



Canada Revenue  
Agency

Agence du revenu  
du Canada

Canada



# Summary of the Corporate Business Plan 2015-2016 to 2017-2018





# Minister's Message

“Our government is protecting the revenue base by ensuring all Canadians meet their tax obligations.”

— Kerry-Lynne D. Findlay



The Canada Revenue Agency (CRA) plays an essential role in our government's jobs and growth agenda. I am committed to making it easier for taxpayers to meet and understand their obligations, find information, and apply for benefits. Our government is also enhancing CRA services to meet the needs of businesses. The CRA's ever-increasing range of secure and innovative online services are simplifying interactions with taxpayers, businesses, and benefit recipients while reducing the overall cost of tax administration. While delivering these service improvements, the CRA continues to place the highest priority on protecting the personal information entrusted to it by taxpayers, and is implementing enhanced protocols to make sure that taxpayer information is safeguarded.

Our government is reducing red tape for businesses and individuals. Since 2006, we have introduced many measures to give entrepreneurs the support they need to manage their tax affairs easily and quickly. I announced the Liaison Officer Initiative in January 2014 through which CRA experts give hands-on help to entrepreneurs. After a successful pilot, the Liaison Officer Initiative has now been rolled out across the country. The CRA's innovative e-services include the Business Tax Reminders mobile app launched last year, and a new app to be implemented this year to allow taxpayers to view basic personal tax information from their mobile devices. To continue our work to reduce red tape, the CRA consulted with owners of small and medium-sized businesses and their accountants in more than 20 cities across Canada last Fall. Their feedback will help the CRA to establish priorities for 2015 and beyond. We also recognize the importance of plain language communications. The CRA is implementing an action plan to make our correspondence easier for businesses, individuals and benefit recipients to understand.

Our government is protecting the revenue base with new measures to ensure all Canadians meet their tax obligations. In November 2014, I tabled in Parliament an enhanced three-year strategy—Reducing Participation in the Underground Economy—and joined forces with industry through the creation of my Ministerial Underground Economy Advisory Committee. Our government has also strengthened the CRA’s ability to combat international tax evasion and aggressive tax avoidance. Last year, I launched the Offshore Tax Informant Program and announced the creation of a new Offshore Compliance Division, supported by \$30 million in new and reallocated funds. In January 2015, the Electronic Funds Transfer (EFT) initiative came into effect, requiring international EFTs of \$10,000 or more to be reported to the CRA to help identify higher risk taxpayers and files. These new tools will combat offshore tax non-compliance and improve the integrity of the tax system. Taxpayers are taking notice. The CRA has seen an increase in the use of the Voluntary Disclosures Program which provides a safe way for them to come forward and correct their tax affairs.

As the Minister of National Revenue, I am proud to present the *Summary of the Corporate Business Plan 2015-2016 to 2017-2018* for the Canada Revenue Agency.

**The Honourable Kerry-Lynne D. Findlay, P.C., Q.C., M.P.**  
Minister of National Revenue







# A Foreword by the Chair

“The Board of Management will provide advice to senior management, and will focus intensely on the key priorities for the Board of continually improving service to Canadians, reducing red tape, and providing an environment with the highest degree of commitment to integrity and security, within the CRA's allocated resources.”

— Richard (Rick) Thorpe



In fulfilling our statutory obligations, the Board will continue to focus on CRA's key priorities of striving to continually improve services to Canadians, and reducing red tape both externally and internally. The Board will also make every effort to assist the Commissioner in ensuring the CRA has an environment committed to uncompromising integrity and security.

Over this planning period, the Board will emphasize early engagement with the Commissioner and senior management, to provide advice and guidance on the CRA's strategic directions, initiatives and objectives. The Board will encourage and support the CRA's focus on the highest levels of integrity and security with regard to our employees and systems, and the confidentiality of Canadians' information.

The Board will encourage the CRA's use of meaningful performance measures to monitor timelines, results, and the best use of resources for the undertakings outlined in this Summary of the Corporate Business Plan.

The Board is confident the CRA team will meet the goals and objectives stated in this Summary of the Corporate Business Plan and will manage evolving issues and challenges in a timely manner.

On behalf of the CRA Board of Management, I am pleased to recommend the CRA's *Summary of the Corporate Business Plan 2015-2016 to 2017-2018* to the Honourable Kerry-Lynne D. Findlay, Minister of National Revenue.

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

Chair,  
Board of Management





# A Message from the Commissioner

“We strive to make it easy for taxpayers who want to pay their taxes, and difficult for those who don’t.”

— Andrew Treusch



On behalf of the employees of the Canada Revenue Agency (CRA), I am pleased to present the Summary of the *Corporate Business Plan 2015-2016 to 2017-2018*. This document sets out the CRA’s plans and priorities for the next three years and outlines the steps we will take to achieve them.

At the heart all of the CRA’s plans and priorities are two underlying goals—to make it easier for the vast majority of taxpayers who want to pay their taxes, and more difficult for the small minority who do not.

How are we making it easier for taxpayers to comply? First, by continuously expanding and improving our suite of innovative online services to provide fast, easy, convenient, and secure options for individual taxpayers and businesses. Over 80 percent of Canadians are choosing to e-file, and we anticipate rapidly growing interest in our new online mail service. Individuals who choose to receive email notifications from the CRA will be prompted to sign into My Account to read new correspondence. In 2015, individuals will be able to receive electronic notices of assessment and, by 2017, 80% of CRA routine correspondence will be available electronically.

Second, we make sure Canadians have ready access to the information they need about taxes or benefits. In addition to providing current and comprehensive information on our website and through our call centres, we are actively working to develop and launch mobile applications for taxpayers. In 2015 we will release a mobile application to enable taxpayers to view basic personal tax information from their mobile devices.

Third, we are modernizing our compliance strategies, beginning with expanded education and outreach activities specifically designed to prevent non-compliance. Our recently launched Liaison Officer Initiative is designed to provide information and in-person support to small businesses at key points as their businesses grow, helping them navigate the tax system and avoid making errors. The CRA is also working to increase engagement with key stakeholders to improve compliance, promote greater co-operation, and reduce errors or misunderstandings. In 2014, we signed an historic agreement with Chartered Professional Accountants of Canada (CPA Canada). The CRA-CPA Canada Framework Agreement formalizes an important partnership focused on improving our tax system and better serving Canadian taxpayers.

How are we making it more difficult for those who choose not to comply? The CRA has fully implemented measures from *Economic Action Plan 2013* to combat international tax evasion and aggressive tax avoidance, including our Electronic Funds Transfer (EFT) initiative that enables the CRA to monitor every international EFT of \$10,000 or more. The CRA's Underground Economy (UE) strategy, which was tabled in Parliament by the Minister of National Revenue in November 2014, will build greater awareness of the widespread consequences of participating in the UE.

We set high standards, and we make sure those standards are met. Canadians trust the CRA to protect their information, and the CRA's Integrity Framework sets out a wide range of measures that make sure the Agency maintains the highest level of integrity and security. We are continuously updating and improving the framework to make sure integrity remains at the forefront of our tax and benefits administration.

Employee engagement continues to be the driving force behind our success. Through initiatives such as BluePrint 2020, we are building a culture of engagement that taps into employee knowledge and experience to bring innovative, citizen-centric approaches to our everyday work. In 2014 and 2015, the CRA was identified as a top employer in the National Capital Region, and also received recognition as a top youth employer in 2014. We are proud of this recognition, the commitment of all of our employees, and our exciting plans for the future.

### **Andrew Treusch**

Commissioner of the Canada Revenue Agency







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# Overview

## The important role of the CRA

The important work performed by the Canada Revenue Agency (CRA) directly impacts the lives of most Canadians. Last year, the CRA dealt with approximately 31 million individual and corporate taxpayers, processed just over \$451 billion in payments, and delivered almost \$22 billion in benefits to approximately 12 million recipients. The tax revenues collected by the CRA support the important social programs and essential services delivered by federal, provincial, territorial, and aboriginal governments. Tax revenues build and sustain the national infrastructure needed to support Canada's continued economic prosperity. Most Canadians fulfill their tax obligations: **over 92% of individuals file their returns and pay on time**. This high level of compliance depends on the trust Canadians place in the integrity of the CRA, as well as the quality of the Agency's services and compliance programs.

This corporate business plan outlines the steps the CRA will be taking over the next three years to strengthen its approach to tax and benefit administration and sets out program commitments for 2015-2016. This plan remains focused on service, red tape reduction, compliance, integrity and security, and introduces two new strategic priorities—innovation and people—which are critical drivers of continuous improvement at the CRA.

## Planning for success in a fast-changing environment

Increasingly rapid technological and social change creates new challenges and opportunities for the CRA and tax administrations internationally. Citizens' expectations of government services are evolving, based on their experience of innovative and fast-moving private-sector service models. E-enabled transactions of goods and services are increasing in speed, volume, and variety, with geographic and national boundaries no longer a major obstacle. Canadians are adapting rapidly to this new environment and creating new business models to take full advantage of new technologies and changing consumer behaviour. The CRA has an important role to play in reducing red tape which hinders Canada's competitiveness, while making sure individuals and businesses operating in this new environment remain in compliance with Canada's tax laws. The Agency's five strategic priorities—service, compliance, integrity and security, innovation, and people—will be key to its success.

# CRA priorities

## Service

The CRA is committed to continuous improvement in service to Canadians. The Agency recognizes multiple service channels are needed to respond to the wide range of service needs. For the growing number of Canadians who prefer to self-serve, the CRA aims to provide end-to-end, modern e-services meeting the highest standards of security while being easy to access and use. For those who need or prefer to contact one of the CRA's tax specialists, the Agency will continue to provide timely and accurate help with specific and complex questions. The CRA will design services to reduce red tape for Canadians and Canadian businesses, and work with others—like tax preparers, community organizations, and software developers—to maximize the effectiveness of all service options. The Agency remains committed to ongoing progress with increased e-filing, e-payment, and direct deposit options, and is uncompromising in maintaining the highest possible standards for integrity and security.

This year's plan outlines a number of major initiatives to improve service including:

- > A new online mail service to let the CRA send email notifications to individuals who opt in for the service, prompting them to sign into **My Account** to read new correspondence. In 2015, individuals will be able to receive electronic notices of assessment. By 2017, 80% of CRA routine correspondence will be available electronically. Electronic correspondence will be designed to maximize clarity.
- > A new mobile application planned for release in 2015, which will allow taxpayers to view basic personal tax information from their mobile device.
- > Automatic population of tax preparation software with taxpayer information from the CRA—Tax Data Delivery—at the request of a taxpayer or an authorized representative, and with the highest degree of information security. This option will be available to tax preparers in 2015 and will be extended to individuals in 2016.
- > New e-services, such as developing a new rulings e-service which will enable clients to send requests for rulings and interpretations and receive responses electronically by 2017.
- > Upgrade of CRA call centre infrastructure to provide better caller experience and service.
- > Recognizing the importance of clarity, the CRA is implementing a plain language action plan to make correspondence easier for businesses, individuals and benefit recipients to understand.

> Our vision:  
We provide service which is fast, easy, convenient, and secure.



## Red tape reduction for small and medium enterprises

The CRA is committed to reducing red tape and making it easier for individuals and small- and medium-sized enterprises (SMEs) to access CRA services and fulfil their tax obligations. Canada-wide Red Tape Reduction consultations conducted in the fall of 2014 will be instrumental in shaping the CRA's Red Tape Reduction action plans for the next three years. The Agency will continue to develop strategies for reducing the time businesses spend on taxes so they can get on with the task of creating jobs and growing the economy.

### Planning highlights

The CRA will:

- Continue to expand the Submit Document service to new workloads for GST/HST Registrants by April 2015.
- Improve the online Business Registration service to streamline the process and make it easier for businesses to register by April 2015.
- Include a payment option within GST NETFILE for business taxpayers by October 2015.
- Introduce e-filing for Form T1135, *Foreign Income Verification Statement*, for corporations by 2016-2017.
- Report the results of the Canada-wide Red Tape Reduction consultations in the spring of 2015. The CRA will develop and implement red tape action plans based on the consultation report.
- Make all payments by direct deposit for taxpayers who have signed up for one or more CRA payments by this method, to ensure secure, fast, convenient and cost-effective service.

## Compliance

Most Canadians comply with tax and benefit requirements, and more than 92% of taxpayers file and pay on time. The CRA's services are aimed at making voluntary compliance as easy as possible, including providing proactive support when it is most needed. However, there will always be those who by error or intent do not meet their obligations.

The CRA recognizes non-compliance can arise from genuine error or a lack of understanding, while in other circumstances it is deliberate, and in some extreme cases even criminal. The Agency aims to quickly detect and correct errors, and to address more serious, deliberate non-compliance with timely and targeted action. The CRA will increasingly use advanced compliance tools and concepts to get the best results with the least burden on taxpayers.

This year's plan demonstrates the CRA's ongoing commitment to combat the underground economy, aggressive tax planning, and tax avoidance. The CRA's strong stance on non-compliance helps to ensure a level competitive playing field for individuals and businesses, and safeguards the integrity of Canada's tax system.

This year's plan outlines a number of major initiatives to strengthen compliance such as:

- > The CRA will continue to implement measures contained in the Federal government's 2013 Economic Action Plan including stronger tools to enforce offshore compliance and tackle international tax evasion and aggressive tax planning.
- > A three-year underground economy (UE) strategy, which focuses on working with industry partners, taking concrete action in sectors where the UE is most prevalent, and reducing the social acceptability of participating in the UE.
- > Continued piloting of the CRA's new Liaison Officer Initiative, which provides in-person support to small businesses at key points in their establishment and growth.
- > A three-year strategic investment to strengthen the compliance enforcement capacity of the Non-Filer, Trust Examination, and GST Delinquent Filer programs.
- > Ongoing transformation of the CRA's Criminal Investigations Program to strengthen its ability to leverage the skills of its investigators, work with other law enforcement agencies, and aggressively pursue criminal investigations.
- > Implementation of the Registration of Tax Preparers Program for 2016-2017, following extensive national consultation.
- > Expanded data analytics to predict when taxpayers may need early intervention, such as reminders, to help them comply.
- > Expanding the Community Volunteer Income Tax Program by promoting the program to groups that could benefit, improving the volunteer registration process, and increasing support and training for community organizations and volunteers.

> Our vision:  
Making  
it easy for  
taxpayers  
who want  
to comply  
and difficult  
for those  
who do not.

## Integrity and security

Canadians count on the CRA to protect their information and to carry out its duties with the highest level of integrity and security. Trust is the foundation of Canada's voluntary and self-reporting tax and benefit system. The Agency enhances this trust by incorporating integrity and security considerations into every aspect of business strategy and decision-making. The CRA's employees are expected to demonstrate the Agency values of professionalism, integrity, respect, and co-operation in everything they do. It is the duty of every CRA employee to protect the privacy and confidentiality of taxpayer and benefit recipient information.

The CRA's systems are designed to safeguard the information the Agency receives from Canadians and Canadian businesses. Through active vigilance, the Agency aims to quickly detect any breaches of integrity and security, and take swift and firm action.

This year's plan outlines a number of initiatives to strengthen integrity and security including:

- > An anonymous employee reporting line to enable employees to report suspected internal fraud and misuse.
- > The Agency-wide Privacy Impact Assessment Plan to enhance the CRA's ability to identify and address privacy impacts each and every time the CRA launches a new program or activity.
- > Initiatives to improve system identity and access management, including the new capacity to proactively detect unauthorized employee access to taxpayer information through audit trails.
- > An updated agency security plan and information technology security strategy to address emerging threats and ensure the security of information holdings.
- > Immediate, concrete actions to enhance the protection of personal information and privacy at the Agency. The CRA is enhancing the protection of personal information held by the Agency through the continued implementation and monitoring of its Privacy Action Plan developed in fiscal year 2013-2014.
- > An independent third party assessment of the CRA's Access to Information and Privacy control framework.
- > Revised Access to Information Program operational processes to strengthen the protection of taxpayer information, including increased quality assurance activities, heightened protection for data transfers, enhanced protocols for identification of private information, and the provision of additional privacy and security training for its staff.

> Our vision:  
We set the  
highest  
standards  
and make  
sure we  
meet those  
standards.

## Innovation

The Agency's willingness to try new ideas, adapt to new technology, and seek continuous improvement are fundamental to the Agency's ability and commitment to continuously improve service for Canadians, reduce red tape, and increase efficiency.

The CRA encourages innovative thinking from all employees and is open to new approaches to improve programs and optimize the use of available resources. The Agency is committed to learning from others and working in partnership to leverage innovative approaches from other organizations and sectors. Existing partnerships with software developers, community associations, and international tax administrations provide a successful model and foundation for working with others.

Innovative organizations are able to move quickly and turn good ideas into successful solutions, while acknowledging failure sometimes happens. The Agency will create an environment where new ideas are welcomed, tested, and implemented.

