation period before, ultimately, final proposals were released. That would provide for a number of rounds of public consultation on the best way to define a genuine intergenerational business transfer.

That's coming out of yesterday's release.

• (1455)

Ms. Lindsay Mathysen: That was very general. There isn't a specific deadline. I mean, you certainly have the November deadline of being able to have this legislation passed, but you obviously have to do a lot of that consultation beforehand. How long would that level of consultation typically take, as far as you can estimate?

Mr. Trevor McGowan: As has been noted, there was an announcement to put out draft legislative proposals shortly, and then a commitment that, whatever effective date those proposals could take, it would not be before November 1, 2021. It's difficult to provide a timeline in terms of putting together a set of draft legislative proposals of this complexity.

I can speak to the general timeline for budget proposals, if that would be a helpful comparator. Often, in the federal budget, which is released in the spring, in March-April, the government will announce its proposed measures. For income tax measures it is common after the release of a budget announcement for there to be a summer release of draft legislative proposals. Those draft legislative proposals would go out for comment, often for a period of 60 days, before measures can be introduced into a fall budget bill.

While of course it's impossible to predict with any certainty the timeline for this measure, that's not an uncommon timeline for at least some budget measures, if that would be a useful comparison.

Ms. Lindsay Mathysen: How would a potential election disrupt? Would you be able to continue those consultations throughout that time, or would it put a hold on everything?

Mr. Trevor McGowan: That depends on the specific rules for civil servants to interact during the part of the caretaker period after a writ has been dropped. Obviously, we would continue to analyze submissions.

I don't know whether Miodrag or Jenifer know the specific rules for caretaker-stakeholder engagements on consultations.

The Chair: Does anybody else want to come in here?

Mr. Miodrag Jovanovic: I don't have much to add to Mr. McGowan's statement. I think that's it. As long as it's internal work, we could focus on analyzing submissions that we may continue to get during that period. The question would be after that. If there was a need to reach out, we would need to be mindful of the caretaker convention.

The Chair: Thank you.

We'll go now to Mr. Maguire, followed by Ms. Bendayan.

Mr. Larry Maguire (Brandon—Souris, CPC): Thank you, Mr. Chair.

Just for clarity, Mr. McGowan, I want to go back to a question that one of my Liberal colleagues asked you earlier in this area. You said that the current plan and the message to the small business owners is that Bill C-208 will be in effect, unaltered, until November 1. Can you confirm that any small business transfers to family members that take place between today, or even June 30, and November 1 will not be subject to retroactive application of any further amendments?

Mr. Trevor McGowan: Yes. That was the government's announcement, that whatever conditions would be introduced in a later bill, which again would have to go through Parliament, those restrictions or conditions would not apply before November 1. From now until October 31, at a minimum, the law as enacted by Bill C-208 would apply.

• (1500)

Mr. Larry Maguire: I guess my question was to do with any amendments, but a new bill coming forward.... We don't have one now, because it's law, but could a new bill coming forward by the government be retroactive?

Mr. Trevor McGowan: As we've discussed, these amendments to the Income Tax Act that were made by Bill C-208 are part of Canadian law and could only be changed through a subsequent bill tabled in Parliament that receives royal assent.

Mr. Larry Maguire: [*Inaudible—Editor*] be made retroactive and in a new bill.

Mr. Trevor McGowan: The government has announced that it would not apply before November 1, 2021. As a general rule, income tax amendments often apply as of the date of their announcement.

For example, Bill C-30 received royal assent on the same day as Bill C-208. It was the first budget bill for 2021. That had a number of measures that had application dates based on March 18, 2019, the day of the 2019 federal budget related to, for example, the foreign affiliate dumping rules, some mutual fund trust measures using an allocation redeeming methodology, and individual pension plans. Several amendments had their application dates based upon—

Mr. Larry Maguire: The government was supposed to be, as the press release said yesterday, clarifying. That was the title put on it, that the government “clarifies taxation for intergenerational transfers of small business shares”, yet we have this confusion. There’s a contradiction. Obviously, a correction was tried, because the government thought on June 30 that it could go retroactive and make amendments to do it. Now it’s saying it can’t—or won’t. I think there’s a big difference between “can’t” and “won’t”.

If you bring in a new bill, obviously it could go back retroactively, even if the press release is.... Press releases aren’t law. I guess all I’m asking you is whether we can get clarification on that.

Mr. Trevor McGowan: Jenifer, did you want to comment on the ability of Parliament to pass retroactive tax bills?

Ms. Rachel Bendayan (Outremont, Lib.): On a point of order, Mr. Chair, is this a hypothetical question? We are asking officials to speak on behalf of what the government intention is with respect to the press release of yesterday indicating that we would introduce safeguard measures and amendments to the legislation.

I clarified this morning that it is not the government’s intention to bring any legislation retroactively. I’m not sure why we’re asking officials for something that they do not control.

Mr. Pat Kelly: I’d like to speak to the point of order.

The Chair: I’ll go to Mr. Maguire first on the point of order.

Mr. Larry Maguire: I think therein lies the point of order. She said it’s not their “intention”, not that they won’t. I mean, it’s still ambiguous.

The Chair: Mr. Kelly.

