SUMMARY OF THE CORPORATE BUSINESS PLAN

2018 - 2019 to 2020 - 2021
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A MESSAGE FROM THE MINISTER

The Honourable Diane Lebouthillier, P.C., M.P.,
Minister of National Revenue

This Summary of the Corporate Business Plan shows how the CRA, through innovation and the services it offers to Canadians, is striving to be a world-class tax and benefit administration. We face many challenges, and I am proud of the tremendous work that the Agency’s 40,000 employees are doing. I am especially proud of their ongoing efforts to improve and expand the services the CRA offers, and to implement more effective, fair and efficient compliance measures to protect Canada’s revenue base.

In my role as Minister, I especially want to see the CRA exemplify service excellence in all aspects of its operations. The Fall 2017 Report of the Auditor General on the operations of our call centres shows that we do not always provide Canadians with the help they need to meet their tax obligations. The report greatly concerned me. My ministerial mandate focuses on the importance of treating taxpayers and benefit recipients as valued clients and not just as taxpayers. To this end, the Agency will improve the services it provides to Canadians so that clients receive the assistance that they deserve and rightly expect. I will also ensure progress is closely monitored.

The CRA is taking action on a number of fronts on issues related to service and outreach, most notably in how we are working to offer better support to Canadians who live in remote communities and to Indigenous peoples. Initiatives to improve our service and outreach over the next three years include: taking concrete and meaningful steps to make CRA services to northern residents more helpful and easier to use; supporting the Government’s goal of renewing and establishing a better relationship with Indigenous peoples; and expanding the popular and very useful Community Volunteer Income Tax Program, allowing individuals with a modest income and simple tax situation to get help with their taxes from a local community organization.
Growing and strengthening the middle class has been a key priority for the Government. The Canada child benefit (CCB), administered by the CRA, has been instrumental in achieving this goal. The Government’s Fall Economic Statement suggests strengthening the CCB by increasing the benefits annually to keep pace with the rising cost of living. Indexing the CCB for the 2018-2019 benefit year will provide an additional $5.6 billion in support to Canadian families from 2018 to 2023. The CRA, in administering these benefit payments, will therefore continue to play a vital role in supporting Canadian families and reducing child poverty.

Meanwhile, Canadians can be assured that the Agency is taking action against those who seek to evade, or aggressively avoid, their tax obligations. Further to recent revelations in both the Panama Papers and Paradise Papers, we undertook major work and invested significant funds to crack down on tax evasion and aggressive tax avoidance. Our goal is to ensure a fair tax system and a level playing field for all Canadians. Non compliance with Canada’s tax laws will not be tolerated as it erodes the integrity of the tax system. Readers of this Plan will see how the CRA is continuing to combat the underground economy within Canada as well as continuing to focus attention on reviewing, risk-assessing and, where warranted, auditing the offshore accounts of Canadians.

I am confident this Plan outlines how the CRA will deliver on the Government’s and the Agency’s goals of improving service to Canadians and enhancing compliance with Canada’s tax laws. It also provides an excellent roadmap for the CRA’s journey to becoming a truly world-class tax and benefit administration. As Minister of National Revenue, and on behalf of the Canada Revenue Agency, I am very proud to present the Agency’s Summary of the Corporate Business Plan 2018-2019 to 2020-2021.
For the next planning period, the Board of Management will support the Canada Revenue Agency in all its efforts to accelerate and improve service to Canadians, whom we are committed to treating as valued clients. To that end, we will encourage the Agency’s transformation and breaking down of silos and we will drive innovation while managing our resources to make the necessary changes.

The Board will expect sound project management with clearly defined deliverables, and will use ambitious and specific performance measures to monitor delivery of the plan’s objectives. We will require flexibility and agility in managing operations, and excellence in achieving the kind of results that a world-class tax and benefit administration must deliver.

The Board is responsible for developing this Summary of the Corporate Business Plan, which aligns with the Minister of National Revenue's mandate and the priorities of the Government of Canada. The Board is mandated by law to oversee the administration and management of the Agency to help the Agency achieve the objectives of this plan.
It goes without saying, excellence is not the result of directives, but of an overall corporate culture. The Board knows that a strong, motivated and dedicated workforce is necessary to create the culture of service we strive for. Consequently, we will continue to ensure fair and respectful treatment of all Agency employees, and we will continue our strategic talent recruitment and retention efforts.

On behalf of the Canada Revenue Agency’s Board of Management, I am happy to recommend the Summary of the Corporate Business Plan 2018-2019 to 2020-2021 to the Honourable Diane Lebouthillier, Minister of National Revenue.