This year's plan outlines a number of ways the CRA is supporting innovation including:

- > Launching in 2015, the Accelerated Business Solutions Lab will support Agency and government priorities by using innovative approaches—including advanced data analytics and behavioural economics—to undertake projects with a whole-of-Agency scope and strategic importance.
- > Launching e-delivery of T1 notices of assessment in 2015, with the goal of making 80% of correspondence available online within two years.
- > Easier registration and simplified access to key information in **My Account** while maintaining high levels of security for sensitive personal information.
- > Launching a mobile app enabling individual taxpayers to view an abbreviated notice of assessment, RRSP deduction limit, and tax-free savings account contribution room in 2015.
- > Ongoing collaboration with commercial tax software developers to introduce new features to respond to citizens' service needs, for example expanding the Tax Data Delivery service to individuals using NETFILE-certified software products by February 2016.
- > Further advancing multi-year projects to build and renew the CRA's business intelligence platform. This will include the procurement of new technology to improve the CRA's ability to run complex queries and leverage Agency information holdings to perform advanced data analysis.
- > Adopting new and innovative analytics approaches in support of the CRA's compliance programs to detect and correct simple errors more quickly, thus enabling the CRA to direct enforcement resources to the highest-risk accounts.
- > Continuous development and expansion of online information and increased use of social media tools like RSS feeds and Twitter, to better serve taxpayers who use these forms of communication.
- > Ongoing engagement with employees through the award-winning Destination 2020 interactive consultation tool.
- > An e-interactions strategy, to be introduced in 2015, which will set the tone and unify the Agency's drive to provide a full suite of digital services. The strategy will rely on innovation as an enabler to achieving success in the ongoing transition to digital service delivery.

> Our vision:  
We encourage new ideas and move quickly with those that work.

## People

The CRA's workforce, based in many communities from coast to coast, is representative of the diverse Canadian population it serves. Employees are empowered to seek continual improvement in how the Agency serves taxpayers, and are encouraged to be innovative by an organizational culture committed to learning.

The Agency manages its skilled workforce with recruitment, development, and succession planning strategies designed to provide the diverse expertise, leadership, and experience necessary to deliver its strategic priorities.

Recognized as a top employer, and as a top employer of young people, the CRA will be looking for knowledge workers from emerging disciplines, like data scientists and behavioural economists, to complement the traditional workforce of technical tax specialists and enable the Agency to keep pace with the ever-evolving environment. The Agency equips employees with the modern tools and technology they need to work efficiently, and encourages teamwork and collaboration. The CRA strives for a workplace where employees understand how their work makes a difference and feel involved in decisions affecting their work.

The commitment employees show in serving Canadians from the Agency's offices from coast to coast carries over into their personal contributions to the communities in which they live. For example, CRA employees have donated more than \$3.7 million to local charities through the Government of Canada Workplace Charitable Campaign in each of the past two years.

This year's plan outlines a number of ways the CRA supports and invests in the development of its people including:

- > Expanding the use of social media tools in the workplace to enhance collaboration, and improve engagement and "line-of-sight" with CRA priorities, and showcase the work and achievements of Agency employees across the country.
- > Updating competencies, performance management, and staffing processes in line with feedback from employees.
- > Modernization of human resource service delivery to facilitate effective and efficient people management decisions.
- > A comprehensive strategy to recruit technical tax experts at all career stages.

> Our vision:  
We are  
a high-  
performing,  
diverse  
workforce  
embracing  
new ways  
of working.

## The structure of this year's plan

This overview describes the strategic priorities which form the foundation of the Agency's tax and benefits administration: service, compliance, integrity and security, innovation and people. The following chapters describe specific activities and initiatives the Agency is undertaking to strengthen the foundation of our tax administration and improve service delivery.

Each chapter is dedicated to one aspect of the CRA's primary program activities and provides information about the program and its sub-components, including planning highlights and performance measures.

Fairness and the promotion of taxpayer rights are key goals at the CRA. In order to maintain public confidence and encourage voluntary compliance, the CRA is committed to treating taxpayers fairly and to ensuring their rights are upheld. The Taxpayer bill of rights serves to outline this commitment.

## Taxpayer bill of rights

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

## Commitment to small business

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

> For more information, visit the CRA Web site at [cra.gc.ca/rights](http://cra.gc.ca/rights)

> *The Taxpayer Bill of Rights* describes and defines 16 rights to ensure fair and respectful treatment.





# Taxpayer and business assistance

The Canada Revenue Agency (CRA) strives to make it easier and more convenient for Canadians and businesses to comply with their tax obligations. The first step in this process is to provide taxpayers with ready access to current, comprehensive information so they can properly manage their tax affairs. The CRA offers tax and benefits information through a variety of channels in order to meet the needs of taxpayers. By meeting these information requirements, the Agency supports self-service, self-assessment, and compliance.

## > The CRA takes a proactive approach to education and outreach.

The CRA's website strives to provide timely, accurate, and relevant information to Canadians who prefer to look online first to find the answers to their questions. The Agency invests significantly in keeping the website up to date and user friendly, and continuously improves online information and services.

The CRA recognizes the importance of responding to the diverse needs of taxpayers with a broad range of information services. The Agency call centre services answer both simple and more complex enquiries and provide taxpayer-specific information, subject to identity authentication. In addition, the CRA has moved into new communications products and channels, like social media, to respond to taxpayer expectations and to take advantage of the timeliness and flexibility of modern ways to provide information. For example, videos about taxes and benefits on the CRA's branded YouTube channel currently generate almost 40,000 views, and the Agency maintains an active Twitter presence with about 49,500 followers.

The CRA takes a proactive approach to education and outreach. This includes identifying and working with taxpayers most likely to benefit from more targeted interaction, ranging from individuals, to small- and medium-sized businesses, to Aboriginal peoples, seniors, newcomers to Canada, and youth. Agency outreach extends to working with other government departments and agencies, as well as various other groups to educate, promote, and raise awareness of programs, services, and benefits. Recently an additional \$1 million was allocated to the CRA's Community Volunteer Income Tax Program to expand and strengthen the program. The funding will allow for increased promotion to other organizations, and will enable the CRA to provide enhanced training and support for first-time community organizations.

## Taxpayer services—general enquiries

Canadians make more than 100 million visits to [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca) each year to take advantage of 24-hour access to reliable, up-to-date tax information. Through the website, the Agency maintains and provides hundreds of different forms and publications, and more than 20 million copies are downloaded annually. To complement the information on the website and portals, the CRA is expanding the use of social media tools like RSS feeds and Twitter so it can better serve taxpayers who use these forms of communication.

The CRA is leading the development of the “Taxes” theme on the new federal-government-wide website. By 2016, more than 100 federal department and agency websites will be amalgamated into one site, [Canada.ca](http://Canada.ca). Canadians will benefit from a more user-friendly site featuring easy access to federal government information and, at the same time, they can rest assured security remains a top priority in the development of [Canada.ca](http://Canada.ca).

The CRA’s call centres handle millions of tax enquiries every year and will continue to be a key service channel. As part of its commitment to continually improve service response time and overall service to taxpayers, the CRA is implementing the Contact Centre Transformation initiative to upgrade telephony technologies and standardize infrastructure across all CRA call centres.

### Planning highlights

- > The federal government’s Contact Centre Transformation initiative will see the CRA’s call centres move to a common technology infrastructure, with the potential for new features to be introduced beginning in 2016-2017, such as call-back options, skills-based routing, and related queuing. The initiative will also provide access to enhanced tools for reporting, monitoring, client-service quality, and workforce management.

> More than 100 federal department and agency websites are being amalgamated into one site, [Canada.ca](http://Canada.ca).

## Working with charities

Each year, Canadians donate billions of dollars to support registered charities. In 2012, registered charities issued \$14 billion in official donation receipts. The CRA registers charities, Canadian amateur athletic associations, and national arts service organizations, and monitors their compliance with requirements for charitable status.

Each year the Agency processes over 83,000 registered charity information returns and audits hundreds of charities. The CRA takes an education-first approach with charities, providing them with all the information and the tools they need to voluntarily comply. When an organization isn’t meeting the legislative requirements to maintain charitable status, the CRA will provide the organization with further information and opportunities to amend the situation. Fewer than one percent of charities have their registered charity status revoked in any given year.

### Planning highlight

- > The CRA will develop new electronic services, specifically the online filing of Form T3010, *Registered Charity Information Return*, and Form T2050, *Application to Register a Charity under the Income Tax Act*. These services will make it easier for charities to comply and will reduce red tape.

## Working with charities

There are more than 86,000 registered charities in Canada, each playing an important role in our society, providing valuable services to Canadians – including to the most vulnerable. In recognition of the important work done by charities, the Government of Canada provides assistance through the tax system. Registration as a charity under the Act provides organizations with unique tax privileges – an exemption from income tax, the ability to issue official donation receipts for gifts and to receive gifts from other registered charities. Registration also comes with the obligation to follow longstanding rules for charities contained in the *Income Tax Act*.

As the federal regulator for charities, the CRA has a mandate to protect the integrity of the tax system, and the charitable sector as a whole, by ensuring that registered charities understand and follow these rules. The CRA promotes voluntary compliance by charities through a balanced program of education, client service, and responsible enforcement.

The CRA takes an education-first approach to compliance, providing charities with all the information and the tools they need to voluntarily comply with the Act. We do this through the provision of quality information, such as through our client services program and public outreach, and through the development of educational resources, such as webinars and videos, as well as policies and guidance on our website.

Audits are also an important element of our efforts. Through audits, the CRA is able to ensure that registered charities understand the requirements for registration and are using their resources, in particular donations from Canadians, in accordance with the Act. The CRA audits approximately one percent, or 800 to 900, of registered charities across Canada each year.

The overwhelming majority of audited charities meet the requirements of the Act and only a very small proportion of the audits result in serious consequences like sanctions or revocation. Working closely with the CRA, the vast majority of charities selected for audit are able to correct any identified non-compliance concerns and continue delivering their charitable programs for the benefit of all Canadians.

## Responding to complex queries

Taxpayers and tax professionals with more complex information needs have access to CRA expertise through a number of channels, including technical publications on the website and by requesting rulings or interpretations. The CRA continuously develops new publications to provide taxpayers with the most current and relevant technical information. Equally importantly, we make sure our publications are up-to-date and reflect the latest developments in legislation and jurisprudence. Stakeholders such as the Chartered Professional Accountants of Canada have offered to partner with the CRA, bringing their tax expertise to bear on our efforts to make sure everyone has access to high-quality, current information.

Each year the Agency responds to over 100,000 verbal and written enquiries for rulings or interpretations concerning an act administered by the CRA. By explaining how legislation applies to specific situations, the Agency offers taxpayers early certainty. In addition, the CRA is responsible for making sure Canada Pension Plan (CPP) contributions and employment insurance (EI) premiums are deducted, remitted, and reported as required by legislation, and responds to about 40,000 requests for CPP/EI rulings annually.

### Planning highlights

- > By 2017, the CRA will develop a rulings e-service to allow clients to send requests for rulings and interpretations and receive responses electronically.

> The CRA oversees deferred-income and savings plans with approximately \$2 trillion in assets.

## Overseeing registered plans

Registered plans are tax-effective savings and retirement tools available to help Canadians in planning and securing income for the future. The CRA oversees deferred-income and savings plans with about \$2 trillion in combined assets. The Agency registers and monitors the plans, approves the deductibility of employer contributions to defined-benefit pension plans, and provides information on registered plans on the CRA website and in response to enquiries.

### Planning highlight

- > The CRA will update the information technology systems supporting registered plans by 2016. This initiative is consistent with the CRA's overarching IT sustainability and modernization program to make sure all key applications function effectively.

## Budgetary financial information

(dollars)	2015-2016 Main Estimates	2015-2016 planned spending <sup>1</sup>	2016-2017 planned spending <sup>1</sup>	2017-2018 planned spending <sup>1</sup>
<b>Program</b>				
Taxpayer and business assistance	280,181,661	<b>280,181,661</b>	281,567,318	277,088,894
<b>Sub-programs</b>				
Taxpayer services—enquiries and information products	-	<b>150,091,815</b>	148,701,983	148,534,210
Policy, rulings, and interpretations	-	<b>79,316,031</b>	79,640,665	77,343,422
Registered plans	-	<b>16,311,026</b>	17,078,731	16,583,179
Charities	-	<b>29,830,283</b>	31,261,406	29,885,269

<sup>1</sup> Planned spending refers to those amounts for which a Treasury Board submission approval has been received by no later than February 1, 2015. This cut-off date differs from the Main Estimates process. While in any given year planned spending may include amounts incremental to planned expenditure levels presented in the Main Estimates, this year it does not.

## Human resources

(full-time equivalents)	2015-2016	2016-2017	2017-2018
<b>Program</b>			
Taxpayer and business assistance	<b>3,780</b>	3,697	3,692
<b>Sub-programs</b>			
Taxpayer services—enquiries and information products	<b>2,112</b>	2,103	2,102
Policy, rulings, and interpretations	<b>1,115</b>	1,045	1,045
Registered plans	<b>175</b>	174	174
Charities	<b>337</b>	334	330

## Performance measurements

The CRA performance measurements for taxpayer and business assistance are set out on page 89. These measurements indicate the Agency:

- > Provides timely and accurate services to taxpayers, businesses, charities, and registered plan administrators.
- > Meets its service commitments to Canadians 100% of the time. The CRA has 47 service standards. For the activities described in this chapter, 19 service standards apply.
- > Provides a high level of accessibility for telephone enquiries, especially during peak tax season.







# Assessment of returns and payment processing

The CRA's goal is to make it easier and more convenient for Canadians and Canadian businesses to comply with their tax obligations. The enquiries services described in the previous chapter help taxpayers determine their tax obligations. This chapter describes the Agency's program for assessing individual and business returns and processing payments, which includes interactive e-services like **My Account**. The CRA processes and assesses returns and payments as quickly and accurately as possible to provide taxpayers with certainty about the status of their tax affairs.

The CRA's wide range of e-services has become the preferred service channel for many taxpayers: over 80% of individuals file their tax return online. The CRA's secure portals—**My Account** for individuals, **My Business Account** for businesses, and Represent a Client for tax intermediaries—allow taxpayers and their representatives to check information and carry out a wide range of transactions at their convenience. E-services help the CRA to issue refunds faster, and reduce the overall cost of tax administration through lower processing and mailing costs.

> Over 80% of individuals filed their tax return online.

The CRA is making information and e-services accessible from mobile devices. The Agency's first mobile application for businesses, released in 2014, lets users create reminders for instalment payments, returns, and remittances to better manage their tax affairs. In 2015, the CRA will release a mobile application allowing individuals to access basic tax information such as notices of assessment. Mobile apps are the next step in the Agency's drive to find better ways to deliver convenient and cost-effective tax and benefit services to Canadians.

The CRA does not compromise the security of taxpayer information in the delivery of e-services. Innovative approaches help the Agency meet both security and convenience expectations. For example, the CRA is simplifying registration for **My Account** by introducing a two-tier authentication process. The first tier will allow users secure, limited access to services and information in **My Account**, including refund status, tax free savings account and RRSP limits, and an abbreviated version of the electronic T1 notice of assessment. The second tier will grant secure access to all of the **My Account** services and electronic delivery of the detailed T1 notice of assessment, but will require users to go through the full **My Account** registration process.

The CRA is introducing a new online mail service in 2015 to reduce the volume of correspondence delivered by conventional mail. Taxpayers who opt in for the new Manage Online Mail service will be notified by email that they have new correspondence to view in **My Account**. This convenient e-delivery service will ensure taxpayer information is secure and protected.

The CRA will continue to work with commercial tax software developers to improve tax-filing software. In 2015, the Agency will launch a tax data delivery service through which authorized tax representatives using CRA-certified software products (EFILE) with the tax data delivery option will be able to populate parts of an income tax and benefit return with information from the CRA. The service will provide such information as T4 and universal child care benefit statements. Over time, this option will be expanded to include individuals using NETFILE-certified software products. The automated population of tax forms using data available from the CRA will make it easier for taxpayers to file and will increase accuracy by reducing errors made during manual data entry.

## Individual returns and payment processing

The CRA assesses more than 28 million individual returns annually. Assessment includes determining the status of an individual's tax obligations, finding and fixing errors, informing taxpayers of taxes owing, and paying refunds. Electronic filing accelerates the processing of returns and payments and is also less costly than traditional paper options. The CRA's error checking typically finds more than \$1 billion in non-compliance, and the Agency identifies more than \$100 million in beneficial adjustments annually.

> The CRA assesses more than 28 million individual returns annually.

### Planning highlights

The CRA will:

- > Launch a mobile app enabling individual taxpayers to view an abbreviated notice of assessment, RRSP deduction limit, and tax-free savings account contribution room in 2015.
- > Launch e-delivery of T1 notices of assessment in 2015, with the goal of making 80% of correspondence available online within two years.
- > Accept additional prior-year returns through EFILE and NETFILE by February 2016.
- > Expand the Tax Data Delivery service to individuals using NETFILE-certified software products by February 2016.
- > Continue to move forward on the T1 Systems Redesign project to modernize the CRA personal income tax assessing and accounting systems for completion in 2019-2020. This initiative will make sure there is a strong, flexible, and resilient foundation for the T1 Program. Modernized systems will also assist with the introduction of future service improvements.
- > Encourage use of direct deposit to ensure timely receipt of refunds and benefits.