Mr. Pat Kelly: I think this is really the same line of questioning, in a way, that Ms. Dzerowicz introduced earlier in her testimony, so I presume it’s relevant.

The Chair: I will let Ms. Aitken answer, but I think we need to come back to the minister’s press release at some point and say what the intention of the government is by someone who can speak for the government. The minister was very clear, in my view, in terms of her press release.

Ms. Aitken, do you want to answer that question?

Ms. Jenifer Aitken: Thank you, Mr. Chair.

I would go back to the question of whether it’s a hypothetical question or a general question about what type of legislation the government can introduce. It is possible, and I think I heard the law clerk say it this morning, for legislation to be introduced that operates retroactively. That has to be made very clear.

On the question of what the government’s intentions are, I don’t have any knowledge beyond what’s in the press release, but I think that expresses it clearly.

Mr. Larry Maguire: Thank you. I’m not sure that clarified it.

Mr. Chair, I’d like to ask if the people in the Department of Finance know whether the Justice officials were consulted on the illegality of delaying the implementation of Bill C-208. I’m talking about consultation, not advice, because we went through that this morning.

• (1505)

The Chair: Can anybody answer that question? I imagine it’s a confidence of government, but go ahead, whoever wants to take it.

Ms. Jenifer Aitken: From the point of view of whether or not there were consultations with Justice, that is a matter of solicitor-client privilege. It’s not something we’re at liberty to talk about. We can talk about the press releases that are in front of everybody. We can answer questions on those.

The Chair: Thank you.

This is your last question, Larry. You’re a little over time, but I took some of it.

Mr. Larry Maguire: I guess I’m wondering, Mr. Chair, why it took almost 20 days for Finance to provide an updated release here. Was it because you so graciously called this committee meeting today? Was it, as was referred to earlier, a decision made by executive council or cabinet if not, as Mr. McGowan has already answered, that the minister was in charge and made that decision? Was it in fact the minister, or was it in fact executive council or cabinet?

The Chair: Can anybody take a stab at that? It’s not going to be me. I tried once and got in trouble.

Voices: Oh, oh!

An hon. member: I really liked your answer.

The Chair: Yes, you did.

Ms. Aitken, Mr. McGowan or Mr. Jovanovic.

Mr. Miodrag Jovanovic: Thank you, Mr. Chair.

I believe the first part of the question was about why it took 20 days for the second news release to come out. I’m not sure I have an answer to that. All I can say, again, is that throughout the process, as we normally do, we continued to brief the minister. I cannot comment on specific aspects of the briefing, but we just continued to do so. At some point the decision was made and a news release was drafted. That’s basically the time it took to do so.

On the second question, with respect to who took the decision, again, Mr. Chair, I believe we answered that question before.

The Chair: Thank you.

Before I turn to Ms. Bendayan, nobody has talked about the four points in the press release. I think I can say in all fairness that nobody on this committee, and I think no parliamentarian, wants to see a law used for tax avoidance.

Are the points you outlined or that the minister outlined in her press release to target what they see as the dangers of, as I think it says in the press release, “surplus stripping”? Is that what it's mainly targeted at, and not the genuine aspects of intergenerational transfers, which bring fairness and equity under the tax system to selling intergenerationally versus outside the family?

Mr. Trevor McGowan: The idea in the July 19 press release was to provide a set of four issues that would need to be considered in the course of developing a rule to help distinguish between genuine transfers of a business to the next generation and more contrived tax planning that does not in fact result in the transfer of business to the next generation. The idea would be to develop a set of rules in order to help distinguish between the two cases and ensure that the benefit provided, which is to say the non-application of the anti-avoidance rule in section 84.1 of the Income Tax Act, is available to intergenerational transfers of a business but only in the appropriate circumstances.

These four bullet points are just the sorts of things that would typically need to be considered. Of course, for a view of a fully fleshed-out set of rules, Quebec has some. They deal with a lot of the same points, although maybe not conceptually ordered in the same way. One is the control of the company that carries on the business going to the next generation: whether or not the parent can retain ownership in the company after the transfer and what type of ownership, whether it would be preferred shares, common shares and things like that; whether there's a particular timeline involved for the transition of the involvement in the business between the parent and the child; or whether it's just a more general requirement that the parent can stay on in order to transfer their knowledge to the child. Finally, it's the level of involvement of the child after the transfer of the business: whether or not they have to maintain an economic interest through shared ownership for a particular period, or whether they need to be actively involved in the carrying on of the business itself.

These are all issues that need to be considered and developed in the course of developing a rule that appropriately targets real intergenerational transfers.

• (1510)

The Chair: Okay. Ms. Bendayan.

Ms. Rachel Bendayan: Thank you, Mr. Chairman.

Actually, I will pick up on the point you just raised with Mr. McGowan. Certainly, as Parliamentary Secretary to the Minister of Small Business, I've been working very closely with entrepreneurs over the last two years now.