Suzanne Gouin
Chair, Board of Management
The Canada Revenue Agency’s (CRA) Summary of the Corporate Business Plan 2018-2019 to 2020-2021 sets out the Agency’s expectations and priorities for the next planning period. I believe it demonstrates that our organization is implementing initiatives to seize opportunities and meet current and anticipated future challenges.

Given the significant impact that the CRA has on the lives of Canadians – from the hundreds of billions in tax revenue we collect every year to the billions in credit and benefit payments we administer annually – we need to achieve excellence in everything we do. We are doing a good job in many aspects of our operations, but we also know that we must improve as we strive to be a world-class tax and benefit administration. The Fall 2017 Report of the Auditor General on our call centre operations highlights one area where we are not meeting the needs and service expectations of Canadians. Going forward, we must show that we are willing and able to do what is necessary to improve our service and demonstrate that we have the capacity to adapt and innovate in a world of rapid technological and demographic change.

The Agency’s Digital Services Modernization Strategy will provide Canadians with a world-class service experience that is focused on the user, is secure, and digital from end-to-end. Innovation will be key to ensuring that we continue to provide taxpayers and benefit recipients with the best possible service. Canadians are increasingly spending more time on smartphones and tablets and less time on personal computers. The CRA is responding to this trend and is already developing innovative solutions to ensure that our digital services and content remain accessible to all devices without compromising the security of the information entrusted to us.

We are nevertheless also aware of the need to provide services that are accessible to our most vulnerable citizens; not every Canadian has access to digital devices. We want to ensure that no Canadian is left behind and that different channels of communication are available to everyone. Our Community Volunteer Income Tax Program and our Liaison Officer Initiative are two of the ways in which we are successfully reaching out to Canadians who need our support.

The small proportion of taxpayers who fail, intentionally or not, to comply with tax laws remains a challenge for the CRA, as it does for tax administrations around the world.
Increasingly the Agency is relying on the use of business intelligence (BI) and data analytics to help us identify taxpayers at highest risk of being non-compliant. The Agency intends to further develop its capacity in these areas. Making greater use of BI and developing our application of advanced analytics will serve to inform new ideas and approaches to compliance, predict future trends, and help us to better tailor and time our compliance interventions for the best results. Our continued leading role in the Forum on Tax Administration is also helping us in our compliance efforts as we work with tax administrations around the world to address issues related to base erosion and profit shifting and aggressive tax planning by multinational corporations. Our initiatives to improve compliance are an important way that we can provide trust and confidence in the tax system to Canadians.

The focus of our planning is on serving taxpayers and benefit recipients and adopting a client-based focus. On the path to being world-class, however, we must also look inward and work towards making changes in our workplace culture. I want to see the Agency break down the silos that exist within some parts of our organization and foster increased sharing and cooperation between branches and programs. One initiative within the Agency that is already helping to do this is our sharing of BI across program areas as we attempt to understand non-compliant taxpayer behaviour and better target our compliance and collections activities.

I feel fortunate to lead such a dynamic organization, one that was recently recognized as being one of Canada’s Top 100 employers. This Plan shows how the CRA and its workforce are taking concrete action to improve our service, deliver on government-wide and Agency priorities and how, in the process, we are striving to be a world-class tax and benefit administration. As the environment in which we operate continues to evolve, we will continue to pursue excellence, doing what we need to do to provide the best possible service to taxpayers and benefit recipients, and protect and maintain Canada’s revenue base.

Bob Hamilton
Commissioner of the Canada Revenue Agency
Section 1
Plans at a glance
Overview

The Canada Revenue Agency (CRA) is responsible for administering hundreds of billions of dollars in taxes annually. The tax revenue it collects is used by federal, provincial, and territorial governments to fund the programs and services that contribute to the quality of life of Canadians. The CRA also delivers billions of dollars in benefits, tax credits, and other services that support the economic and social well-being of Canadian families, children, and persons with disabilities.