> More than 1.9 million businesses are enrolled in My Business Account.

## Business returns and payment processing

Businesses and their tax representatives are extensive users of the CRA's e-services: the vast majority of corporation income tax returns and GST/HST returns are filed electronically. Also, more than 1.9 million businesses are enrolled in **My Business Account**, the Agency's online portal for business. E-services provide an opportunity to interact electronically with the CRA on various business accounts and are convenient, easy to use, fast, and secure.

The CRA also maintains Canada's Business Number System. A business number is a unique client identifier given to a business to help simplify its dealings with federal, provincial/territorial, aboriginal, and municipal governments. The system is based on the idea of one business, one number, and it is a key enabler of red tape reduction.

### Planning highlights

The CRA will:

- > Improve the online Business Registration service to streamline the process and make it easier for businesses to register by April 2015.
- > Improve the systems supporting the Business Number Program to enhance integrity by 2018-2019.
- > Include a payment option within GST NETFILE for business taxpayers by October 2015.
- > Expand the Submit Documents service to the GST/HST Returns and Rebates program, the Canada Pension Plan and Employment Insurance Rulings program and the T2 Audit programs, by October 2016.
- > In collaboration with Industry Canada, develop a business number strategic adoption plan to promote using the Business Number System to strengthen federal programs and provincial and territorial partnerships.

## Budgetary financial information

(dollars)	2015-2016 Main Estimates	2015-2016 planned spending <sup>1</sup>	2016-2017 planned spending <sup>1</sup>	2017-2018 planned spending <sup>1</sup>
<b>Program</b>				
Assessment of returns and payment processing <sup>2</sup>	614,590,330	<b>614,590,330</b>	605,246,609	596,586,054
<b>Sub-programs</b>				
Individual returns and payment processing <sup>3</sup>	-	<b>320,303,789</b>	316,787,161	308,773,907
Business returns and payment processing	-	<b>294,286,541</b>	288,459,448	287,812,147

<sup>1</sup> Planned spending refers to those amounts for which a Treasury Board submission approval has been received by no later than February 1, 2015. This cut-off date differs from the Main Estimates process. While in any given year planned spending may include amounts incremental to planned expenditure levels presented in the Main Estimates, this year it does not.

<sup>2</sup> The decrease in planned spending from 2015-2016 to 2017-2018 in the assessment of returns and payments processing program results primarily from adjustments in funding associated with the upgrade of the individual income tax processing system and other major investment projects, and the conclusion of funding received for special projects.

<sup>3</sup> The decrease in planned spending from 2015-2016 to 2017-2018 in the individual returns and payments processing program results primarily from adjustments in funding associated with the upgrade of the individual income tax processing system and the conclusion of funding received for special projects.

## Human resources

(full-time equivalents)	2015-2016	2016-2017	2017-2018
<b>Program</b>			
Assessment of returns and payment processing	<b>6,415</b>	6,192	6,148
<b>Sub-programs</b>			
Individual returns and payment processing	<b>4,344</b>	4,265	4,226
Business returns and payment processing	<b>2,071</b>	1,927	1,922

## Performance measurements

The CRA performance measurements for assessment of returns and payment processing are set out on page 91. These measurements indicate the Agency:

- > Provides timely and accurate assessment notices and payment processing to individuals and businesses.
- > Meets its service commitments to Canadians 100% of the time. The CRA has 47 service standards. For the activities described in this chapter, 9 of the service standards apply.
- > Encourages more individuals to file electronically. The CRA aims to increase the rate of e-filing because it provides easier access and faster turnaround for taxpayers, at the same time reducing the risk of error.
- > Employs accurate risk assessment and validation techniques. Risk assessment helps the Agency to select files where there is the greatest likelihood of non-compliance. This contributes to effective use of Agency resources, targeted compliance activities, and reduces the burden on compliant taxpayers.



# Compliance

By error or intent, a small but significant minority of taxpayers do not accurately report their activities. Inaccurate reporting of tax and benefit information often results from errors or a lack of knowledge about what is required. However, some taxpayers engage in aggressive tax planning to take advantage of perceived legislative weaknesses or loopholes. Others attempt to evade their tax responsibilities by participating in the underground economy. The first two chapters of this corporate business plan described CRA services to help taxpayers get it right from the start. The goal of CRA reporting compliance programs is to protect the integrity and fairness of Canada's self-assessment tax system by identifying, addressing, and deterring those who do not accurately report their activities or taxable income.

> The Agency is proactively helping small and medium sized businesses to comply at critical points in their business cycle.

Taxpayers are required by law to report correct information to the CRA, and the Agency uses this information to determine taxpayers' obligations. To enforce reporting requirements, the CRA conducts audits and investigations. The CRA complements enforcement activities with early interventions to encourage self-correction and prevent non-compliance. Advanced data analysis supports these complementary approaches by helping to determine where and when early intervention is most needed. For example, the Agency is proactively helping small and medium sized businesses at critical points in their business cycle with interventions such as educational products and reminder letters to address specific types of non-compliance. The Agency also provides an avenue for taxpayers to voluntarily come forward and correct their tax affairs through the CRA's increasingly successful Voluntary Disclosures Program. Each year, thousands of taxpayers take advantage of this program and work cooperatively with the CRA to correct their tax filings.

Approximately 70% of individuals and business taxpayers use the services of a tax intermediary. The Agency's complementary approaches include working closely with tax intermediaries to promote compliance and reduce common errors. In 2013-2014, the CRA undertook extensive consultations on a proposed tax preparer registration program to help the Agency engage directly with tax preparers to improve service and compliance. During the planning period, the CRA will move ahead with a registration program that takes into account feedback received from a wide range of stakeholders including the Canadian Federation of Independent Business, the Canadian Tax Foundation, the Certified General Accountants Association of Canada, the Chartered Professional Accountants of Canada, the EFILE Association of Canada, and the Association de la planification fiscale et financière.

The CRA is continuously strengthening the integrity of its programs. Business intelligence teams have been established in each region to combine advanced data analysis with established risk assessment processes and local knowledge, so the taxpayers with the highest risk of non-compliance are identified and addressed. This also reinforces the integrity of the workload selection process by separating the decision of who will be audited from the audit itself. At the

same time as improving workload selection, the CRA has introduced more rigorous quality assurance standards and set up separate regional teams to independently review auditors' work prior to a file being closed. The Business Intelligence and Quality Assurance teams report to the regional Assistant Commissioners. These measures are important demonstrations of the CRA's commitment to quality, consistency, and integrity in program activities.

Addressing offshore compliance and aggressive tax planning is a top priority for the CRA. The increasing volume of global business and financial transactions has created new challenges for tax administrations internationally. The CRA's ability to effectively tackle offshore compliance and aggressive tax planning was strengthened by a range of measures introduced in the Government of Canada's Economic Action Plan (EAP) 2013.

The measures introduced in EAP 2013 have enhanced the CRA's ability to monitor the electronic transfer of funds, and collect data from domestic sources to effectively counter international tax avoidance and evasion threats. The Government's renewal and expansion of tax treaties with other countries also contribute to the CRA's efforts to combat international tax evasion and aggressive tax planning. The Agency continues to expand its relationships with domestic and international government partners to share information and best practices, and is actively contributing to Organisation for Economic Co-operation and Development (OECD) work on international tax avoidance, such as the Common Reporting Standard for the automatic exchange of tax information between governments.

The CRA is engaging with key stakeholders such as the Chartered Professional Accountants of Canada (CPA Canada) to improve compliance, promote greater co-operation, and reduce errors or misunderstandings. An historic new agreement between the CRA and CPA Canada formalizes this important partnership which will contribute to improving the tax system.

The CRA works closely with the Department of Finance Canada and the Department of Justice Canada to identify legislative weaknesses, close tax loopholes, and develop new legislative tools to deal with emerging threats. Through referrals of criminal investigations to the Public Prosecution Service of Canada for criminal prosecution, the CRA is ensuring the most serious cases of non-compliance are met with significant consequences.

The CRA recognizes that the underground economy (UE) poses a threat to Canada's revenue base, and makes it difficult for Canadian small businesses to compete on a level playing field. In response, in November 2014, the Minister of National Revenue tabled in Parliament an enhanced UE strategy. The updated UE strategy focuses on refining the Agency's understanding of the UE, reducing the social acceptability of participating in the UE, and deploying a range of initiatives to encourage compliance and reduce participation in the UE. The CRA's ongoing efforts to address the UE will also be guided by the newly created Ministerial Underground Economy Advisory Committee.



## Small and medium enterprises

Canada's population of small and medium enterprises (SMEs) is large and includes approximately three million individual filers and two million corporate filers. The CRA enforces the compliance of SMEs through a program of reviews, examinations and audits. In 2013-2014, the CRA performed almost 40,000 reviews and audits on the returns filed by SMEs. These activities generated over \$1 billion in fiscal impact annually. SME compliance is supported through education, outreach, extensive stakeholder engagement, and in-person support designed to help taxpayers comply with their tax obligations.

Because many SMEs work in sectors of the economy characterized by cash transactions, they are at a higher risk of participation in the Underground Economy (UE). For this reason, the CRA focuses a large portion of its UE audit resources on SMEs. Audits are the primary tool used by the Agency to detect and address UE activity. As a complement to these audit activities, UE-related outreach activities are underway in collaboration with a number of industry associations.

> The Minister of National Revenue tabled in Parliament an enhanced UE strategy to address the threat of the Underground Economy.

In addressing underground activity in the SME population, the CRA will:

- > Implement the three-year strategy “*Reducing Participation in the Underground Economy*” announced by the Minister of National Revenue in November 2014.
- > Continue utilizing UE specialist teams, focusing on specific files and sectors which have an elevated risk of UE activity. These teams employ audit techniques which are specifically designed to detect unreported income.
- > Continue to address electronic suppression of sales through the use of specialized teams, audit techniques, and the application of new penalty provisions.
- > Employ compliance projects which test the rate of non-compliance within specified industries and with regard to specific issues or business practises. Where required, these projects will be expanded in scope.
- > Use the confidential informant leads program, coordinated through the National Leads Centre, to identify taxpayers that are not fully compliant in their reporting of income, deductions, and expenditures.
- > Work to identify and audit taxpayers who are at an increased risk of repeated UE-related non-compliance. Where warranted, repeat offenders will be referred for potential criminal prosecution.

In January of 2014, the CRA announced a new three-point plan to help small and medium enterprises more easily meet their tax obligations and reduce red tape. The three elements of the plan are:

- > The Liaison Officer Initiative to provide in-person support to small businesses at key points in their establishment and growth.
- > The Registration of Tax Preparers Program to enable the CRA to work directly with tax preparers to address common and recurring errors before tax returns are filed.
- > An enhanced focus on high-risk files through advanced business intelligence, specialized audit teams, and the use of approaches like letter writing campaigns to address specific non-compliance risks, to complement the CRA's traditional audit approaches.

## Planning highlights

- > Following a successful pilot project, the Liaison Officer Initiative (LOI) was expanded to all regions of the country in 2014-2015. Over the next three years the CRA will evaluate the impact of the LOI on voluntary compliance.
- > The CRA will move forward with the Registration of Tax Preparers Program by 2016-2017. This program will allow the Agency to more easily identify and address recurring errors before tax returns are filed.
- > In collaboration with industry associations, the CRA will expand the use of targeted communications, including letter-writing campaigns and the use of social media to promote compliance throughout 2015-2016.
- > Effectiveness measures will be developed by 2017-2018 to assess the impact of traditional audit activities and non-audit compliance activities such as targeted communications, education and assistance.

## The underground economy

Individuals or businesses that deliberately under-report or fail to report sales or income to avoid paying taxes are participating in the underground economy (UE). The underground economy creates an unfair advantage for those who engage in it by undermining the competitiveness of honest businesses, especially small businesses, who abide by the law.

The UE includes any economic activity not reported or under-reported for tax purposes. Examples of UE behaviour can be as simple as a contractor choosing not to file a tax return, or as complex as a restaurant using sophisticated computer software to alter its accounting records in order to evade taxes on a portion of its business revenue. If left unchallenged, the UE can corrode the integrity of Canada's tax system.

In November 2014, the Minister of National Revenue tabled in Parliament an enhanced three-year strategy to combat the underground economy in Canada, and met with the newly created **Ministerial Underground Economy Advisory Committee**. The Committee will advise on current UE trends, help identify emerging risks, deepen the government's understanding of aggressive compliance behaviour, and contribute to the development of innovative new compliance tools.

The UE strategy is a renewed effort to reduce the social acceptability of, and participation in the underground economy. The strategy contains existing measures which have proven effective in combatting the underground economy and proposes new measures to encourage increased levels of tax compliance, particularly in sectors of the economy where cash transactions are common and participation in the underground economy has been shown to be more prevalent.

### Planning highlights:

- The CRA will continue to play a **leading role in international forums** dedicated to promoting best practices, sharing information, conducting research, and co-ordinating international efforts to address the UE.
- Regional issues and trends will be incorporated into the **CRA's national UE strategy**.
- The CRA will enhance Agency-wide approaches for the **identification and management of taxpayers at risk** of participating in the UE.
- The CRA will continue **working with provincial and territorial partners** through forums such as the UE Provincial and Territorial Roundtables, to develop new approaches for addressing the UE.
- The CRA will listen to and address issues raised through stakeholder engagement in the **Ministerial Underground Economy Advisory Committee**.

# GST/HST

The CRA's GST/HST compliance programs are designed to ensure GST/HST registrants comply with reporting requirements, and to identify and address non-compliance. The CRA's GST/HST compliance activities protect Canada's revenue base by aggressively pursuing those taxpayers who participate in the UE and in aggressive GST/HST planning schemes. Annually, almost 80,000 GST/HST audits are completed, generating more than \$1.5 billion in fiscal impact<sup>1</sup>.

The Agency's risk-based and balanced approach includes audits of high-risk filings, examinations, education, and outreach activities.

## Planning highlights

- > The CRA will work to improve audit quality assurance by expanding the audit quality review program to include other GST/HST programs by 2017-2018.
- > The aggressive GST/HST planning program will improve its capacity to identify false claims and detect suspicious patterns of behaviour by 2017-2018 by improving the risk profiles and models it uses to identify files for audit and review.
- > The CRA will increase engagement with key stakeholders through to 2017-2018 to identify ways to discuss GST/HST matters of common concern to improve compliance, promote greater co-operation, and reduce unnecessary errors and misunderstandings.
- > Working through the Framework Agreement between the CRA and Chartered Professional Accountants of Canada (CPA), the CRA will promote regular dialogue between the two organizations on tax-related matters of common interest.
- > The CRA will improve the industry sector profiles used by its field auditors and examiners by 2017-2018. These profiles include information on known GST/HST risks within specific industry sectors and the audit techniques used to address them.
- > The GST/HST research audit program for small and medium business registrants will continue through to 2016-2017. Results of this research will be used to develop new risk assessment criteria and to provide an accurate baseline for monitoring future compliance trends.

> Annually, almost 80,000 GST/HST audits are completed, generating more than \$1.5 billion in fiscal impact<sup>1</sup>.

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1. Fiscal impact consists of tax assessed, tax refunds reduced, interest and penalties, and present value of future federal tax assessable arising from compliance actions. It excludes the impact of appeals reversals and uncollectable amounts.



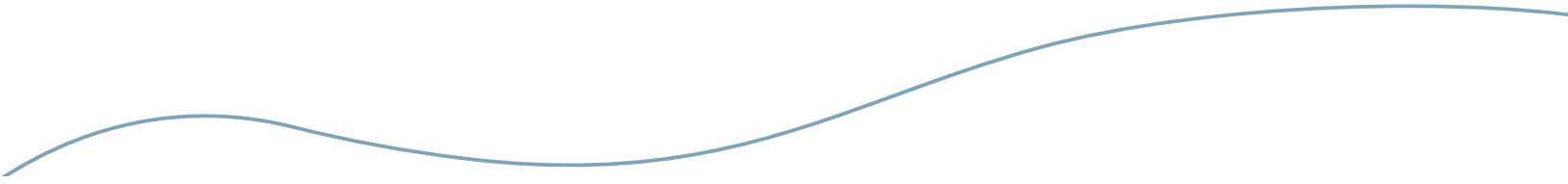
## IN FOCUS

### **Ensuring GST/HST refund integrity**

The CRA's GST/HST Refund Integrity Program is responsible for managing the risks associated with GST/HST credit returns, rebate claims, and some debit returns to help ensure unwarranted GST/HST refunds are not issued.

In 2012, the CRA implemented the Pre-assessment National Inventory (PANI) in the GST/HST Refund Integrity Program. This automated risk assessment and workload management system weighs and scores returns using automated algorithms and other available risk assessment data. It also allows workload to be shared nationally, with higher risk returns being assigned anywhere in the country. This approach ensures GST/HST audit resources are efficiently deployed.

Since the inception of PANI, the program has consistently delivered excellent results. For example, between 2012-2013 and 2013-2014 the average recovery per file increased by approximately 28%. These results clearly show the effectiveness of using the new PANI risk identification processes. The continued success of the program demonstrates how the smart use of technology, coupled with the intelligent application of advanced data analysis, can be used to effectively identify files at risk, efficiently distribute workload, and increase productivity to deliver dramatic results.