It is my impression, Mr. McGowan, and I hope yours as well, that our entrepreneurs here in Canada are extremely hard-working. They are working double time in order to keep their heads above water. They are intent on growing their business and also intent on following the rules. I appreciate, though, as a lawyer, that our tax legislation needs to be reviewed every once in a while to ensure that we have the necessary safeguard measures in place so that very experienced tax lawyers are not finding loopholes. There are very few bad actors, and I hope you will agree with me, among our small business community. I thought it would be important for me to clarify once again that not only would the small business com-

munity be consulted, as you were discussing earlier, Mr. McGowan, but also the government would not be applying any changes to tax legislation retroactively.

You mentioned a number of times the date of November 1 as being the earliest date on which changes might be introduced. I would also like you to clarify that it's not actually between now and the end of October, as you mentioned. Really, November 1 is the earliest possible date, but as the press release states, it could also be up until the date of publication of the final draft legislation, which could in fact be later. Is that your understanding?

Mr. Trevor McGowan: Yes. It is the later of November 1 and the final publication of draft legislative proposals. The earliest it could be is November 1, but of course it could be later than that.

Ms. Rachel Bendayan: Of course, as you mentioned, but it bears repeating, that would be subject to parliamentary approval. We would have to pass this legislation in the House of Commons, which is dependent, again, on parliamentary supremacy.

Mr. Trevor McGowan: Yes. That's absolutely correct. It would need to be tabled as part of a bill and then pass through Parliament and receive royal assent.

Ms. Rachel Bendayan: Again, it may seem obvious but I would like to confirm: Our small business community won't be taken by surprise by anything the government may introduce, because they will be intimately involved in this consultation process that you mentioned a few moments ago.

Mr. Trevor McGowan: That is certainly the intent behind yesterday's release. I think yesterday's release provides a bit of a framework for the development of issues that will provide a general idea until draft legislative proposals are released in the near term. We've already started hearing comments on the conditions in yesterday's release. That dialogue will continue through to when draft legislation is released. There will be another round of consultation on the draft legislative proposals. The measure itself will not apply before November 1.

Ultimately, as said in the press release, there's an intention to release final draft legislative proposals afterwards. There are a number of steps in the consultative process where stakeholders would be engaged.

Ms. Rachel Bendayan: Thank you, Mr. McGowan.

Not to further belabour the point that Mr. Fragiskatos very eloquently stated earlier, the issue, I think, has been clarified. We now understand that these amendments to tax legislation for intergenerational transfers came into force on June 30. However, I thought I heard you say earlier in your testimony that some tax changes often come into effect in a new tax year. Obviously, that is not the case—to be perfectly clear—with the changes we're discussing here in committee today, but could you elaborate a bit on how the CRA perhaps needs to work in the background in order to prepare for these modifications to tax legislation, and on why it is that in some cases, although not this one, the application date would be in a new fiscal year?

• (1515)

Mr. Trevor McGowan: It's important to note, I think, as I believe I may have mentioned earlier, that in terms of these amendments, they will be reflected in an individual's tax return that gets filed for the 2021 taxation year. There's no administrative action that the CRA really needs to take until it starts looking at those tax returns well into 2022. There's a little more time for the CRA than having to administer or assess right away. It's important to keep that in mind.

It's often the case that amendments might apply as of a particular date or to a taxation year. Amendments that apply as of a particular date are typically transactional in nature. They might apply where you sell shares, pay a dividend or make a particular type of investment where you can pinpoint with specificity when that transaction occurred and what day it occurred on. That's typically something that we would look to in developing measures and making recommendations on the effective date.

For rules that affect the computation of income over a period or taxation year, where they can't be tied down to a specific transaction that occurs on a specific date but rather apply throughout the taxation year, then I would suggest that application dates that apply as of a particular taxation year make a lot more sense. It really depends on the measure and providing the application date that works best and gives the most certainty to affected taxpayers.

The Chair: We will have to end it there. We'll go to Mr. Berthold, followed by Mr. Gerretsen. If anybody else wants in, we'll go there, but I'll need a list. I see that Mr. Fast wants in as well.

Mr. Berthold.

[*Translation*]

Mr. Luc Berthold (Mégantic—L'Érable, CPC): Thank you, Mr. Chair.

I would ask you to indulge me, since some of my questions may seem redundant. It's important, however, that they be put to the department officials in French. That means I will be asking some of the same questions that have already been asked.

I want to begin with a reminder.

[*English*]

The Chair: The time is yours. Go ahead.

[*Translation*]

Mr. Luc Berthold: Thank you.

We are not gathered today because of a news release that came out yesterday. We are actually here because of a June 30, 2021 news release that said, and I quote, "Bill C-208 makes amendments to the Income Tax Act but does not include an application date." You found that shocking as well, Mr. Chair. According to that same news release, "The government proposes to introduce legislation to clarify that these amendments would apply at the beginning of the next taxation year, starting on January 1, 2022." It is on account of that news release that the committee was recalled and we are here today.

Yesterday, the government realized that the committee was going to meet today and that, as a result, the government was probably going to look bad. It opted to put out another news release to retract what it said in the June 30 news release. Unfortunately, the government can't undo a news release. The one put out on June 30 still exists. You and I saw it, as did a whole lot of people in the small business sector and farming world. They were shocked and upset to learn that the government had no desire to implement a bill that had received royal assent and been passed by both Houses. Unfortunately, on June 30, the government apparently decided not to implement the bill because it had come from a Conservative member this time around. The government saw the bill as dangerous and wanted to avoid giving the opposition parties any credit. Too bad for the government that the bill was passed. That is a fact.