CRA AT A GLANCE

> 28.8 MILLION INDIVIDUAL AND 2.4 MILLION CORPORATION INCOME TAX RETURNS FILED
> $499.8 BILLION IN TAX PROCESSED
> 86% OF INDIVIDUAL AND 89% OF CORPORATION INCOME TAX RETURNS FILED DIGITALLY
> 12.4 MILLION BENEFIT RECIPIENTS
> $31.8 BILLION IN BENEFITS PAID
> WORKFORCE OF APPROXIMATELY 40,000 EMPLOYEES
> $4.205 BILLION PLANNED SPENDING FOR 2018-2019

Our environment

Canadian society—along with the business and political landscape worldwide—is evolving at an ever-faster rate as a result of technology, demographics, changing societal values, and economic realities. Today’s world is one in which businesses must compete globally for talent and markets; the public expects services to be available 24/7—from any location and any technology—and governments must actively collaborate internationally to protect their revenue streams from abusive tax avoidance. In this fast-paced environment, tax administration is a key enabler of government objectives.

The borderless nature of modern commerce creates increasing complexity for tax administrations as it becomes less clear where income is earned and where tax should be paid. In addition, the emergence of blockchain technology applications have expanded from digital currencies to a diverse array of industries. Meanwhile, entities offering digital financial services, involving e-money and peer-to-peer lending, stretch the bounds of current monetary and tax policies. However, the reach of globalization goes beyond large corporations: tax agencies must also consider cross-border compliance by individuals and small businesses. Tax administrations, including the CRA, are responding to this new reality.

Internally, the Agency is working diligently to overcome additional, distinct challenges. For example, the recent implementation of Service Renewal necessitated unprecedented volumes of newly hired staff, all requiring training and a learning period which temporarily reduced productivity. Issues raised by the Auditor General regarding accessibility to our call centres, the accuracy of information provided to callers, and the reporting of results, will need to be addressed. Ongoing difficulties with the Phoenix pay system, and employee engagement issues related to a modernization exercise in the Greater Toronto Area are other examples of challenges that require a constant capacity to adapt and adjust.
Our pursuit of excellence

As a modern and successful tax administration, the CRA continues to make significant changes to the way it does business so that our compliance activities, our services to the public, and our business processes can deliver results for Canadians. The Agency has made it a priority to seek out opportunities to try new ideas, adapt to new technology, and apply innovative techniques to achieve solutions, including behavioural economics, advanced data analytics, and qualitative research. We are particularly dedicated to reaching out to Canadians to heighten awareness of benefits and credits available through tax filing and support those who need help to meet their tax obligations through initiatives like our Community Volunteer Income Tax Program. These volunteers assisted over 700,000 eligible individuals with a modest income prepare income tax and benefit returns during the 2017 filing season. Each year, the CRA contacts thousands of Canadians and businesses to seek their views about how the Agency can interact with them in ways that are more fair and helpful, and make it easier to access our services.

What we have learned from these consultations is that, to remain in step with Government of Canada priorities, technology, and taxpayer behaviour, the Agency must become a more agile and innovative entity. We must do this to maintain our capacity to provide effective and efficient services within a global business and tax environment of growing complexity that poses both opportunities and challenges to government and tax administrations worldwide. For these reasons, the CRA has launched two ambitious initiatives to guide us as we continue to strive for excellence and ensure that we remain a dynamic organization.

World-class tax and benefit administration

To maintain public trust and keep pace with the evolving expectations of our clients and stakeholders, ensuring that our organization is world-class is an overarching objective. The CRA is continually anticipating, managing, and adapting to new and emerging challenges. The Agency has already demonstrated excellence in making information and tools available to taxpayers and benefit recipients in ways that best suit their needs, abilities and preferences. In enforcing compliance and protecting Canada’s revenue base, the Agency strives to improve its compliance strategies both domestically—in shining a light on the underground economy—and internationally, where we are tracking those who attempt to hide assets offshore to avoid paying taxes in Canada.
To judge the capacity and ability of the CRA to achieve and sustain the high degree of excellence expected of a world-class tax and benefit administration, we are measuring ourselves against international benchmarks and other objective standards. A foundational piece of our self-assessment will be the International Monetary Fund’s Tax Administration Diagnostic Assessment Tool that we will use to assess key performance outcome areas common to all tax administrations in a standardized and objective way. Engaging our workforce is another of the ways in which we are assessing whether our organization meets our own standards of excellence. The Agency is also comparing itself to other tax administrations by examining existing literature, from public opinion research to audit findings, and by seeking input from outside the Agency.

We recognize that political, economic, social and technological change affects what it means to be a world-class tax and benefit administration, and ensuring we are world-class will prepare us to meet these challenges in the future. In short, the Agency’s World-Class Tax and Benefit Administration initiative seeks to identify meaningful measures that will allow us to confirm where we are world-class and, more importantly, strengthen those areas that require improvement.