## International and large business

The CRA verifies and enforces international and large business compliance through a risk-based program of audit measures and legislative reviews. The CRA works collaboratively with businesses and their representatives to find new ways to reduce the compliance burden and support compliance.

The quality of CRA's audits is critical to the CRA's reputation for integrity. The Agency assures the quality of audits through on-going quality assurance monitoring, professional training, and the strategic recruitment of the auditors and specialists required to meet future needs.

The CRA employs over 2,000 audit resources who are dedicated to reviewing and auditing the tax affairs of Canada's largest corporate entities. These auditors and specialists also work to ensure offshore and aggressive tax planning issues and risks are identified and addressed. The international and large business program generates a fiscal impact<sup>2</sup> of over \$6 billion annually.

### Planning highlights:

- > The CRA will create enhanced integrated large business audit teams in 2016-2017. These teams will include Domestic Large, International and Aggressive Tax Planning auditors, and will increase technical capacity and help streamline large-case audits.
- > To better identify and prioritize large business files for audit, the CRA will be implementing a new Integrated Risk Assessment System in 2015-2016. This new risk assessment system is an enhancement of the existing National Risk Assessment Model introduced in 2011.
- > The CRA will improve the way it provides technical expertise to audit staff in the field through the creation of centres of expertise and specialty teams in 2016-2017, and through utilization of industry specialty services and industry coordinating offices.
- > The CRA will support efforts to deal with international tax issues through to 2017-2018 by participating in international forums and initiatives such as the Organisation for Economic Co-operation and Development (OECD) Forum on Tax Administration and the Base Erosion and Profit Shifting Project. In addition, the CRA will move to implement the Common Reporting Standard, an approach endorsed by the OECD and the G20 to support the automatic exchange of information between tax authorities.

> The international and large business program generates a fiscal impact<sup>2</sup> of over \$6 billion annually.

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2. Fiscal impact consists of tax assessed, tax refunds reduced, interest and penalties, and present value of future federal tax assessable arising from compliance actions. It excludes the impact of appeals reversals and uncollectable amounts.

## Offshore compliance

In Economic Action Plan 2013 the Government of Canada announced a range of measures to strengthen the CRA's capacity to combat international tax evasion and aggressive tax avoidance. These measures included:

- The requirement to report to the CRA international electronic funds transfers of \$10,000 or more.
- The creation of an Offshore Tax Informant Program (OTIP).
- The extension of the normal reassessment period for taxpayers who fail to report income from a specified foreign property and properly file the *Foreign Income Verification Statement* (T1135).
- Revisions to the *Foreign Income Verification Statement* (T1135) form to improve the quality and scope of the information required regarding specified foreign property. The current form reflects feedback from stakeholders.

The Government of Canada is **investing \$30 million over five years** to implement the Economic Action Plan measures. The Agency created an offshore compliance division during 2013-2014 to deliver the measures and related program activity, including creating dedicated offshore compliance specialized teams in regions across Canada.

Launched in January 2014, the OTIP allows the CRA to offer financial rewards to individuals who provide specific and credible information about major international tax non-compliance leading to the assessment and collection of additional federal taxes. The reward is between 5% and 15% if more than \$100,000 of federal tax was assessed and collected as a result of the information, excluding interest and penalties. Offering **financial rewards for information** about major cases of international tax non-compliance helps encourage those with information to come forward, and dissuades others from arranging their affairs in an attempt to contravene Canadian tax laws.

Planning highlights:

- As of January 2015, banks and other financial intermediaries are required to **report to the CRA international electronic funds transfers** (EFTs) of \$10,000 or more. EFT data will be used to more effectively identify taxpayers who participate in aggressive tax avoidance and those who attempt to conceal income and assets offshore.
- The CRA will implement a framework to measure the performance and impact of the Offshore Compliance Division program activities during 2015-2016.
- E-filing for the ***Foreign Income Verification Statement for Corporations*** form will be introduced by 2016-2017.
- As a result of the new offshore compliance measures, the CRA anticipates a growing number of taxpayers will choose to self-correct their tax affairs through the **Voluntary Disclosures Program**. The CRA will allocate resources as needed to continue effectively administering increases in volume.

# Criminal investigations

The Criminal Investigations Program investigates serious cases of tax evasion and fraud, and makes referrals to the Public Prosecution Service of Canada (PPSC) for criminal prosecution. The high visibility of these prosecutions help to increase public awareness of the work the CRA does to safeguard Canada's tax system, and deter others who might be contemplating tax evasion or fraud. In recent years, the program has undergone a transformational change in order to better leverage resources and investigative expertise, and to strengthen key relationships with other law enforcement agencies and the PPSC.

CRA criminal investigators work closely with other federal law enforcement agencies to make sure the most serious cases of tax evasion and fraud are thoroughly investigated and referred for prosecution. Each year, more than 95% of the CRA cases criminally prosecuted by the PPSC result in convictions.

## Planning highlights:

- > The CRA will improve its ability to select and prioritize high-risk files for criminal investigations during 2015-2016.
- > The CRA will work with internal and external partners during 2015-2016 to increase awareness of the CRA's Criminal Investigations Program and encourage the referrals of potential tax evasion cases.
- > During 2015-2016, the CRA will implement an enhanced quality assurance program, with a renewed focus on real-time reviews of active investigations.
- > The CRA will develop dedicated training, learning, mentoring and coaching products during 2015-2016 to help its investigators meet the challenge of increasingly complex criminal investigations.
- > In 2015-2016, forensic and informatics capabilities will be enhanced through the acquisition of the tools and technological expertise needed for complex investigations and through the provision of on-going technical training.
- > The CRA will use all communication channels to publicize successful prosecutions and investigative actions during 2015-2016. In addition, the CRA will continue to warn Canadians about the dangers of fraudulent tax schemes through tax alerts, news releases, and media advisories.

> Each year, more than 95% of the CRA cases criminally prosecuted by the Public Prosecution Service of Canada result in convictions.



## Aggressive tax planning

Aggressive tax planning (ATP) arrangements involve a transaction or a series of transactions designed primarily to avoid paying taxes. Such tax arrangements often go against the object and spirit of tax legislation and represent a significant threat to the revenue base of countries around the globe.

The CRA's approach to ATP has both domestic and international components. The Agency is enhancing its **dedicated ATP audit program**, and will continue to work closely with the Department of Finance Canada to close tax loopholes and develop new legislative tools to deal with emerging threats to Canada's revenue base. The CRA also works closely with the Department of Justice Canada to defend legal challenges to Agency audit decisions, to protect the integrity of the Acts administered by the Agency.

Internationally, the CRA shares information and best practices with tax administrations in other countries by working bilaterally and in multilateral forums. Aggressive international tax planning is a global threat to all industrialized countries and can only be effectively addressed by working co-operatively with other tax administrations.

### Planning highlights:

- The CRA will leverage the expertise of its National Centre of Expertise and **new specialized workload development centres** to identify and address high-risk cases.
- The CRA will focus on the development of locally-sourced referrals and leads to identify ATP files to pursue.
- The CRA will immediately begin **implementing the recommendations contained in the Office of the Auditor General of Canada's Spring 2014 report** to strengthen the ATP program.

# Scientific research and experimental development

Through the Scientific Research and Experimental Development (SR&ED) Program, the federal government provides tax assistance and investment tax credits to Canadian businesses as an incentive to conduct industrial research and development activities in Canada. The CRA is responsible for verifying the correctness of tax credit claims, and for making sure businesses are well informed about the requirements they must meet to receive credits in a timely and predictable manner.

The CRA employs hundreds of scientists and auditors to review the research conducted by Canadian businesses applying for SR&ED tax incentives. The work of these employees protects the integrity of the programs. Each year, the Agency processes almost 25,000 SR&ED claims and delivers more than \$3 billion in tax credits for Canadian industrial research and development.

## Planning highlights:

- > The CRA will review the results of a recent pilot project which provided claimants with a formal pre-approval of their SR&ED claims. During 2015-2016, the CRA will evaluate the feasibility of implementing a full national rollout of this service.
- > The CRA will work to increase business awareness of the SR&ED program through industry and sector-specific engagement during 2015-2016.

> Each year, the Agency processes almost 25,000 SR&ED claims.

# Voluntary disclosures

The CRA's Voluntary Disclosures Program (VDP) supports our voluntary self-reporting tax system by encouraging taxpayers to voluntarily self-correct their tax affairs. For taxpayers who realize their previous tax filings are inaccurate, or those who have not previously filed or reported, the program provides a safe way for them to come forward and relieve themselves of worrying about a future audit or investigation which might result in significant fines or imprisonment.

> Every year the CRA is contacted by thousands of taxpayers wishing to make a voluntary disclosure.

The VDP also allows the CRA to identify millions of dollars in unreported income each year which otherwise might be lost, or identified at much greater expense through compliance enforcement action. Over the past two years, close to 30,000 voluntary disclosures were processed, representing unreported income in excess of \$2 billion. The Agency's efforts to improve program awareness have helped to encourage taxpayers to come forward to take advantage of the VDP and correct their tax affairs.

Every year the CRA is contacted by thousands of taxpayers wishing to make a voluntary disclosure. Each application for voluntary disclosure is carefully reviewed before it is accepted to make sure it meets the conditions for the Program and has not been triggered by a taxpayer who is aware of CRA compliance action started against them. Once compliance action has begun, taxpayers are no longer eligible for the VDP. The information gathered through the VDP provides the CRA with an important source of intelligence on emerging tax issues and trends and helps inform the Agency's Offshore Compliance and Underground Economy strategies.

## Planning highlight:

- > The CRA will emphasize the importance of self-disclosure in promoting awareness of the VDP through the CRA's website, and through the use of online videos and social media tools through to March 2016. Once compliance action has begun, taxpayers are no longer eligible for the VDP.

## Budgetary financial information

(dollars)	2015-2016 Main Estimates	2015-2016 planned spending <sup>1</sup>	2016-2017 planned spending <sup>1</sup>	2017-2018 planned spending <sup>1</sup>
<b>Program</b>				
Compliance	1,045,193,249	<b>1,045,193,249</b>	1,031,278,872	1,032,337,340
<b>Subprograms</b>				
Small and medium enterprises <sup>2</sup>	-	<b>590,150,971</b>	578,374,697	579,687,956
International and large business	-	<b>287,499,724</b>	285,875,050	285,606,354
Criminal investigations program	-	<b>77,130,430</b>	76,912,695	76,909,788
Scientific research and experimental development	-	<b>85,356,423</b>	85,075,612	85,092,152
Voluntary disclosures program	-	<b>5,055,701</b>	5,040,818	5,041,090

<sup>1</sup> Planned spending refers to those amounts for which a Treasury Board submission approval has been received by no later than February 1, 2015. This cut-off date differs from the Main Estimates process. While in any given year planned spending may include amounts incremental to planned expenditure levels presented in the Main Estimates, this year it does not.

<sup>2</sup> The decrease in planned spending from 2015-2016 to 2017-2018 under the small and medium enterprises subprogram results from the Agency's implementation of initiatives to improve efficiency.

## Human resources

(full-time equivalents)	2015-2016	2016-2017	2017-2018
<b>Program</b>			
Compliance	<b>9,807</b>	9,656	9,651
<b>Subprograms</b>			
Small and medium enterprises	<b>6,068</b>	5,931	5,930
International and large business	<b>2,333</b>	2,326	2,322
Criminal investigations program	<b>599</b>	599	599
Scientific research and experimental development	<b>731</b>	724	724
Voluntary disclosures program	<b>76</b>	76	76

## Performance measurements

The CRA performance measures for compliance are set out on page 92. These measures indicate the Agency:

- > Uses effective risk assessment systems and audit processes to detect and correct non-compliance. Success in selecting non-compliant accounts for audit is measured by the percentage of audited accounts which require change. Success in criminal investigations is measured in the conviction rate for files prosecuted.
- > Manages the voluntary disclosures workload effectively. The CRA sets a target for the percentage of new voluntary disclosure files which will be completed within a year. Targets are established based on resourcing, intake trends, and the CRA's commitment to a thorough review.
- > Meets its service commitments to Canadians 100% of the time. The CRA has 47 service standards. For activities described in this chapter, 6 service standards apply.



# Collections and returns compliance

The Canada Revenue Agency (CRA) undertakes a broad range of activities to support taxpayers' compliance with federal and provincial legislation. The previous chapters explained the steps the CRA is taking to make sure Canadians accurately complete tax returns and report income. To fully comply with Canada's tax laws, taxpayers must also file their returns on time, pay their tax debts on time and, when required, register to collect GST/HST or other levies, and remit amounts deducted at source to the CRA. Many of the CRA's collections and returns compliance activities focus on early detection and correction of failure to comply.

> Recent advances in information technology and data analysis are enhancing the CRA's compliance strategies.

Over 92% of all individuals filed and paid their taxes last year without CRA intervention. This high rate of voluntary compliance allows the Agency to concentrate on addressing non-compliance. Recent advances in information technology and data analysis are changing the CRA's approach to collections and returns compliance. Using these tools, the Agency can more accurately assess and predict taxpayer behaviour, which in turn helps to identify lower-risk taxpayers. A well-directed phone call or a nudge letter is often enough to remind these taxpayers of their obligations, to increase awareness of the consequences of failing to file a tax return or pay a debt, and to offer assistance as needed. Using quick, low-cost methods to help lower-risk taxpayers enables the CRA to focus more resources on taxpayers who are at a much higher risk of non-compliance.

During the planning period, the CRA will advance its three-year Non-Audit Compliance Initiative to boost efforts to identify higher-risk taxpayers in three key areas: trust accounts, non-filers, and GST delinquent filers. This initiative will further protect Canada's revenue base by: increasing examination coverage of employer payroll and GST registrant books and records, to ensure source deductions are properly withheld and remitted as required; identifying additional non-filers who have tax amounts owing; and expanding coverage of sectors at higher risk for underground economy activity.

## Working with employers and businesses (trust accounts)

Employers form a critical role in Canada's self-assessment tax system by collecting income tax at source. Each year, the CRA collects more than \$200 billion through source deductions remitted by approximately 1.6 million employers.

The CRA works with employers to make sure they fulfil their obligations in a timely manner, such as withholding, remitting, reporting, and filing for payroll deductions, GST/HST, other levies, and non-resident taxes. To assess whether employers meet these requirements, the Agency reviews more than 480,000 payroll accounts annually, and resolves more than 240,000 GST/HST files through its GST/HST delinquent filer program. Each year, the CRA conducts employer compliance audits and identifies over \$1.8 billion in non-compliance, including source deductions.

Data analysis is helping the CRA to prevent employer non-compliance. For example, the Agency can more readily identify key points in the life cycle of employers, such as when businesses hire new employees or register for the GST/HST. Based on this knowledge, the CRA uses cost-effective, educational, and proactive approaches such as webinars, automated phone calls, and letters to remind employers of their obligations associated with payroll deductions, GST/HST, and other levies.

### Planning highlights

- > In 2015-2016, the CRA will expand its work to educate employers regarding taxable benefits, ensuring employers have a better understanding of their obligations to withhold, report, and remit taxes on employee benefits.
- > By the end of 2015-2016, the CRA will improve the predictive capability of its data mining tools and automate certain processes to assess GST/HST amounts owed by select registrants who have not complied with their obligation to file.
- > The CRA is investing in technology to allow for improved risk-based management of the GST/HST non-registrant workload. Effective in early 2015, the new technology will allow the Agency to better leverage available business intelligence and eliminate manual processes.

### Non-Filers

The CRA encourages individuals, businesses, and trusts to file tax returns on time. In most instances, this means ensuring taxpayers understand their tax obligations or offering assistance with filing requirements. However, the CRA is also responsible for identifying filing non-compliance and pursuing individuals, corporations, or trusts who do not file tax returns despite a legal obligation to do so. Each year, the Agency's efforts to identify and pursue non-filers bring in over 600,000 additional income tax and information returns, and help identify over \$2.7 billion in non-compliance.

As part of the Non-Audit Compliance Initiative, the CRA will expand efforts to identify non-filers in other areas, for example those participating in the underground economy. The Agency will use such proven methods as automated system checks to match information slips and corporate business numbers against submitted tax returns, the matching of employer reports on taxable benefits, and income earned to individual income tax and benefit returns, as well as the review of informant leads and information from various other reporting sources.

### Planning highlights

- > The CRA will expand its efforts to identify non-filers participating in the underground economy (UE). This will include projects such as a cheque-cashing project running until March 2017.

> Each year, the CRA conducts employer compliance audits and identifies over \$1.8 billion in non-compliance.



- > The CRA will enhance the effectiveness of its non-filer data mining model to improve the risk scoring of account selection and to improve related workload strategies. A product is anticipated to be ready for testing and validation by October 2015.
- > The CRA will increase the use of the Debt Management Call Centre in 2015-2016, by redirecting greater numbers of non-filer accounts to the call centre and assessing the impacts of this lower-cost intervention.