The good news is we found out yesterday that the changes in the bill did apply in law. Nevertheless, we need to know what happened on June 30 and why we are meeting today, in the middle of the summer, during the construction holidays, to discuss the government's decision to hurt family farms and small businesses.

My question is for Mr. McGowan, and it has been put to him a number of times.

Earlier, you said that the minister made her decision. Can you tell us the name of the minister who made the decision you were referring to?

• (1520)

[*English*]

The Chair: Mr. McGowan, I know we've been over this road before, but it is Mr. Berthold's right to ask the same question again. I guess it's your right to give the same answer.

Mr. Miodrag Jovanovic: I believe our answer to this question would be the same, Mr. Chair.

[*Translation*]

Mr. Luc Berthold: Mr. Jovanovic, will you confirm that Mr. McGowan said this earlier:

[*English*]

"The minister made her decision."

[*Translation*]

Mr. Miodrag Jovanovic: The June 30 news release clearly states—

Mr. Luc Berthold: I am not referring to the June 30 news release.

Mr. Miodrag Jovanovic: —it is a government decision. It was announced by the government. At that time, the Government of Canada proposed to introduce legislative changes in Parliament that would apply as of—

Mr. Luc Berthold: Mr. Chair, the question is clear.

Earlier, Mr. McGowan said this:

[*English*]

"The minister made her decision."

[Translation]

Mr. Jovanovic, will you confirm that your colleague made that statement?

Mr. Miodrag Jovanovic: Obviously, the Department of Finance could not have made a decision without the government's approval. Accordingly, it was a decision made by the government.

Mr. Luc Berthold: Why can't you tell us the name of the minister?

Tell me the name of the act that prevents you from revealing the name of the minister who approved the news release, or at least tell me why you can't. Your colleague mentioned her name a while ago.

I used to be a chief of staff, so I know major press releases like that don't go out without the prior approval of the most senior ministerial staff. What is stopping you from telling us the name? Why are you so reluctant to confirm that the Minister of Finance approved the news release that went out on June 30?

That is why we are here today.

Mr. Miodrag Jovanovic: Mr. Chair, it seems the member is trying to put words in our mouths.

What we want to explain is that a process is in place for any government decision. It is not for us to reveal which member of Parliament made the decision. It was a decision made by the government. We provide advice to the Minister of Finance, which is probably why Mr. McGowan gave the answer he did.

The fact remains that it was a government decision. It is not within our authority. In any case, we probably don't have the information the member is looking for. We are not necessarily involved in political debates or discussions.

Mr. Luc Berthold: Mr. Jovanovic, I understand—

[English]

The Chair: We are considerably over time.

I will go to Mr. Gerretsen, but I remind the committee that the government also made a decision on July 19, and that's another press release.

Go ahead, Mr. Gerretsen.

Mr. Mark Gerretsen: Thank you, Mr. Chair.

Mr. McGowan, my questions would be for you, I guess. I want to start at a slightly higher level for a second. Basically, the job of the finance department is to implement the Income Tax Act as it happens to be at that particular time. Is that correct?

Mr. Trevor McGowan: No. Actually, the administration of the Income Tax Act is the responsibility of the Canada Revenue Agency.

Mr. Mark Gerretsen: Fair enough. In terms of any changes that might happen to that act, though, no implementation of those changes would occur before any such time as they would come into effect. If a law is passed on changes, as is the case with this one, there would be no work done on that prior to that taking place. Is that correct?

Mr. Trevor McGowan: I'm not certain I understand the question.

Mr. Mark Gerretsen: The Income Tax Act as it currently stands, in its current form, is implemented in that way. The rules are followed. Until such time as that is amended, you wouldn't start new laws that could potentially be coming down the pipe. Is that correct?

The reason I ask.... It's a very straightforward question. I think the answer is "yes". It's supposed to be a rhetorical question. The reason I ask is that Monsieur Ste-Marie and others have been asking why you didn't prepare in advance for the inevitable that you saw coming. Quite frankly, your job is to implement what is before you. Am I correct?

• (1525)

Mr. Trevor McGowan: Okay. I thought the question related to measures that have received royal assent in the Income Tax Act but that do not have effect until a delayed date. There are certainly provisions in the Income Tax Act that do not get applied to certain taxpayers. For example—

Mr. Mark Gerretsen: Sure. So when you're asked a question by Monsieur Ste-Marie, for example, where he says, well, you knew this was going to happen—it was coming down; it had been passed by the House; it was on its way to the Senate—as far as you were concerned, on June 28 the bill had not received royal assent, and therefore it was not something that you needed to start dealing with.

Is that correct, or am I wrong? Do you actually start to work on that stuff before it becomes law?

Mr. Trevor McGowan: As department officials, as my colleague Miodrag noted, we continually work on providing the best and most frank advice we can to the government. That relates to the Income Tax Act and bills.

