



News release

Canada cracks down on unreported offshore account holders

Ottawa, Ontario, September 30, 2010... The Honourable Keith Ashfield, Minister of National Revenue, Minister of the Atlantic Canada Opportunities Agency and Minister for the Atlantic Gateway, today announced that the Canada Revenue Agency (CRA) has recently received information from the government of France about HSBC account holders.

Since receiving the information, the CRA has continued to analyze account data to ensure that the Canadian holders are declaring all their income for tax purposes. The CRA has begun a series of audits.

“This is just another example of how our government is taking action to crack down on people who unfairly exploit offshore accounts,” said Minister Ashfield. “We know that most Canadians pay their taxes and play by the rules. That’s why we are taking aggressive action to recover money owed to Canadians.”

The CRA can confirm that over 1,000 bank accounts are linked to Canadian taxpayers. The largest accounts are now being audited, and others will follow. All accounts that are linked to Canadian taxpayers will be reviewed.

Through communication with international partners, the CRA continues to benefit from the increased flow of information under its tax treaties. In this regard, the CRA collaborates extensively with the Organisation for Economic Co-operation and Development, the Seven-Country Working Group on Tax Havens, and the Joint International Tax Shelter Information Centre.

Last year, the CRA uncovered over \$1 billion in unpaid federal tax from Canadian taxpayers hiding assets and accounts offshore or through other international transactions. For the same period, the CRA identified another \$138 million in unpaid tax through the CRA’s voluntary disclosure program. Just five months into this fiscal year, the number of last year’s disclosures has already been surpassed.

Those Canadians who have undeclared income in foreign jurisdictions can make a voluntary disclosure and pay only taxes owing plus interest. The CRA’s Voluntary Disclosures Program (VDP) allows taxpayers to come forward and correct their tax information.

Not reporting income from foreign sources is illegal. Tax recovery continues to grow as a result of the CRA’s international efforts and audit processes. The CRA is committed to continuing collaborative work to protect Canada’s tax base.

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