## Managing debts

To be fully compliant, individual and business taxpayers must pay all taxes on time. The CRA collects tax debts on behalf of federal, provincial, and territorial governments. It also collects debts for such government programs as defaulted Canada Student Loan amounts, employment insurance overpayments, and Canada Pension Plan overpayments.

Managing tax debt is critical to protecting Canada's revenue base and providing the Government of Canada with the revenue it needs to support programs and priorities. Each year, the Agency resolves billions of dollars in outstanding debt through tax services offices and the call centre.

Using improved information technology and data analysis, the CRA is taking a more targeted and risk-based approach to collecting tax debt. For example, data analysis helps to distinguish various taxpayer segments including those who can and want to pay, those who owe but cannot pay immediately, and those who are unwilling to pay. Based on these insights, the CRA can better identify the lower-risk accounts most likely to self-resolve and, in those cases, use lower-cost strategies such as automated letters and telephone calls. This approach will allow the Agency to redirect more compliance resources towards accounts representing the highest risk of loss.

### Planning highlights:

- > A 10-year collection limit on most tax debts took effect in March 2014. The CRA is developing an automated system so the Agency can track and resolve debts within the time limit. This is a multi-year project with system changes scheduled for February 2015, October 2015, and 2016.
- > By 2015-2016, the CRA will develop specialized strategies to manage the unique risks associated with tax debt on complex workloads, such as international accounts and tax avoidance schemes.
- > By 2015-2016, the CRA will identify ways to more efficiently and effectively manage debts associated with Government programs, including defaulted Canada Student Loan amounts, Employment Insurance overpayments, and Canada Pension Plan overpayments.
- > To ensure clarity in its communications with taxpayers regarding tax debt collection, the CRA will make sure all correspondence uses easy to understand plain language.

> Each year, the Agency resolves billions of dollars in outstanding debt through the tax services offices and the call centre.

## Budgetary financial information

(dollars)	2015-2016 Main Estimates	2015-2016 planned spending <sup>1</sup>	2016-2017 planned spending <sup>1</sup>	2017-2018 planned spending <sup>1</sup>
<b>Program</b>				
Collections and returns compliance <sup>2</sup>	469,453,195	<b>469,453,195</b>	469,262,938	443,295,719
<b>Sub-programs</b>				
Trust accounts—compliance <sup>2</sup>	-	<b>83,756,946</b>	84,304,112	70,814,864
Non-filer—compliance <sup>2</sup>	-	<b>66,666,041</b>	65,053,750	56,262,959
Collections—tax and government programs	-	<b>319,030,208</b>	319,905,076	316,217,896

<sup>1</sup> Planned spending refers to those amounts for which a Treasury Board submission approval has been received by no later than February 1, 2015. This cut-off date differs from the Main Estimates process. While in any given year planned spending may include amounts incremental to planned expenditure levels presented in the Main Estimates, this year it does not.

<sup>2</sup> The decrease in planned spending for the trust accounts and non-filer subprograms results primarily from the conclusion of funding received for special projects.

## Human resources

(full-time equivalents)	2015-2016	2016-2017	2017-2018
<b>Program</b>			
Collections and returns compliance	<b>7,638</b>	7,735	7,358
<b>Sub-programs</b>			
Trust accounts—compliance	<b>1,922</b>	1,873	1,679
Non-filer—compliance	<b>932</b>	925	798
Collections—tax and government programs	<b>4,784</b>	4,937	4,881

## Performance measurements

The CRA performance measures for collections and returns compliance are set out on page 93. These measures indicate the Agency:

- > Effectively uses available tools and resources to complete the forecasted workload.
- > Resolves tax debt on a timely basis and within the targeted levels. The CRA aims to resolve most debt within the first year, and to make sure no more than 18% of tax debts are beyond five years old. These targets compare favourably with other tax administrations. The targets recognize some debts will take longer to resolve. For example, the appeals process may extend the time needed to resolve some debts.
- > Manages the overall growth of tax debt. The CRA aims to resolve debt at a rate of at least 90% of the intake during the year. This target recognizes some debt will be uncollectable, for example, as a result of bankruptcy.



# Appeals

The Canada Revenue Agency (CRA) offers an impartial and fair appeals process to resolve disputes resulting from tax-related decisions, review requests for taxpayer relief, and examine service complaints. If taxpayers are not satisfied with the outcome of the Agency appeals process, there are various ways to seek further consideration. For example, taxpayers who disagree with the decision on an objection can appeal to the courts.

## Faster response to objections

Every taxpayer who disagrees with a CRA decision about an assessment has access to the CRA's dispute resolution process. The Agency receives approximately 80,000 objections each year. To make sure they are handled in a timely, impartial, and consistent manner, the CRA segments objections into various categories including low-complexity, medium-complexity, high-complexity, and group objections.

Low-complexity files usually involve the application of basic provisions of the law, with little research required. Examples include objections to decisions about individual tax credits, personal deductions, the Canada child tax benefit, the disability tax credit, and other deductions on regular individual (T1) returns. The CRA has established a new target of resolving low-complexity files within 180 days, 90% of the time.

Medium-complexity objections frequently involve more complex provisions of the law and complex transactions such as decisions about business deductions, scientific research and experimental development claims, and more complex T1 issues. High-complexity objections typically require more extensive research because they involve large files, multi-national corporations, complex business transactions, international transactions, as well as anti-avoidance provisions. Both medium- and high-complexity objections require a higher level of technical expertise and are assigned accordingly.

Group objections relate to tax schemes that involve a significant number of taxpayers such as gifting tax shelters, RRSP strips, and other aggressive tax planning schemes. These have become increasingly common in recent years, resulting in a large backlog of inventory. In the last year, 85,000 gifting tax shelter objections have been processed, of which 47,000 have been resolved. As for the remaining objections, an amendment to the *Income Tax Act* now allows the CRA to apply to the court to have the remaining taxpayers bound to lead litigation cases.

## Planning highlights

- > In 2015-2016, the CRA will meet its newly established target by resolving new intake of low-complexity objections within 180 days, 90% of the time.
- > During the planning period, the CRA will resolve the current inventory of aged low-complexity files (already more than 180 days old).
- > To handle medium-complexity objections, the CRA will develop a national shelf—or a central repository—to allow for more efficient and systematic distribution of incoming objections, and the Agency will implement an inventory management strategy.
- > The CRA will continue to reduce the group objections inventory. With over 85,000 processed so far, the Agency will continue to systematically process these group objections and further reduce its inventory during the planning period.
- > To protect taxpayers and help prevent them from making potentially costly errors, the CRA will continue working to build taxpayer awareness of tax shelter schemes and unscrupulous promoters.

> The CRA recognizes taxpayer feedback can provide valuable insight.

## Streamlining CPP/EI processes

Thousands of Canadians rely on payments through the Canada Pension Plan (CPP) or employment insurance (EI), and prolonged disputes can potentially cause financial hardship. Canadians are entitled to dispute decisions related to CPP/EI payments. Each year the CRA receives and resolves about 3,000 CPP/EI disputes. It also helps the Department of Justice Canada in handling cases where taxpayers want to pursue further recourse, typically filing approximately 300 CPP/EI appeals before the Tax Court of Canada.

### Planning highlights

- > The CRA will implement a new centralized approach to workload management to increase efficiency in handling CPP/EI appeals and to ensure consistency and timeliness in the level of service as well as the application of legislation.

## Improving service through taxpayer feedback

The CRA's complaint resolution process enables taxpayers to express dissatisfaction with the service, quality, or timeliness of the Agency's work, as described in the *Taxpayer Bill of Rights*. In 2013-2014, the Agency was able to resolve more than 2,700 service complaints within 30 business days more than 95% of the time.

The CRA recognizes taxpayer feedback can provide valuable insight, which in turn helps to identify and implement service improvements. The Agency collects feedback through the service complaints program, the call centre, and other formal and informal channels. The key challenge is to consistently and effectively capture this input so the Agency can make continuous improvements.

### Planning highlights:

- > The CRA will develop a model to collect taxpayer feedback received from all of the Agency's programs. This Agency feedback model will enable the CRA to quickly identify and respond to systemic issues or problems. Planning and development of the feedback model will occur in 2015-2016, and implementation is expected in 2016-2017.

## Taxpayer relief

The CRA administers the process under which the Minister of National Revenue may cancel or waive penalties and interest under taxpayer relief provisions. Each year, the Agency resolves more than 300,000 requests for taxpayer relief from taxpayers who cannot meet their tax obligations due to personal misfortune or circumstances beyond their control.

### Planning highlights:

- > By 2017, the CRA will implement a new service standard to measure turnaround times for acknowledgement letters to taxpayers' requests for relief.
- > To provide better service to Canadians and to allow for more efficient distribution of incoming taxpayer relief requests, the Agency will implement a national inventory management system in 2015-2016.

## Budgetary financial information

(dollars)	2015-2016 Main Estimates	2015-2016 planned spending <sup>1</sup>	2016-2017 planned spending <sup>1</sup>	2017-2018 planned spending <sup>1</sup>
<b>Program</b>				
Appeals	179,658,662	<b>179,658,662</b>	177,823,494	175,576,460
<b>Sub-programs</b>				
Income and commodity tax objections, determinations, and appeals to the courts	-	<b>149,186,506</b>	146,459,019	145,042,699
Canada Pension Plan/Employment Insurance appeals to the minister and appeals to the courts <sup>2</sup>	-	<b>3,883,570</b>	4,447,891	4,456,384
Service complaints	-	<b>7,957,575</b>	8,022,375	8,028,928
Taxpayer relief	-	<b>18,631,011</b>	18,894,209	18,048,449

<sup>1</sup> Planned spending refers to those amounts for which a Treasury Board submission approval has been received by no later than February 1, 2015. This cut-off date differs from the Main Estimates process. While in any given year planned spending may include amounts incremental to planned expenditure levels presented in the Main Estimates, this year it does not.

<sup>2</sup> The increase in planned spending from 2015-2016 to 2017-2018 in the CPP/EI appeals to the minister and appeals to the courts subprogram results primarily from the recoverable expenditures on behalf of the *Canada Pension Plan* and the *Employment Insurance Act*.

## Human resources

(full-time equivalents)	2015-2016	2016-2017	2017-2018
<b>Program</b>			
Appeals	<b>1,696</b>	1,669	1,649
<b>Sub-programs</b>			
Income and commodity tax objections, determinations, and appeals to the courts	<b>1,214</b>	1,211	1,202
Canada Pension Plan/Employment Insurance appeals to the minister and appeals to the courts <sup>1</sup>	<b>176</b>	147	147
Service complaints	<b>96</b>	96	97
Taxpayer relief	<b>210</b>	215	203

<sup>1</sup> The decrease in planned full-time equivalents under the CPP/EI Appeals to the minister and Appeals to the courts subprogram from 2015-2016 to 2017-2018 results from a change in the recoverable expenditures on behalf of the *Canada Pension Plan* and the *Employment Insurance Act*.



## Performance measurements

The CRA performance measures for appeals are set out on page 95. These measures indicate the Agency:

- > Resolves disputes in a timely and objective manner. The CRA sets targets for processing disputes depending on their complexity.
- > Advises taxpayers and benefit recipients when their service complaint has been received.



# Benefit programs

The CRA supports essential services delivered by provincial and territorial governments and the federal government. The 135 benefit and credit programs and services administered by the CRA on behalf of the provinces, territories, and the federal government make a significant contribution to the ongoing economic and social well-being of many Canadians. Each year the CRA administers almost \$22 billion in benefit payments to 12 million Canadian families and individuals through the benefit and credit programs.

The federal government and many provincial and territorial governments turn to the CRA to deliver benefit and credit programs because of the Agency's expertise and systems infrastructure. By working with the CRA, government clients can lower their program administration costs and reduce duplication, as well as take advantage of the CRA's track record of integrity, fairness, and effective management of benefit programs.

> The CRA's role is to ensure the correct payments are made to the right individuals as efficiently as possible.

The CRA's role is to ensure the correct payments are made to the right individuals as efficiently as possible. Most programs use similar income-based eligibility criteria, contributing to a high degree of accuracy in benefit payments. The Agency's information technology infrastructure enables quick and efficient data matching from tax returns and information sharing with federal, provincial, and territorial government counterparts. The CRA also possesses the payment processing capabilities needed to ensure the right benefit payment is made to the right individual at the right time.

The CRA is in year four of a nine-year project to reengineer the benefits system platform to strengthen capacity to issue timely and accurate benefit payments to millions of Canadians. The result will be improved service to taxpayers and increased capacity to manage future growth in the benefit programs and services delivered for the provinces and territories, and the federal government.

Technology is also at the centre of the CRA's strategy to make it as easy as possible to securely apply for benefits, receive information, and communicate with the Agency. The CRA's e-services provide self-service options which enable benefit applicants and recipients to securely manage their account details, such as updating marital status and the number of children in their care, using the benefits page within **My Account**, the online portal for taxpayers. The CRA will be making it easier for taxpayers to access essential information about their benefits.

The automated benefits application greatly simplifies the benefit application process for taxpayers. When registering their child's birth, parents simply need to consent to their data being shared with the CRA. The CRA then automatically determines if the applicant is eligible for the Canada child tax benefit (CCTB), the universal child care benefit (UCCB), and any related provincial and territorial programs participating in the automated benefit application process. First introduced in 2009, the automated benefit application is now available in nine provinces with Saskatchewan scheduled to join in late 2015. Discussions continue with the three territories.

## Benefit enquiries

Families and children, low and moderate income households, persons with disabilities, caregivers, and other Canadians receiving benefit payments depend on the CRA to provide efficient determinations of their eligibility and they count on the Agency to respond promptly to more than five million enquiries annually. The Agency's benefit administration service for the federal government and provincial and territorial governments includes providing benefit applicants and recipients with information about benefit programs and giving timely and accurate responses to their enquiries.

### Planning highlights

- > The CRA is pilot-testing the amalgamation of two telephone networks to improve services by resolving more issues the first time benefit recipients call the Agency. The results of the pilot will be reviewed in 2015-2016.

## Benefit programs administration

The CRA administers these important government programs in a secure and cost-effective manner while also simplifying the benefit process for eligible recipients.

### Planning highlights

- > Beginning in July 2015, the CRA will automatically determine the eligibility of every individual who files a return and issue the GST/HST credit to all entitled individuals.
- > On October 30, 2014, the Government of Canada announced tax relief measures and benefit increases for families with children. The announcement included the following enhancements to the universal child care benefit (UCCB):
  - \$60 increase, from \$100 to \$160, for each eligible child under the age of 6 years, effective January 2015.
  - \$60 for each eligible child aged 6 to 17, effective January 2015.

Pending the receipt of royal assent, the first enhanced UCCB payments will be issued in July 2015, and will include any increased benefit applicable from January to June of 2015.

- > The CRA will implement e-delivery for benefit recipients who opt in for this service in 2016, enabling the CRA to advise benefit recipients, via electronic notification, when they have correspondence or an action request from the CRA to view in a secure portal.
- > The CRA will continue to expand the use of the Automated Benefit Application service to the remaining province in late 2015. Discussions continue with the three territories.

> The CRA is ensuring these important government programs meet the needs of Canadians.

## Budgetary financial information

(dollars)	2015-2016 Main Estimates	2015-2016 planned spending <sup>1</sup>	2016-2017 planned spending <sup>1</sup>	2017-2018 planned spending <sup>1</sup>
<b>Program</b>				
Benefit programs	375,217,640	<b>375,217,640</b>	377,704,372	378,000,658
<b>Subprograms</b>				
Benefit enquiries	-	<b>33,700,125</b>	33,651,603	33,740,137
Benefit programs administration	-	<b>104,517,515</b>	107,052,769	107,260,521
Statutory children's special allowance payments	-	<b>237,000,000</b>	237,000,000	237,000,000

<sup>1</sup> Planned spending refers to those amounts for which a Treasury Board submission approval has been received by no later than February 1, 2015. This cut-off date differs from the Main Estimates process. While in any given year planned spending may include amounts incremental to planned expenditure levels presented in the Main Estimates, this year it does not.

## Human resources

(full-time equivalents)	2015-2016	2016-2017	2017-2018
<b>Program</b>			
Benefit programs	<b>1,508</b>	1,529	1,513
<b>Subprograms</b>			
Benefit enquiries	<b>483</b>	485	493
Benefit programs administration	<b>1,025</b>	1,044	1,020
Statutory children's special allowance payments	-	-	-

## Performance measurements

The CRA performance measurements for benefit programs are set out on page 97. These measurements indicate the Agency:

- > Meets its service commitments to Canadians 100% of the time. The CRA has 47 service standards, and 9 apply to the activities described in this chapter.
- > Provides a high level of accessibility for telephone enquiries.
- > Has strong controls in place for selecting files for validation, ensuring it selects those at greatest risk of non-compliance.
- > Successfully promotes direct deposit, so more individuals receive benefit and credit payments electronically.
- > Ensures CRA telephone agents have access to the most current resources, so benefit recipients get the right information.
- > Meets benefit recipients expectations for quick processing of their applications.