Mr. Mark Gerretsen: Mr. McGowan, I'm not talking about advice; I'm talking about what the law is. You're going to implement the law that is currently in place. On June 29, when a new law comes into place, if you're not ready to start implementing that because it's brand new to you, you might not have the tools and resources you need to do it immediately in terms of educating and informing those who are implementing it, making sure that the system treats people equally, and making sure that tax avoidance isn't occurring where it shouldn't be. Those are all things that you need to consider in implementing this legislation.

If you weren't aware that it was going to become law on June 28, and presumably you weren't, because you didn't know how the Senate would vote on it, then you wouldn't be able to actually properly plan for it on that date—right?

Mr. Trevor McGowan: Thank you. I think I understand the question now. I had been focusing on the date on which it received royal assent and amended the Income Tax Act.

In terms of the administration of the rules in Bill C-208 and whether or not the Canada Revenue Agency was ready to go on that on June 28, as it is the administrator of the Income Tax Act, I think that would be a question better put to the CRA. Certainly it monitors developments, but really it's the CRA that is tasked with the administration and enforcement of the provisions of the act.

Mr. Mark Gerretsen: I know.

Just for clarification, has there ever been a situation before with a private member's bill, or has there been one that you're aware of that has come into effect and then the intent was to immediately change the way the Income Tax Act was enforced, effective immediately?

I'm trying to understand what the need was for putting this buffer of time between when the law became law, as passed by the Senate and after royal assent, and when the projected future date would have to be.

Mr. Trevor McGowan: I'm not aware of a private member's bill that has received royal assent and then shortly thereafter.... Private members' bills amending the tax act and receiving royal assent are not terribly common. This is the first one I can think of that has amended the Income Tax Act.

My colleague Miodrag, I think, might have a better recollection of one with slightly different facts. A government bill was passed that provided that a private member's bill would not come into force, but that's a slightly different situation.

• (1530)

Mr. Mark Gerretsen: Thank you. That's all I need.

The Chair: Nobody else wants to further answer that question.

Now we know that Larry Maguire has done a rare thing, that's for sure.

We'll go to Mr. Fast, split the time of Ms. Dzerowicz and Ms. Bendayan, and then go to Mr. Kelly.

Mr. Fast.

Hon. Ed Fast: Mr. McGowan, I have a couple more questions for you. Let me say again that I have great respect for those of you in your position who serve the public. I've been in that seat, you know. I've been asked questions the way you have. It's not a pleasant feeling at times, especially when the great inquisitor is Mr. Easter, who used to do that to me.

Voices: Oh, oh!

Hon. Ed Fast: That said, you have said that it's the intention of the elected government that any intergenerational transfers that take place between June 30 and November 1 will not be subject to any further amendments that the elected government might bring forward on November 1 with respect to such transfers. Ms. Aitken has, however, confirmed that the government can in fact make such legislation—the November 1 legislation that is signalled in the press release of July 19—retroactive.

I'm assuming that you yourself cannot bind the government to compel it to follow through on its intention not to apply any further amendments to such intergenerational transfers. Am I correct?

Mr. Trevor McGowan: I would say that the government, an elected government, can't make changes; of course, any change would have to be included in a bill, and only Parliament could enact that to change the existing law. I don't know that it is something that the government could do, absent going to Parliament through the legislative process to make changes to the Income Tax Act.

Hon. Ed Fast: Let me dig a little deeper. You mentioned that surplus stripping is a significant concern and that this needs to be addressed in the amendments that the government intends to bring forward. If between now and November 1 such tax avoidance activity does in fact take place, how will the government effectively address that avoidance?

Mr. Trevor McGowan: In its July 19 news release, the government said it would be releasing conditions for defining what is a genuine transfer and would entitle a transfer or making use of the exception for the anti-avoidance rule in section 84.1. It said that it would allow the benefit or that it would provide conditions that would need to be met in order to be considered to be a genuine intergenerational transfer, which would apply no earlier than November 1, 2021. Right now, the law as enacted by Bill C-208 stands, and those conditions would not be implemented until after October at the earliest.

Hon. Ed Fast: So there's a gap now between June 29 and November 1, in which the government does not intend to make any retroactive changes, and in which there may be some gaps or loopholes that you've identified that may be difficult to address. Is that correct?

Mr. Trevor McGowan: My only hesitation is that not before November 1, so up until October 31, the government wouldn't introduce other additional conditions in excess of what's currently there now. So that's right: The law that's in place now will be there until October 31, or until November 1 at the earliest.

Hon. Ed Fast: All right. This is my last question. The most recent press release is the July 19 one, in which the elected government did an about-face on Bill C-208. Certainly we see it as an about-face. It still suggests that some intergenerational small business transfers aren't genuine. In fact, you use the term "genuine" in that press release. I'm looking at it here.

It still suggests that small businesses are engaged in tax avoidance, in surplus stripping, in artificial tax planning and in not paying their fair share. Do you understand why many small businesses and the families who run them still feel that you and your finance department colleagues, and the government, and the Prime Minister still believe they're tax cheats? It's baked into your press release. Small businesses reading that would take from it that this government really doesn't trust small businesses and still believes they're tax cheats.

Do you understand why small businesses are concerned?

• (1535)

Mr. Trevor McGowan: Thank you for mentioning that. It brings me to something I wanted to mention earlier. I forget the question, but there was a suggestion that somehow tax planning using the law of the day could be considered bad behaviour or something like that. Of course, if there are gaps in the law, that is a problem with the law. It's not a problem with people who arrange their affairs in such a way as to reduce their tax liability.

The Chair: All right.

We will go to Ms. Dzerowicz and then to Ms. Bendayan on a split—if you want to go with the split.

Ms. Julie Dzerowicz: Thank you so much, Mr. Chair.

Thank you, Mr. McGowan, for your patience in answering all of these questions.

Mr. Fast must have been reading my mind, because he asked a couple of my questions. I was going to ask a similar question in terms of whether, between June 29 and November 1, sales of family farms or other types of small businesses that are intergenerational are taking place. You indicated that there are plans for amendments, but is there anything you think the federal government could or should do to minimize any tax avoidance in the meantime?

Mr. Trevor McGowan: As I've said before, both today and certainly at the Senate agriculture and forestry committee in an earlier appearance on Bill C-208, right now the tax administrators at the Canada Revenue Agency are tasked with applying the law as it stands and not anything else. The CRA, I'm sure I can say with the utmost confidence, will apply the law as it currently exists, as is their mandate. I would never want to suggest that anybody could do anything other than apply the law as it currently stands.

Ms. Julie Dzerowicz: Yes. I have a tiny follow-up, and then I'll pass this along to my colleague.

If we have been concerned, which is something you raised at our finance committee meetings while we were studying this bill, about the possibility of people taking advantage of what you see as potential tax loopholes in the way that the current law is written, why wouldn't we try to take some steps to minimize that while ensuring in the meantime...not making amendments but maybe taking some measures or considerations?

Mr. Trevor McGowan: As I said, the Canada Revenue Agency, or maybe the government, would apply the law as it exists. If planning develops that goes beyond what the legislation currently permits, including if it somehow crosses the level to becoming abusive tax avoidance, of course that's something the CRA would look at. Again, just to reiterate, the tax authorities are bound to apply the law as it exists.

Ms. Julie Dzerowicz: Thank you so much.

The Chair: Ms. Bendayan.

Ms. Rachel Bendayan: Thank you very much, Mr. Chair.

Thank you to my colleague for giving me the time.

I am outraged. I know that people who know me know that I hide my outrage quite well, but Mr. Fast feigned to speak on behalf of small business owners and entrepreneurs here in Canada, indicating or claiming that our government is accusing them of X, Y or Z. In fact, I believe entrepreneurs know and understand that our government has always believed in them, continues to believe in them, and has been supporting them, really, from day one of this pandemic but also well before and well into the future.

I believe that Mr. Dan Kelly from CFIB does represent small businesses. He tweeted his thanks earlier today to Minister Freeland. I have the tweet in front of me, in which he says that both the

minister and her officials are to be thanked for the “clear message that this new law will be respected” by the Department of Finance and CRA. He says he shared with the Deputy Prime Minister that “CFIB will work closely with [the government] to protect the integrity of the tax system by closing any gaps that may be identified”. Even Mr. Kelly is looking forward to working with our government in order to implement safeguard measures and work with us to close any loopholes.

Mr. McGowan, I think you indicated earlier that you are also looking forward to working with such stakeholders as Mr. Kelly at CFIB and others. Is that correct?

• (1540)

Mr. Trevor McGowan: Yes, of course, very much so. We put out a release and we'll put out draft legislative proposals for consultation. We expect really good stakeholder engagement.

Ms. Rachel Bendayan: Thank you very much.

Thank you, Mr. Chair.

The Chair: Thank you.

I understand that we are now going to Mr. Maguire rather than Mr. Kelly.

Mr. Maguire.

Mr. Larry Maguire: Thank you, Mr. Chair.

In regard to Ms. Bendayan's comment, I just have to add that the reason Mr. Kelly was able to put out those kind comments was that the government was forced to appear before our committee today.

I want to thank you, Mr. Chair, for calling this meeting, because without it yesterday's press release just wouldn't have happened.

An hon. member: [*Inaudible—Editor*]

Mr. Larry Maguire: There's no use hiding the fact that the government recused its decision from June 30 in yesterday's press release. Mr. Kelly is quite right to say that they're pleased, but as Mr. Ste-Marie said, for 527 days the government fought this bill, and fought it hard, not only on its own—

If it was such a good bill, why didn't the government members vote for it in the House?

Nineteen of your colleagues, Mr. Chair, you included, got the fact that small businesses in your constituencies, in every constituency in Canada, are the predominant private sector employers in those constituencies.

I just want to reiterate that without the attention brought to this bill.... The government fought this all the way until yesterday, when it decided, well, this isn't very popular among small business people in Canada, so we'd better change our minds on this.

I have just a couple of quick questions, Mr. Chair. I know we still have a bit of time.

Mr. McGowan, before yesterday's press release was issued that stated the obvious, that the law is the law, were you consulted on the language in the updated release?

Mr. Trevor McGowan: Were Department of Finance officials involved in the production of the July 19 release? Yes. We were involved in that.

Mr. Larry Maguire: It goes without saying, then, that if we hadn't put up this fuss, Finance wouldn't have sent out the updated press release. What specific date were you told that a new policy decision was going to be taken?