# Internal services

Canada's tax administration is sustained by a solid foundation of sound financial management, secure and reliable information technology, and a diverse and high-performing workforce. Maintaining cost-effective internal services allows the CRA to deliver and continually improve services to Canadians, achieve the highest levels of integrity and security, and respond effectively to those who do not comply with their tax obligations.

Internal services	Budgetary financial resources <sup>1,2</sup> (dollars)	Human resources (full-time equivalents)
2015-2016 Main Estimates	837,350,994	-
Planned 2015-2016	<b>837,350,994</b>	<b>7,541</b>
Planned 2016-2017	816,594,012	7,398
Planned 2017-2018	818,332,765	7,304

> The CRA's employees, working in communities from coast to coast, are committed to serving taxpayers with integrity and efficiency.

- <sup>1</sup> Planned spending refers to those amounts for which a Treasury Board submission approval has been received by no later than February 1, 2015. This cut-off date differs from the Main Estimates process. While in any given year planned spending may include amounts incremental to planned expenditure levels presented in the Main Estimates, this year it does not.
- <sup>2</sup> The decrease in planned spending from 2015-16 to 2017-18 under internal services results primarily from a reduction in funding associated with government advertising programs, the implementation of initiatives to improve efficiency, and the conclusion of funding received for the administration of the Softwood Lumber Agreement and for special projects.

## Human resources

The CRA's experienced and highly qualified experts in a wide variety of fields administer Canada's tax and benefit programs effectively, and with integrity, while serving Canadians from the Agency's offices in communities from coast to coast. The Agency is implementing strategies to maintain its high-performing workforce in order to meet both current and future needs, while transferring its values to new employees. The Agency's workforce strategies will address the reality of an increasing number of employees who are becoming eligible to retire.

The CRA's Agency Workforce Plan and action plans on official languages and employment equity and diversity contribute to maintaining a knowledgeable, competent workforce representing the Canadian population, while serving taxpayers in the official language of their choice. The Agency was recognized by the Canada's Top 100 Employers project as a top employer in the National Capital Region and a top employer for young people for 2014. To maintain an open dialogue, the CRA makes sure all employees have documented performance expectations, as well as mid-year and year-end discussions with their immediate supervisors to review performance.



## Planning highlights

- > The CRA will implement a new external recruitment strategy in 2015-2016. This strategy will include working in partnerships with other government agencies and departments, and external stakeholders such as the professional accounting associations, to conduct targeted national recruitment campaigns.
- > The CRA is adopting the Federal Student Work Experience Program for student hiring and is partnering with the Public Service Commission of Canada to advertise the new Auditor Development Program.
- > The Agency is working with Chartered Professional Accountants Canada to recognize the CRA as an official training office to obtain the CPA designation.
- > The CRA is enhancing its visibility on post-secondary campuses and CRA representatives continue to attend various post-secondary school and community organization career fairs.
- > The CRA will continue succession planning initiatives to develop and maintain its leadership capacity.
- > The CRA will implement initiatives fostering employee health and wellness. The Agency will analyze results of the 2014 Public Service Employee Survey and develop action plans at the national, branch, and regional levels in 2015-2016.
- > The CRA will maintain a strong and vibrant workforce representative of the Canadian population it serves including representation for the four employment equity groups (Aboriginal peoples, persons with disability, members of visible minority, and women).
- > The CRA will work with official language minority communities<sup>3</sup> throughout 2015-2016 when developing or changing programs. The Agency is building these communities into regular consultation and outreach plans.

## Reducing internal red tape

Reducing internal red tape is about constantly looking for ways to identify and eliminate unnecessary rules, procedures and processes to increase efficiency and support innovation. Internal red tape reduction was identified by employees during the Agency's recent Blueprint 2020 engagement process as a key priority. As a result, internal red tape reduction forms part of the Agency's Blueprint 2020 action plan. Through Blueprint 2020 and other Agency modernization initiatives CRA employees are encouraged to continuously seek opportunities to streamline processes and reduce duplication. In every branch and region, engaged staff are developing plans to reduce red tape and make red tape reduction a part of everyday business. For example, the Agency has converted 70% of its internal taxation operations manuals to electronic format to facilitate ease of use and the quicker updating of information and procedures. The CRA will be converting the remainder of its taxation operations manuals over the planning period.

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3. The term "official language minority communities" refers to English-speaking communities in Quebec and French-speaking communities in a territory or in a province other than Quebec.



## Blueprint 2020

The CRA advocates and actively participates in Blueprint 2020, a government-wide exercise to shape the future Public Service of Canada. Blueprint 2020 represents a unique opportunity, inspiring the CRA to reinvent the workplace and reaffirm its commitment to service excellence. Through BluePrint 2020, the Agency is building a culture of engagement that taps into employee knowledge and experience to bring innovative, citizen-centric approaches to employees' everyday work. While many Blueprint 2020 initiatives focus on how the CRA workplace will evolve, the following goals and actions link directly to service excellence:

CRA Blueprint 2020 Goals	Actions
<p><b>Improve service to Canadians through the use of modern technology by using e-tools to communicate with taxpayers.</b></p> <p>For more information on this topic, see chapters on <i>Taxpayer and business assistance</i> and <i>Assessment of returns and payment processing</i>.</p>	<p>The Agency implements improvements to its e-communications service each year. The CRA will:</p> <ul style="list-style-type: none"> <li>• Develop the MyCRA mobile app so individuals can access refund and benefit information from mobile devices (2015)</li> <li>• Streamline the authentication process for the MyAccount secure online service (2015)</li> <li>• Enable individuals to register for the Manage Online Mail service to view correspondence such as notices of assessment in MyAccount (2015)</li> <li>• Accept additional prior-year returns through EFILE and NETFILE (2016)</li> <li>• Improve usability of Business Registration Online</li> <li>• Improve the CRA's Tax Data Delivery service, enabling representatives to request secure electronic transmission of some tax information from clients' accounts</li> </ul>
<p><b>Strengthen the performance management process.</b></p>	<p>Our employees are the foundation of service excellence. By equipping managers and employees to engage in meaningful discussion we can achieve optimal performance results. The CRA will:</p> <ul style="list-style-type: none"> <li>• Establish standardized expectations for CRA jobs with a high number of employees</li> <li>• Expand the CRA's upward feedback pilot project to include sites in additional regions and branches</li> <li>• Identify approaches to enhance teamwork in order to achieve Agency goals</li> </ul>
<p><b>Improve the staffing process.</b></p>	<p>Effective staffing is about putting the right people in the right place at the right time, better enabling the CRA to deliver service excellence. The CRA will:</p> <ul style="list-style-type: none"> <li>• Improve how the Agency manages staffing processes, and help build the CRA brand for external recruitment</li> <li>• Reduce staffing time by streamlining administration, and implementing national and regional selection processes</li> </ul>

## Information technology

The CRA's sophisticated information technology (IT) environment enables it to provide a responsive and secure Canadian tax and benefits delivery system. The Agency is able to handle large volumes of tax and benefit transactions and offer a broad range of e-service functions accurately, on time, efficiently, and cost-effectively with a suite of modern tools, systems, and IT-enabled solutions.

More than 60% of all transactions for individual returns, benefit payments, and payment processing are automated. This reliance on IT will increase as the CRA releases more electronic self-service options and as taxpayers adopt these tools.

IT innovation is at the core of the CRA's risk-based compliance strategies, enabling the Agency to quickly detect and correct errors, validate data, and direct enforcement resources to the highest-risk accounts. The CRA is upgrading its compliance systems to support these compliance activities.

The CRA has an IT sustainability program to make sure its major applications will continue to function effectively and can support continuous improvement in service delivery and compliance actions. Ongoing sustainability programs include the T1 Systems Redesign Project and reengineering the benefits system platform to strengthen the CRA's capacity to issue timely and accurate benefit payments to millions of Canadians annually. The Charities Modernization Project will support new electronic filing solutions, automate manual processes, and integrate charities into the suite of e-services.

All of the CRA's IT enhancements are supported by the IT Security Strategy, which guides the protection of taxpayer data and the actions to shield the IT infrastructure and data holdings from increasingly complex cyber threats.

The CRA works closely with Shared Services Canada to make sure IT infrastructure services meet the Agency's needs and support the federal government's approach to delivering reliable, secure, and lower-cost IT infrastructure services. The CRA will continue several joint initiatives with Shared Services Canada, including Data Centre Consolidation, Email Transformation, Contact Centre Transformation, and cyber and IT security measures.

> More than 60% of all transactions for individual returns, benefit payments, and payment processing are automatic.

### Planning highlights

- > The CRA will implement new e-services during 2015-2016, such as more flexible payment options, enabling taxpayers and businesses to securely send electronic documents to the CRA, and a new mobile application for taxpayers.
- > The Agency will improve its secure online portals **My Account**, **My Business Account**, and **Represent a Client** to make them easier for taxpayers and their representatives to use, while also preparing for future program growth and advances in technology.
- > Throughout 2015-2016, the CRA will continue multi-year projects to build and renew its business intelligence platform in support of the CRA's activities in research and data analysis.
- > The CRA will continue working with Shared Services Canada to provide employees with technologies supporting greater organizational flexibility and efficiency by 2017-2018, including those supporting mobile and remote work requirements.

## Integrity and security

Integrity and security are at the core of everything the CRA does. These values are incorporated into every aspect of the Agency's business strategy and decision-making. They guide how the CRA works, protects systems, safeguards taxpayer information, effectively manages programs, and supports employees in doing the right thing.

The CRA recognizes the importance of maintaining Canadians' trust and is committed to protecting all data it receives. The CRA has a significant internet presence and is managing a growing amount of confidential taxpayer data, therefore its security program must continue to meet or exceed the information technology security recommendations set out by the Government of Canada.

Every CRA employee is responsible for protecting the integrity of Agency programs, data, and systems. The Agency requires all employees to review and acknowledge annually their obligations under the Code of Ethics and Conduct and the Conflict of Interest Policy as a condition of employment. The CRA will continue to extensively screen employees who work in positions requiring a high level of public trust.

> Integrity and security are at the core of everything the CRA does.

### Planning highlights

- > The CRA will establish an anonymous reporting line to allow employees to report suspected cases of internal fraud and misuse. This new reporting service will augment the options available to employees wishing to report employee misconduct.
- > The Agency will enhance the protection of personal information it holds through the continued implementation of its privacy action plan. This includes the implementation of the highest levels of security protocols for data transfers and an Agency-wide plan to ensure privacy impacts are identified and addressed each time the CRA launches a new program or activity.
- > The CRA will continue to strengthen privacy protections for internal applications and secure services to taxpayers. In the face of evolving threats, the CRA's vigilant protection of Canadians' tax information and electronic services will be assured through ongoing projects to advance identity and access management and through the National Audit Trail System (to be fully implemented by March 2017).
- > The CRA has developed a three-year agency security plan outlining its strategic and integrated approach to planning for security priorities. The implementation of this plan will ensure the Agency successfully manages security risks and strengthens its security position.

## Access to information and privacy

The CRA is enhancing the protection of personal information held by the Agency through the timely implementation of its privacy action plan developed in fiscal 2013-2014. This plan outlines actions the Agency will take to strengthen privacy oversight and practices at the CRA. Some of the key activities in the action plan include the implementation of an Agency-wide privacy impact assessment action plan, which will ensure privacy risks are adequately addressed in the development of new programs and services, and the use of the Audit Trail Record Analysis Tool (ATRAT), which enhances the CRA's ability to monitor access to taxpayer information by its employees.

The CRA is taking immediate action to enhance the protection of personal information and privacy within its ATIP operations. Near-term actions will focus on three broad areas: operational processes, communications/training, and accountabilities. Actions will include:

- Implementing encryption for electronic transmission of documents.
- Enhancing existing requirements for securing all Agency documents containing personal information through the use of identifying marks clearly communicating to employees which documents contain protected information and must be managed accordingly.
- Establishing quality assurance officers in all ATIP offices who are dedicated to verifying the accuracy and transmission information for all document packages. This will add additional, independent oversight of contents and use of security procedures.
- Raising the accountabilities and authorities granted under the *Access to Information Act* to ensure senior managers are directly engaged in decisions on the treatment and disclosure of personal information.

The CRA is committed to continually enhancing its ability to protect taxpayer information, taking immediate action where there is inappropriate disclosure or access, and meeting its legislative requirements under the *Privacy Act*. The Agency will do so while managing a steadily increasing volume of requests which, in recent years, consistently rank it in the top three of all government departments and agencies. In 2013-14, the CRA received 2,751 requests and processed 1,636,782 pages. This is almost 400,000 more pages than the organisation ranked second.

## Finance and administration

The CRA's activities take place in an environment of sound comptrollership, where senior management's decisions are based on timely financial and administrative information. The CRA uses a robust system of financial controls and financial service delivery to maintain cost-effective internal services and to support the efficient administration of the tax system.

Effective resource management is key to the CRA's success in managing one of the Government of Canada's largest budgets. This is accomplished through the CRA's ongoing commitment to a sound base of accountabilities and financial controls over planning and budgeting, which ensure financial resources, including investments, are applied optimally and are aligned to the strategic direction and priorities of the organization. The Agency maintains transparent and responsible oversight of travel and hospitality expenses. In addition, the CRA regularly reviews its finance and administration organizational and service delivery models to maximize efficiencies, simplify processes and procedures, and identify improvement and savings opportunities.

### Planning highlights

- > Accommodations are one of the CRA's largest expenditures and space optimization is a priority. While space optimization remains a long-standing goal, the implementation of a Workspace 2.0 environment in April 2011 has led to the reduction of 81,000 square metres (8.7% of inventory) and will create a further reduction of 72,000 square metres (7.7% of inventory) by March 2019. The CRA will ensure its investments in work spaces reflect industry best practices and meet employee needs through the continued implementation of the Workplace 2.0 initiative. The Agency will also implement strategies to optimize investments in office print equipment by December 2016 and in office furniture by March 2017.
- > The CRA will renew its approach to providing financial advice, analysis, and decision support to senior executives and modernize the financial services delivery model to better align with Government-wide best practices.
- > The CRA is consolidating its financial services operations from six financial services units to two. The main objective of this initiative is to maximize the efficiencies by standardizing and streamlining processes.

> Effective resource management is key to the CRA's success in managing one of the Government of Canada's largest budgets.

## Sustainable development

The CRA's sustainable development strategies focus on improving operational efficiencies and conserving resources, helping it reduce its environmental impact. The [Agency's Sustainable Development Strategy 2014-2017](#) sets a three-year agenda for continued greening of CRA programs and operations in support of Canada's federal sustainable development strategy.

### Planning highlights

The CRA will:

- Reduce greenhouse gas emissions from operations through sustainable fleet management and by promoting sustainable travel options to employees
- Embed environmental considerations in Crown procurement through training on green procurement and by including green procurement in performance evaluations
- Improve sustainability in workplace operations by managing waste through reuse and recycling and by increasing population density in CRA buildings
- Provide greener services by improving and increasing e-services for taxpayers and benefit recipients

# Board of management strategic priorities

The Board will work with CRA management to ensure the CRA remains at the forefront of government-wide renewal. The Board will maintain its focus on the CRA's commitment to continually improve service to Canadians, aggressively reduce red tape, and implement key initiatives to enhance integrity and security, while optimizing resources.

## Board goal for 2015-2016 to 2017-2018

The Board will ensure the CRA has the strategic framework and management practices to fulfil its mission, and will continue to streamline and simplify processes in support of service to Canadians and small businesses.

## Board priorities for 2015-2016 to 2017-2018

The Board will oversee its areas of statutory responsibility, as stated in the *Canada Revenue Agency Act*. For the period 2015-2016 to 2017-2018, the Board will continue to support the reduction of red tape and the continual improvement of service to Canadians. The Board will also focus on ensuring the most productive use of resources, and the highest standards of integrity and security.

This planning period, the Board will pay special attention to measuring performance and communicating with CRA management to guide innovative and efficient management processes.

The Board's priorities are further described in the following sections.

## Strategic direction

During the planning period, the Board will stress timely communication with the CRA's management teams at various levels to promote engagement and understand their challenges. The Board will also hold an annual consultation and directions meeting with senior management to discuss issues in the current corporate and fiscal environment.

The Board will monitor progress and performance. As part of its strategic direction to CRA management, it will support measuring performance consistently against planned targets. In addition, it will monitor the engagement of employees, as the CRA progresses in implementing Blueprint 2020 initiatives to create the public service of the future.

As a core statutory responsibility, the Board will guide development of the Corporate Business Plan. It will also review the Corporate Risk Profile and enterprise risk action plans, and use the Board of Management Oversight Framework, in conjunction with the government-wide Management Accountability Framework, to assess the administration of the CRA.

## Service to Canadians

The Board will continue to focus on the continual improvement of service for individuals, businesses, and partners such as tax preparers. It will consider long-term improvements throughout the service and compliance areas and will support enhanced electronic delivery and aids to compliance.

Given technology's major role in improving service, the Board will monitor the CRA's strategic direction to encourage the use of electronic services, while paying particular attention to technology's impact on service. The Board will review the annual Information Technology Strategy and will monitor the CRA's relationship with Shared Services Canada (SSC).