Mr. Trevor McGowan: I don't know about timelines.

Miodrag, do you know?

Mr. Miodrag Jovanovic: It's very difficult to say. It's an ongoing and iterative process that the Department of Finance has with the minister's office and the minister in terms of briefings and reacting to events, so....

Mr. Larry Maguire: Obviously it wasn't before June 30. Would that be obvious—yes or no?

Mr. Miodrag Jovanovic: Do you mean with respect to the decision to issue the July 19 news release?

Mr. Larry Maguire: On what specific date were you told that a new policy decision was going to be taken?

Mr. Miodrag Jovanovic: I can't answer. I actually—

Mr. Larry Maguire: You don't know.

Mr. Miodrag Jovanovic: I don't know. As I said, it's an ongoing process.

Mr. Larry Maguire: Mr. McGowan just said you were informed.

Anyway, having said that, obviously you were informed by the government that something was going to take place and that this reversal was going to take place. Did cabinet have to approve this new policy direction, or could it solely be made by the Minister of Finance?

Mr. Miodrag Jovanovic: I would say that these decisions are made by the government and implicitly the cabinet—the cabinet with respect to tax-related matters. It can be the Prime Minister with the Minister of Finance along with other ministers, depending on, potentially, the nature of the issue. It's a decision that is taken in concert by the federal government.

• (1545)

Mr. Larry Maguire: You know, I understand that the government doesn't like Bill C-208, but not a single amendment was put forward by the government through this whole process, and now we still don't have amendments. The government is talking about them here, but if there are amendments, why aren't we seeing them now, so that we can discuss them before a committee like today's?

Have you been asked to put forward amendments? You've had 20 years.

Mr. Trevor McGowan: The government announced its intention to release...or said that amendments to the Income Tax Act relating

to intergenerational transfers would be forthcoming. In its July 19 press release, the government announced an intention to release draft legislative proposals on the subject.

Mr. Larry Maguire: What specific legal authority did Finance use to release and announce this tax policy change without providing amendments?

Mr. Trevor McGowan: I'm sorry. I'm not certain that I....

Mr. Larry Maguire: I'm just asking what specific legal authority Finance used to issue the release and announce this tax policy change in a press release.

Mr. Trevor McGowan: Jenifer, I see that you've gone off mute.

The Chair: You're on. Go ahead.

Ms. Jenifer Aitken: I'll try to answer that in terms of legal authority. It's a news release from the government, as my colleagues have said. It was a government decision to issue a news release. However, a change to the law requires Parliament's approval, and that's why in fact both news releases speak of an intention to introduce legislation, which would go to Parliament and go through the whole process in the House and the Senate. There would be a change in law only once there was royal assent.

The legal authority to change the law comes from Parliament, and that is what's referred to in the news release.

Mr. Larry Maguire: Clearly, there are no amendments forward to clarify for small businesses in Canada what the government's intentions are.

Ms. Jenifer Aitken: The government has said in its news release what its intentions are. Those intentions are to introduce proposals, proposed legislative amendments, which can't become law until Parliament decides.

Mr. Larry Maguire: There's nothing stopping them from discussing those amendments today, because we've had decades of discussion on this particular topic. It leads those in small business today to really—

The Chair: This is your last question, Larry.

Mr. Larry Maguire: I'll go back to my colleague Mr. Fast's comments. He called it the tax cheat issues. I'll be clear that the Prime Minister's very words were something to the effect that small businesses are just formed to allow for tax avoidance. I think that's a pretty clear message from the top leadership of the country as to what they think of small businesses. To come out in the release and say, oh, we're one of the most friendly governments ever to be in place for small businesses....

I've had chartered accountant firms tell me that this bill is probably the most significant change to help small businesses in the last 20 years. There's a great dichotomy of opinion here. I would ask why we still can't see some of the amendments or why we're not here today discussing some of the amendments. They've obviously been talked about, because the department put forward its case before the House and before the Senate, and both houses, both chambers of the parliamentary process, passed this bill.

I'll leave it at that, Mr. Chair. I don't know if there's an answer from the government or from the finance department as to why we're not seeing amendments today. I will ask this simple question: Has the government instructed the finance department to come up with any amendments yet?

That was my final question, Mr. Chair.

The Chair: I guess that's a question for you folks. Has the government instructed the finance department to come up with amendments? I would refer you to the press release on that matter.

Go ahead, Mr. McGowan, Ms. Aitken or whoever.

Mr. Trevor McGowan: The press release states that amendments are forthcoming. That is something we're working on, consistent with the announcement of the Government of Canada that the amendments are forthcoming.

• (1550)

The Chair: If I may, they will be based on the consultations. Is that correct, Trevor?

Mr. Trevor McGowan: We're certainly working on putting together amendments. Again, these are the ones announced on July 29. Of course, in doing so, I don't want to suggest that we've launched a formal consultation process that we'd need to end before the draft legislative proposals are released, but certainly we've already heard from stakeholders with suggestions on ways in which the bulleted issues could be addressed.

The Chair: I think you said July 29. You meant July 19, if I'm correct. This press release was July 19.

Mr. Trevor McGowan: I apologize. That was another slip of the tongue.

The Chair: That's fine, Trevor. Thank you.

Mr. Maguire, you said that the government doesn't like Bill C-208. The minister made it clear that the Government of Canada is committed to facilitating genuine intergenerational share transfers, and it has raised some concerns with Bill C-208. Let's be absolutely clear on what's happening here.

We'll go now to Ms. Bendayan, and then Mr. Kelly will close it off.

Ms. Rachel Bendayan: Thank you, Mr. Chair.

I must say that I'm very pleased to see Mr. Maguire here. He certainly deserves the credit for bringing forward Bill C-208. As other members have also said, though, Monsieur Emmanuel Dubourg from the Liberal caucus also brought forward something very similar, as have the Bloc and the NDP over the course of the last many years.

Mr. Maguire, you also mentioned that this issue has been discussed and debated for the last 20 years. For 10 of them, there was a Conservative majority, during which time the Conservative government of the day could have brought forward these measures.

[*Translation*]

I have a few questions for Mr. McGowan.

Since this morning, people have been bringing up Quebec and the integrity measures in place there. I was wondering whether you were inspired by anything in particular. Also, could any of Quebec's rules be implemented countrywide?

Talk about that, if you would, Mr. McGowan.

[*English*]

Mr. Trevor McGowan: Certainly, we've gone through the Quebec intergenerational business transfer rules. They provided a great source of inspiration for the work we're currently doing on them. Some of that is probably reflected in the bullets in the July 19 press release. It is certainly a made-in-Canada set of rules to deal with issues that are the same or similar to what we're talking about right now.

It's absolutely been an important source of inspiration. I mean, we've heard about technical questions relating to the Quebec rules and the impact of Bill C-208, but I'm not an expert on Quebec's provincial tax, so I can't really comment on that sort of thing.

[*Translation*]

Ms. Rachel Bendayan: Thank you, Mr. McGowan.

As a proud Quebecker, I am always pleased when Quebec leads the way for the rest of the country. You mentioned the integrity measures, of course, but Quebec's child care system is another example.

If I may, Mr. Chair, I'd like to give the rest of my time to Ms. Dzerowicz.

[*English*]

The Chair: Ms. Dzerowicz.

Ms. Julie Dzerowicz: Thank you.

I want to continue with my colleague's comment about how we very much care about the intergenerational issue. I want to put two things on the record and then ask my question.

First, in budget 2019, we said the following:

The Government understands the importance Canadian farmers, fishers and other business owners place on being able to pass their businesses on to their children. The Government will continue its outreach to farmers, fishers and other business owners throughout 2019 to develop new proposals to better accommodate intergenerational transfers of businesses while protecting the integrity and fairness of the tax system.

As well, the December 13, 2019, mandate letter for the Minister of Finance lists it as a top priority to work with the Minister of Agriculture and Agri-Food “on tax measures to facilitate the inter-generational transfer of farms”.

It is a huge issue for us; it has been an issue for us, and it continues to be an issue for us.

My question is with regard to something that I think you mentioned, Mr. McGowan. You said that a number of amendments are being looked at. I very much took to heart the presentations we had this morning, where we directly had representatives from the Canadian Federation of Agriculture and from the Fédération de la relève agricole du Québec.

• (1555)

As we're making some of those amendments, they very much asked for direct involvement in consultation with the grassroots, not just within the farming sector. I think our chair sort of expanded on that, saying that there are other stakeholder key groups that would want to provide input. The very clear message we heard this morning was that it's not a "one size fits all" in terms of addressing the tax loophole solutions.

I would like to inquire as to whether or not there will be some direct connections with these key stakeholders on the amendments that are being proposed.

Mr. Trevor McGowan: I don't know that we can comment on the government's communications strategy beyond what was put out in the July 19 news release. I don't know that we have any details to share on that right now.

I don't know, Mio, if you have anything to add.

Mr. Miodrag Jovanovic: I would just add that any stakeholder can decide to approach the Department of Finance. We would be very happy to sit with them and hear what they have to tell us. We don't need a formal consultation process to do that. We do that all the time. We never say no to a meeting with stakeholders.

A more informed discussion will obviously be coming once the draft legislative proposals are out for consultation, for sure, but that doesn't prevent stakeholders from getting in touch with the department.

The Chair: Thank you, all.

The last section goes to Mr. Kelly.

Mr. Pat Kelly: Thank you. I don't have a question. I know that we're down to just the last few minutes.

I move that the committee invite the Minister of Finance to appear within two weeks of passing this motion.

The Chair: It is an allowable motion and it is on the floor.

I don't see any discussion.

(Motion agreed to)

The Chair: All right. The request will go to the minister.

With that, on behalf of the committee, I want to thank the officials from Finance and from the law branch for appearing before the committee today. As we know, it is sometimes difficult to sort out where you guys are at from the political side of the coin. We appreciate your efforts in terms of appearing before the committee today.

As well, as I think was said by members earlier from probably all parties, we very much appreciate your efforts during the last year as we went through this pandemic. For your advice to government, your working day and night to assist Canadians in getting us through the pandemic, and your trying to leave us in a position where the economy can go forward, I sincerely thank you on behalf of the committee. Thank you for your efforts there and for your appearance today.

With that, the meeting is adjourned.

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