The Board will pay close attention to the CRA's resolution of service complaints, and will also receive an annual report of accomplishments from the Taxpayers' Ombudsman. The Board will provide guidance on strategic plans and activities related to external and internal services offered by the CRA, and encourage timely, clear and accurate reporting on progress so that improvements are well managed and clearly communicated.

## Red tape reduction

The Board will support the CRA in its commitment to reduce red tape for taxpayers and benefit recipients, making it easier for individuals and businesses to pay their share, and receive the benefits to which they are entitled.

Board members will continue to advocate reducing internal and external red tape. This means that they will encourage CRA management to further streamline and simplify internal processes and will challenge potential red tape created in the Board's own governance and procedures.

In addition, the Board will use red tape reduction, streamlining and simplifying as guiding principles in its review and approval of corporate policy and other corporate initiatives.



## Integrity and security

As part of its oversight of the CRA's commitment to safe, secure, and reliable service to Canadians, the Board will obtain regular updates on security and integrity initiatives. It will focus on major issues related to confidentiality and privacy, requiring regular and timely briefings on the CRA's efforts to ensure the confidentiality of taxpayer information, enhance security processes, and curb potential fraudulent activity. It will also receive regular updates on the CRA's efforts to impose appropriate disciplinary measures in cases of misconduct and to address security concerns.

With regard to the increasing impact of technological issues on security, the Board will examine and approve the yearly update of the Information Technology Security Strategy, and will monitor security governance.

## Resource optimization

The Board will continue to monitor the CRA's resource optimization measures. Board members will receive, review and provide comments on the CRA's Strategic Investment Plan, examine quarterly performance reports and financial results, and approve, then monitor, all major project expenditures. The Board will also review and approve the CRA's financial statements.

The Board will receive timely information on areas of concern as they are encountered and actions being taken to address them.

## Human resources optimization

The Board will consider how productively and effectively the CRA manages human resources in the context of fiscal rebalancing. Its assessment of human resources performance will include comparisons with other government bodies using government-wide indicators.

The Board will be briefed on human resources trends and will monitor the planning and execution of the strategic activities it will approve in the annual Agency Workforce Plan. Among other issues, the Board will consider recruitment and retention, internal succession plans, and developing personnel, especially leadership personnel, to increase efficiency and productivity.

The Board will continue to ensure the CRA maintains productive, fair, healthy, and safe working conditions, and will emphasize productivity and fairness in its advice on labour relations and bargaining mandates.

## Board membership

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

The Board is responsible for overseeing the organization and administration of the CRA and the management of its resources, services, property, personnel, and contracts. It undertakes its oversight role in cooperation with CRA management to ensure the CRA fosters sound management and service delivery.

The following are the Board members as of December 2014.

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

Chair, Board of Management  
Penticton, British Columbia

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

Corporate Director  
Lethbridge, Alberta

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

Partner  
MNP Consulting Services  
Winnipeg, Manitoba

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

Corporate Director  
St. John's, Newfoundland and Labrador

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

Partner  
Fitzpatrick & Company Chartered  
Accountants  
Charlottetown, Prince Edward Island

**Gordon Gillis, B.A., LL.B.**

Corporate Director  
Eureka, Nova Scotia

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

Corporate Director  
Clavet, Saskatchewan

**Fauzia Lalani, P.Eng.**

Director, Logistics Services  
Suncor Energy Services Inc.  
Calgary, Alberta

**Robert (Bob) Manning, B.B.A.**

Associate  
Owens MacFadyen Group  
Saint John, New Brunswick

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

Corporate Director  
Yellowknife, Northwest Territories

**Joyce Sumara, B.A.**

Corporate Director  
Haliburton, Ontario

**Andrew Treusch, B.A., M.A.**

Commissioner of Revenue and Chief  
Executive Officer of the CRA  
Canada Revenue Agency

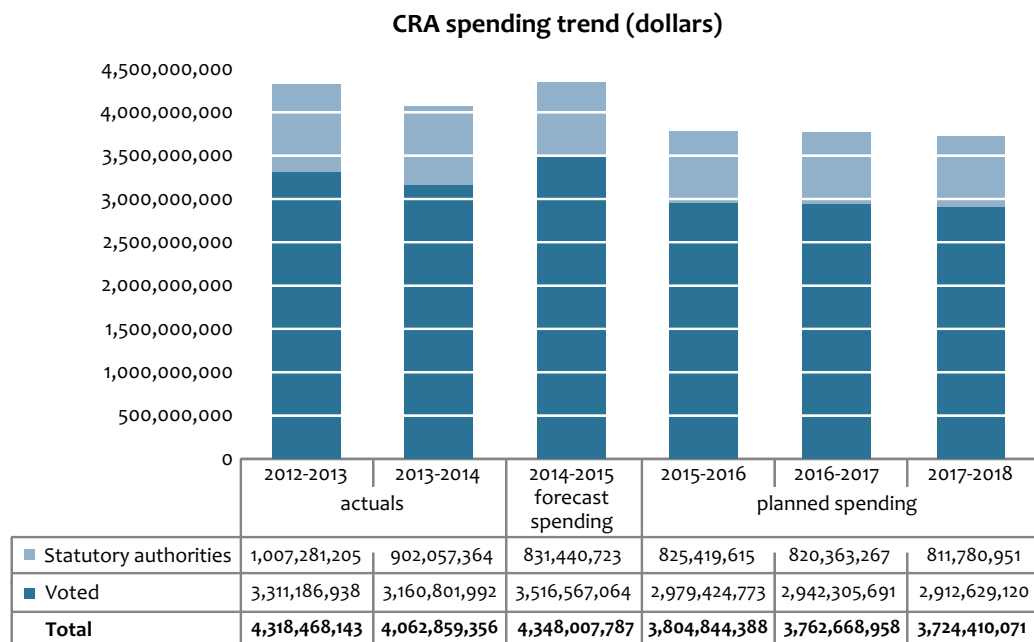
\*\*\*\*At the time of writing this report, processes were underway to appoint members from British Columbia, Ontario and Quebec.\*\*\*\*

The Board is supported by four committees with mandates to assist the Board in fulfilling its oversight responsibilities; the role and membership of these committees are outlined below. In addition, the Board has delegated the responsibility for reviewing and approving the Board of Management Oversight Framework (BoMOF), and for conducting the annual assessment of the performance of the CRA against the BoMOF, to a specially-constituted subcommittee.

Committee	Mandate	Membership
<b>Audit Committee</b>	The Audit Committee reviews the CRA's accounting framework, financial and performance information, internal controls and risk tolerance, and compliance with financial and environmental legislation.	<p><b>Chair:</b> Norman Halldorson</p> <p><b>Vice-chair:</b> Richard Daw</p> <p><b>Members:</b></p> <ul style="list-style-type: none"> <li>• Myles Bourke</li> <li>• Gerard Fitzpatrick</li> <li>• Rick Thorpe</li> </ul>
<b>Governance Committee</b>	The Governance Committee reviews all aspects of the Board's governance framework to ensure the Board functions in an effective and efficient manner that successfully supports the operations of the CRA.	<p><b>Chair:</b> Fauzia Lalani</p> <p><b>Vice-chair:</b> Vacant</p> <p><b>Members:</b></p> <ul style="list-style-type: none"> <li>• Myles Bourke</li> <li>• Rossana Buonpensiere</li> <li>• Gordon Gillis</li> <li>• Joyce Sumara</li> <li>• Andrew Treusch</li> <li>• Rick Thorpe</li> </ul>
<b>Human Resources Committee</b>	The Human Resources Committee reviews the management of human resources within the CRA and provides recommendations and advice on the CRA's human resources management strategies, initiatives, and policies.	<p><b>Chair:</b> Gordon Gillis</p> <p><b>Vice-chair:</b> Richard Daw</p> <p><b>Members:</b></p> <ul style="list-style-type: none"> <li>• Rossana Buonpensiere</li> <li>• Margaret Melhorn</li> <li>• Andrew Treusch</li> <li>• Rick Thorpe</li> </ul>
<b>Resources Committee</b>	The Resources Committee reviews the CRA's operating and capital budgets and oversees the development of administrative management frameworks, strategies, policies and practices for the management of funds, real property, contracts, equipment, information, information technology, and environmental obligations.	<p><b>Chair:</b> Bob Manning</p> <p><b>Vice-chair:</b> Margaret Melhorn</p> <p><b>Members:</b></p> <ul style="list-style-type: none"> <li>• Myles Bourke</li> <li>• Gerard Fitzpatrick</li> <li>• Fauzia Lalani</li> <li>• Joyce Sumara</li> <li>• Andrew Treusch</li> <li>• Rick Thorpe</li> </ul>

# Financial tables

## CRA spending trend



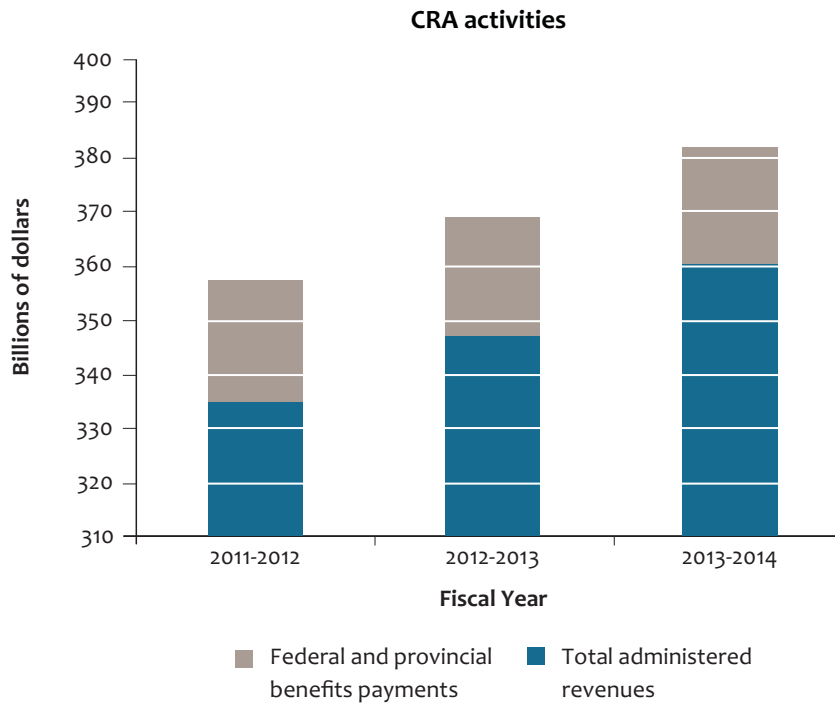
Planned spending refers to amounts in Main Estimates, as well as any other additional funding for inclusion in the Agency's reference levels, approved by Treasury Board no later than February 1, 2015. In fiscal year 2015-2016 planned spending is identical to expenditure levels presented in the Main Estimates.

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

Total spending for fiscal years 2012-2013 to 2014-2015, also includes certain technical adjustments such as the CRA's carry forward adjustments from the previous year and funding for maternity and severance benefits. The 2014-2015 fiscal year further includes funding for the one-time transition payment resulting from the Government's move to pay in arrears.

Over the period 2012-2013 to 2017-2018, the CRA's appropriations show a decline, primarily as a result of the funding received for the upgrade of the individual income tax processing system and various wage settlements being more than offset by decreases due the following:

- > the implementation of initiatives to improve efficiency;
- > the fluctuation in the CRA's Statutory Authorities for the disbursements to the provinces under the *Softwood Lumber Products Export Charge Act, 2006* and the rates of the contributions to employee benefit plans;
- > the planned decrease in funding for: the implementation of the Harmonized Sales Tax for Ontario and British Columbia, and the Affordable Living Tax Credit for Nova Scotia; and the administration of the Softwood Lumber Agreement;
- > other miscellaneous reductions such as: the transfer to Public Works and Government Services Canada for accommodation and real property services; adjustment to funding previously transferred to Shared Services Canada; the transfer to Canada School of Public Service.



As depicted in the CRA activities figure, over the same period, the CRA's work volumes, as measured by totalling administered revenues and value of benefit payments processed, have been trending upward. The Federal and Provincial Benefits payments decreased in 2013-2014 due to British Columbia returning to the provincial sales tax regime.

# Planned spending and full-time equivalents

## Main Estimates and planned spending and full-time equivalents

(in dollars)	2014-2015 forecast spending	2015-2016 planned spending	2016-2017 planned spending	2017-2018 planned spending
<b>Total Main Estimates</b>	3,861,256,109	<b>3,804,844,388</b>	3,762,668,958	3,724,410,071
Taxpayers' Ombudsman included in Main Estimates above	(3,167,366)	<b>(3,198,657)</b>	(3,191,343)	(3,192,181)
<b>Supplementary Estimates</b>				
2013 Federal Budget	15,540,213			
2014 Federal Budget	6,465,063			
Enhancements to non-audit compliance programs	31,180,754			
Transfer from Public Works and Government Services Canada for accommodation and real property services	13,932,776			
Adjustment to the statutory forecast for disbursements to the provinces under the <i>Softwood Lumber Products Export Charge Act, 2006</i>	(80,000,000)			
<b>Other Adjustments:</b>				
Adjustment to the responsible non-tax revenues	(8,636,401)	-	-	-
CPP/EI adjustment	965,589			
Funding for salary increases	2,946,592			
<b>Planned base spending</b>	3,840,483,329	<b>3,801,645,731</b>	3,759,477,615	3,721,217,890
Taxpayers' Ombudsman	3,167,366	<b>3,198,657</b>	3,191,343	3,192,181
<b>Items not yet included in outer years' planned spending</b>				
Carry Forward from 2013-2014	339,225,074	-	-	-
Maternity and severance payments	78,000,000	-	-	-
Pay in arrears	87,132,018	-	-	-
<b>Total planned spending<sup>1</sup></b>	4,348,007,787	<b>3,804,844,388</b>	3,762,668,958	3,724,410,071
Responsible non-tax revenues pursuant to the <i>Canada Revenue Agency Act</i>	(170,672,128)	<b>(169,466,255)</b>	(170,452,033)	(165,316,231)
Cost of services received without charge	451,208,073	<b>436,284,460</b>	432,998,415	431,091,231
<b>Total CRA Spending</b>	4,628,543,732	<b>4,071,662,593</b>	4,025,215,340	3,990,185,071
<b>Human resources (full-time equivalents)</b>				
Canada Revenue Agency	39,661	<b>38,385</b>	37,876	37,315
Taxpayers' Ombudsman	31	<b>31</b>	31	31
<b>Total full-time equivalents</b>	39,692	<b>38,416</b>	37,907	37,346

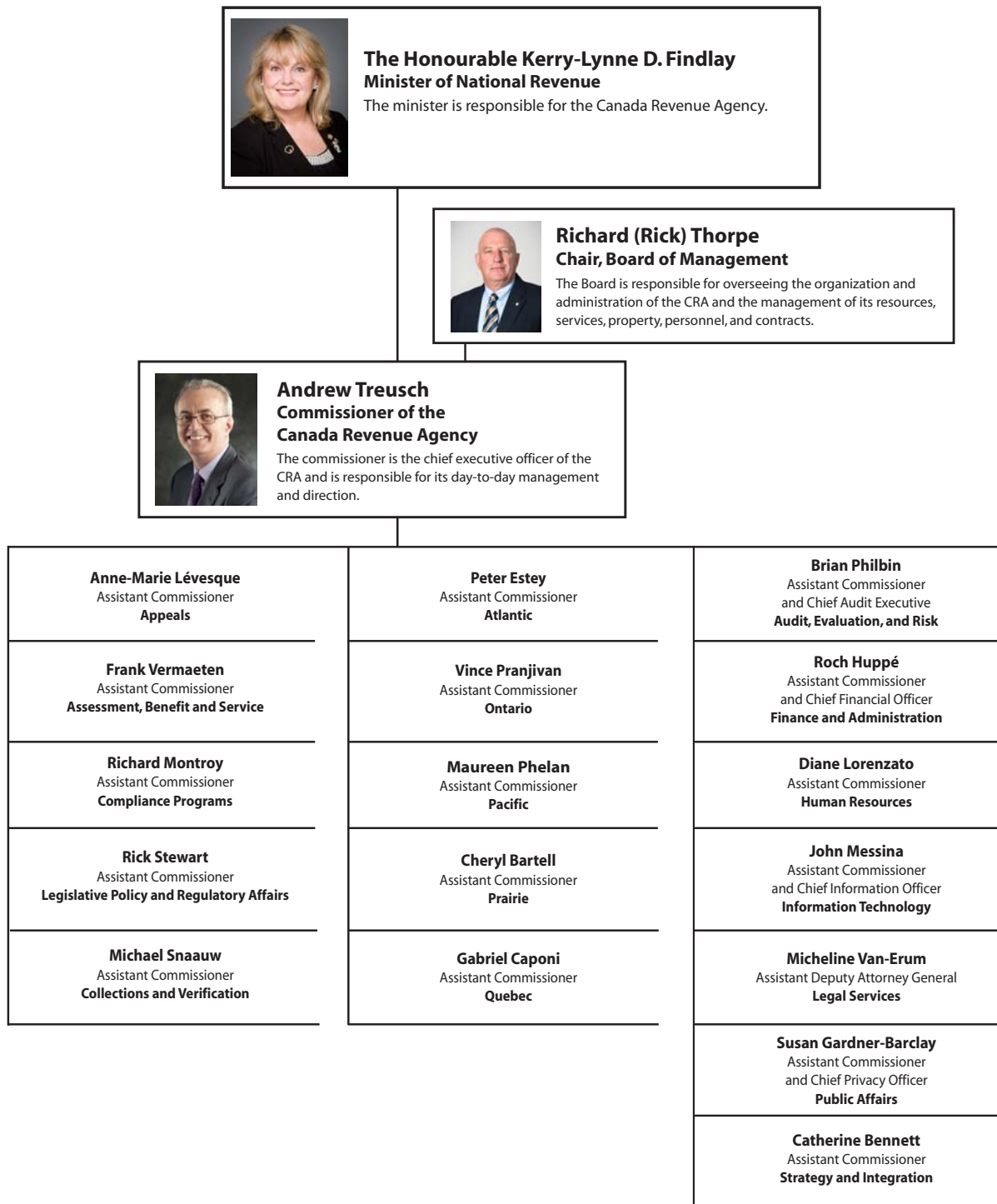
## Planned spending by program and full-time equivalents

(in dollars)	2014-2015 forecast spending	2015-2016 planned spending	2016-2017 planned spending	2017-2018 planned spending
Taxpayer and business assistance	289,691,298	<b>280,181,661</b>	281,567,318	277,088,894
Assessment of returns and payment processing	702,008,721	<b>614,590,330</b>	605,246,609	596,586,054
Reporting compliance	1,134,056,062	<b>1,045,193,249</b>	1,031,278,872	1,032,337,340
Collections and returns compliance	505,312,451	<b>469,453,195</b>	469,262,938	443,295,719
Appeals	226,377,376	<b>179,658,662</b>	177,823,494	175,576,460
Benefit programs	395,447,959	<b>375,217,640</b>	377,704,372	378,000,658
Internal services	1,091,774,957	<b>837,350,994</b>	816,594,012	818,332,765
Taxpayers' Ombudsman	3,338,963	<b>3,198,657</b>	3,191,343	3,192,181
Total planned spending <sup>1</sup>	4,348,007,787	<b>3,804,844,388</b>	3,762,668,958	3,724,410,071
Responsible non-tax revenue pursuant to Canada Revenue Agency Act	(170,672,128)	<b>(169,466,255)</b>	(170,452,033)	(165,316,231)
Cost of services received without charge	451,208,073	<b>436,284,460</b>	432,998,415	431,091,231
Total CRA spending	4,628,543,732	<b>4,071,662,593</b>	4,025,215,340	3,990,185,071
Human resources (Full-time equivalents)	39,692	<b>38,416</b>	37,907	37,346

- <sup>1</sup> The reduction in forecast/planned spending over the planning period (from \$4.348 billion in 2014-2015 to \$3.724 billion in 2017-2018) is primarily attributable to:
- a) certain technical adjustments that are reflected only in 2014-2015 including: a carry-forward from 2013-2014, funding for the one-time transition payment resulting from the Government's move to pay in arrears, and funding for maternity and severance benefits;
  - b) the conclusion of funding received for special projects and the softwood lumber administration costs as well as adjustments for accommodation and real property services, the Canada School of Public Service, and funding for the Government advertising program; and
  - c) the implementation of initiatives to improve efficiency.

# Other items of interest

## Organizational structure





# Performance measurements

## Taxpayer and business assistance

	Expected results	Indicators	Targets
<b>Program</b>			
<b>Taxpayer and business assistance</b>	Taxpayers and businesses have access to the information and services they need to voluntarily comply with tax laws	Percentage of service standard targets are met for individual and business enquiries	100%
	Organizations and businesses administering or producing registered plans, charities, and excise-dutiable-products comply with applicable legislation	Percentage of charity, registered plan, and commodity audits completed compared to planned	100%
<b>Sub-programs</b>			
<b>Taxpayer services—enquiries and information products</b>	Individual taxpayers have access to timely and accurate responses to their tax enquiries	Percentage of individual callers who succeed in reaching the CRA telephone service (peak season <sup>1</sup> )	85%
		Percentage of individual callers who succeed in reaching the CRA telephone service (non-peak season <sup>2</sup> )	80%
		Percentage of accurately updated internal reference materials for taxpayer services agents (individual)	100%
	Businesses have access to timely and accurate responses to their tax enquiries	Percentage of business callers who succeed in reaching the CRA telephone service	85%
		Percentage of accurately updated internal reference materials for taxpayer services agents (business)	100%

	Expected results	Indicators	Targets
<b>Policy, rulings, and interpretations</b>	Taxpayers and businesses receive timely rulings and interpretations under the <i>Income Tax Act</i> , the <i>Excise Tax Act</i> , and other federal legislation	Advance income tax rulings issued within 90 business days	85%
		Technical interpretations issued within 90 business days	85%
		GST/HST rulings and interpretations – respond to written requests within 45 business days of receipt by CRA (this excludes highly technical and precedent- or policy-setting rulings and interpretations)	80%
	Non-compliance with the <i>Excise Act</i> and the <i>Excise Act, 2001</i> with respect to dutiable products is detected and addressed	Percentage of excise regulatory reviews and excise compliance activities completed compared to planned	100%
<b>Registered plans</b>	Registered plan administrators and their agents receive timely service in response to applications	Percentage of registered plan applications reviewed within the established time frames (180 days)	85%
	Non-compliance by registered plan administrators and their agents with legislation and regulations pertaining to registered plans is detected and addressed	Percentage of registered plan audits completed compared to planned	100%
<b>Charities</b>	Registered charities and applicants for charitable status receive timely service	Percentage of charities calls in agent queue responded to within two minutes	80%
		Percentage of charitable registration applications that are reviewed and responded to within established time frames (two months for simple applications and six months for regular applications)	80%
	Charities' non-compliance with legislation and regulations is detected and addressed	Percentage of charities that file their annual information return on time	80%
		Percentage of charities that are known to be participating in gifting tax shelters that are audited	100%

<sup>1</sup> Peak season begins on Monday of the third full week in February and ends on Friday of the week including the April 30<sup>th</sup> tax filing deadline.

<sup>2</sup> Non-peak season begins on the Monday after the April 30<sup>th</sup> tax filing deadline and ends on Friday of the second full week in February.

## Assessment of returns and payment processing

	Expected results	Indicators	Targets
<b>Program</b>			
<b>Assessment of returns and payment processing</b>	Individuals, businesses, and registrants get timely and accurate tax assessment notices and tax payment processing	Percentage of service standards targets met relating to timeliness of processing for individual, business, and GST/HST returns	100%
<b>Sub-programs</b>			
<b>Individual returns and payment processing</b>	Individual taxfilers receive timely and accurate assessment notices	Percentage of service standards targets met relating to T1 individual and T3 trust returns activities	100%
		Percentage of individual (T1) returns processed accurately	98%
		Percentage of individual (T1) returns received on time processed by mid-June	98%
	Individuals file electronically	Individual (T1) electronic filing rates (tax-filing season)	82%
	Validation activities detect and address non-compliance by individuals with the reporting requirements of the acts	Ratio of average dollar value assessed for targeted versus random reviews	Minimum ratio of 2:1
		Percentage of planned validation reviews of individual returns (T1) completed	100%
<b>Business returns and payment processing</b>	Business taxfilers receive timely and accurate assessment notices and payment processing	Percentage of service standards targets met relating to business taxfilers (T2, GST/HST, excise and other levies) activities	100%
		Percentage of T2 returns processed accurately	98%
	Corporations file electronically	Corporation (T2) electronic filing rates (fiscal year)	85%
	Payments to the Receiver General that are processed on time	Percentage of payments to the Receiver General deposited within 24 hours of receipt	96%

## Compliance

	Expected results	Indicators	Targets
<b>Program</b>			
<b>Compliance</b>	Reporting non-compliance is detected and corrected by targeting compliance actions through effective risk assessment	Change rate (percentage of risk-assessed audit activities that result in detection of non-compliance by individuals and corporations)	75%
<b>Sub-programs</b>			
<b>Small and medium enterprises</b>	Reporting non-compliance is detected and corrected by targeting compliance actions through effective risk assessment on the individuals, small and medium businesses, and non-residents	Change rate for SME audits – income tax (percentage of risk-assessed audit activities that result in detecting non-compliance)	75%
<b>International and large business</b>	Reporting non-compliance is detected and corrected by targeting compliance actions through effective risk assessment of the largest and most complex tax filers	Change rate for international and large business audits (percentage of risk-assessed audit activities that result in detection of non-compliance)	75%
<b>Criminal investigations program</b>	Suspected cases of evasion or fraud are detected and addressed through referrals to Public Prosecution Service of Canada (PPSC)	Percentage of files accepted by PPSC that result in a conviction	80%
<b>Scientific research and experimental development</b>	Eligible claimants receive timely scientific research and experimental development tax incentives	Percentage of service standard targets that are met relating to SR&ED	100%
	Reporting non-compliance is detected and corrected by better targeting compliance actions through effective risk assessment of SR&ED claims	Change rate for SR&ED audits (percentage of risk-assessed audit activities that result in detecting non-compliance)	75%
<b>Voluntary disclosures program</b>	Timely and effective processing of voluntary disclosure submissions	Percentage of files completed compared to intake	80%

## Collections and returns compliance

	Expected results	Indicators	Targets
<b>Program</b>			
<b>Collections and returns compliance</b>	Tax debt and government programs debt is resolved on a timely basis and is within targeted levels	Percentage of tax debt resolved compared to planned	100%
		Percentage of government programs debt resolved compared to planned	100%
	Ensure compliance with registering, filing, and remitting requirements	Percentage of cases resolved, returns obtained, and accounts registered compared to forecast	100%
<b>Sub-programs</b>			
<b>Collections — tax and government programs</b>	The tax debt portfolio is managed for the federal, provincial, and territorial governments	Percentage of tax services office tax collections inventory five or more years old	18%
		Percentage of unpaid assessments eight or more years old by tax year, for personal, corporate, and GST/HST accounts	5%
		Percentage of unpaid assessments five or more years old by tax year, for payroll tax accounts	10%
	Debts are collected and resolved for the federal, provincial, and territorial governments on a timely basis and within targeted levels	Percentage of the dollar value of debt resolved compared to intake	90%
		Percentage of collections inventory under one year compared to annual gross revenues	4%
<b>Trust accounts — compliance</b>	Ensure compliance with filing, remitting, and GST/HST registration requirements	Percentage of GST/HST, payroll deductions, and non-resident withholding dollars assessed compared to forecast	100%
		Percentage of GST/HST, payroll deductions, and non-resident withholding cases resolved and accounts registered compared to forecast	100%
		Percentage of GST/HST, payroll deductions, and non-resident withholding supporting activities completed compared to forecast	100%

	Expected results	Indicators	Targets
<b>Non-filer — compliance</b>	Ensure compliance of individuals, corporations, and trusts with reporting and filing requirements	Percentage of non-filer dollars assessed for individuals, trusts, and corporations compared to forecast	100%
		Percentage of non-filer returns assessed for individuals, trusts, and corporations compared to forecast	100%
		Percentage of supporting non-filer compliance activities for individuals, trusts, and corporations compared to forecast	100%

## Appeals

	Expected results	Indicators	Targets
<b>Program</b>			
<b>Appeals</b>	Taxpayers receive a timely review of contested decisions made under legislation administered by the CRA and of service complaints	Percentage of targeted levels of timeliness and consistency for income tax and commodity tax objections, CPP/EI appeals to the minister, and service complaints that are met	98%
	Taxpayers receive an objective review of contested decisions made under legislation administered by the CRA	Percentage of targeted levels of transparency and objectivity for income tax and commodity tax objections, CPP/EI appeals to the minister that are met	98%
<b>Sub-programs</b>			
<b>Income and commodity tax objections, determinations, and appeals to the courts</b>	Taxpayers receive an objective and timely review of contested decisions made under the <i>Income Tax Act</i> , the <i>Excise Act</i> , and the <i>Excise Tax Act</i>	Percentage of decisions on objections filed under the <i>Income Tax Act</i> , the <i>Excise Act</i> , and the <i>Excise Tax Act</i> completed within established timeframes	85%
		Percentage of decisions on objections filed under the <i>Income Tax Act</i> , the <i>Excise Act</i> and the <i>Excise Tax Act</i> determined to meet or exceed consistency standards	90%
		Percentage of decisions on objections filed under the <i>Income Tax Act</i> , the <i>Excise Act</i> , and the <i>Excise Tax Act</i> determined to be objective that meets or exceeds target	95%
<b>Canada Pension Plan/ Employment Insurance appeals to the minister and appeals to the courts</b>	Taxpayers receive a timely review of contested decisions made under the <i>Canada Pension Plan</i> or the <i>Employment Insurance Act</i>	Percentage of reviews of appeals to the minister filed under the <i>Canada Pension Plan</i> or the <i>Employment Insurance Act</i> completed within established time frames	85%
		Percentage of decisions regarding CPP/EI appeals to the minister determined to meet or exceed accuracy standards	90%
		Percentage of decisions of CPP/EI appeals to the minister determined to be objective	95%

	Expected results	Indicators	Targets
<b>Service complaints</b>	Taxpayers are issued timely acknowledgements to their service complaints	Percentage of service complaints acknowledged within two business days	80%
	Taxpayers receive timely resolutions to their service complaints	Percentage of service complaints resolved within 30 business days	80%
<b>Taxpayer relief</b>	Taxpayers receive a consistent response to requests for interest or penalty relief or both	Percentage of decisions on taxpayer relief requests determined to meet or exceed consistency standards	85%



## Benefit programs

	Expected results	Indicators	Targets
<b>Program</b>			
<b>Benefit programs</b>	Benefit recipients are provided timely and accurate eligibility determinations and payments, and have access to timely and accurate information	Percentage of service standards targets are met related to benefit administration and enquiries	100%
		Payment accuracy after application processing and account maintenance transaction	98%
<b>Sub-programs</b>			
<b>Benefit enquiries</b>	Benefit recipients have access to timely and accurate responses to their telephone enquiries	Percentage of Canada child tax benefit credit callers who succeed in reaching the CRA telephone service	80%
		Percentage of GST/HST credit callers who succeed in reaching the CRA telephone service	80%
		Percentage of accurately updated internal reference materials for benefit services agents	100%
<b>Benefit programs administration</b>	Benefit and credit eligibility determination and payment processing are timely and accurate	Percentage of service standards targets which are met related to benefit and credit application/maintenance	100%
		Percentage of Canada child tax benefit accounts targeted under validation programs which were adjusted (validation and control)	50%
		Percentage of respondents satisfied with benefit application processing time	75%
		Benefit and credit payments are received through direct deposit	Percentage of benefit and credit payments issued by direct deposit

## Service standards

External service standards set out the level of service that citizens can expect under normal circumstances. They help reinforce the Agency's commitment to transparency, management accountability, and citizen-focused service.

### Managing our service standards

The CRA will continue to examine opportunities for introducing new service standards to keep pace with changes, client preferences or expectations, technology and business processes, and evolving service offerings. The Agency recognizes the importance of client input and is taking steps to consider the perspectives of taxpayers and benefit recipients in the development and updating of service standards.

### Retirement of service standards

The CRA remains committed to developing service standards that are relevant to clients and that respond to changes in the operating environment. As part of the ongoing review process, the Agency will retire two service standards related to deferred profit sharing plans – amendments and terminations, and amendments to registered pension plans.

As part of a recent business transformation, the CRA is testing a new process that subjects all registered plans to a comprehensive, risk-based review on a cyclical basis. This will ensure compliance with the *Income Tax Act*. This change in process means that the two service standards are no longer relevant. The CRA consulted with stakeholders, who gave positive feedback on the new process.

Program	Service	Standard to be retired	Target
Taxpayer and business assistance	Deferred profit sharing plans – Amendments and terminations	The goal is to review requests to amend and to terminate plans within 270 calendar days	80%
	Amendments to registered pension plans	The goal is to review pension plan amendments for compliance with the <i>Income Tax Act</i> within nine months	80%

## Converting service standards

The CRA will convert two external service standards related to the Problem Resolution Program to internal performance standards. The Problem Resolution Program specializes in resolving sensitive cases requiring immediate attention. It is designed to address tax- or benefit-related issues where normal administrative and operational channels were unable to do so. As taxpayers and benefit recipients do not have direct access to the Program, it is not relevant to include the Program with our external service standards. Canadians with routine questions or concerns can continue to contact the CRA using the regular service channels: phone, mail, and Internet.

Program	Service	Standard to be converted	Target
Appeals	Problem Resolution Program – acknowledge receipt	The goal is to acknowledge receipt of a problem within two business days	95%
	Problem Resolution Program – resolution	The goal is to resolve the problem within 15 business days. If we cannot (for example, if a case is complex), we will make contact within that time to indicate an anticipated date of resolution	95%

# Organizational contact information

## Head office

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