Service culture

Developing and strengthening a culture of service at the Agency is another overarching initiative that the CRA is pursuing. Trust in public institutions is vital for government to function and serve society well. For the Agency, trust is critical to sustained voluntary compliance with Canada’s tax laws. As it strives to be a world-class tax and benefit administration, we have committed to explore how it can overcome any barriers to service excellence so that voluntary compliance is supported and sustained.

The CRA is looking at how improvements in service can be achieved at all levels, strategic, operational, and cultural. Operational improvements mean that the CRA will be providing Canadians with new and innovative services to make it easier for them to interact with us. At the strategic level, the Agency’s focus will be on ensuring that policies, programs, and services are designed and implemented with the user of the service at the centre. In strengthening service culture, we will be looking at how we can best foster a productive and engaged workforce where employees feel a sense of responsibility, and are supported, to serve others.

Our service culture initiative seeks to establish a common mind-set for service excellence amongst all CRA employees, and to ensure that our workforce puts the people we serve at the centre of our thinking. This includes the people who are served by the Agency as well as how employees serve each other. Over the period covered by this plan, our commitment to service excellence will be integrated and reinforced in all aspects of CRA operations and will support our ability to remain adaptable to future needs. Strengthening service culture at the Agency will play a significant role in improving the public’s trust in us and, in turn, will strengthen and sustain Canada’s system of voluntary compliance and the timely payment of benefits to those who are eligible.
How to read this plan

This plan has two sections that set out the strategies and initiatives the Agency will pursue to protect Canada’s revenue base and support the economic and social well-being of Canadians. A third section, entitled Internal Services, describes the more global objectives the Agency will undertake over the planning period in areas of management that are horizontal in achieving our mandate, such as people and information technology.
Core business priorities

The core business results the CRA expects to achieve over the next three years are aligned with the Agency’s established priorities of service, compliance, integrity and security, innovation, and people.

Service

The CRA is dedicated to providing Canadians with services that are effective and responsive to their needs. The Agency continually seeks ways to make it easier and more convenient for individuals and businesses to comply voluntarily with Canada’s tax laws and receive the benefits to which they are entitled. We are working to simplify the language of our correspondence, streamline our processes, and add to the menu of services we provide to the public through a variety of channels. The CRA aims to offer services that are easy, helpful, fair, and consistent because we want people who interact with us to feel like valued clients, not just taxpayers.

Compliance

The CRA works with individuals and businesses to help them meet their tax obligations and pay what they owe. Most Canadians comply with tax and benefit requirements; for example, in 2016-2017, 91% of all individuals filed and paid their taxes on time. The goal of the Agency is to protect the integrity and fairness of our self-assessment tax system by identifying, addressing, and deterring those who do not abide by Canada’s tax laws for registration, filing, reporting, withholding, and debt payment. With a focus on the highest-risk taxpayers nationally and internationally, and an increased ability to gather information, the CRA can target taxpayers who try to hide their income and circumvent their tax obligations.

Integrity and security

The CRA recognizes the importance of maintaining Canadians’ trust and is committed to protecting the data we receive. Canadians rely on the Agency to exercise the highest level of security to protect their personal information. They also have every right to expect Agency employees will perform their duties with the utmost integrity thanks to our strict code of integrity that extends to post employment. To this end, protecting taxpayer information and the security of the Agency’s networks and electronic services remains paramount. Looking ahead, the CRA will continue to implement measures to protect the personal information of taxpayers and benefit recipients from inappropriate access and from increasingly complex cyber-security threats.

Innovation

The CRA fosters innovation to ensure it continuously improves services for Canadians and protects Canada’s revenue base. From our information technology infrastructure, to our use of business intelligence, to how we manage our resources, we are committed to turning good ideas into successful solutions. By intelligent risk-taking principles, the Agency tests new ideas and approaches to the ways in which we deliver our programs and services and assess whether desired results are achieved. Without innovation and change, the CRA would not be able to adapt to social and technological changes as they occur, or respond adequately to the needs and expectations of Canadians. Over the planning period, we will continue to seek out opportunities to try new ideas, adapt to new technology, and continuously improve the way the Agency provides services to Canadians.
People

The success of the CRA as a trusted tax and benefits administration relies on a diverse, highly skilled and experienced workforce of more than 40,000 people, working in communities across Canada to administer Canada’s tax and benefit programs with proficiency and integrity. Leadership development, actively recruiting for specialized skills—such as forensic accounting, project management, and data analytics—and enhancing the workplace environment (e.g., flexible work arrangements) are three key priorities for the Agency over the next three years. We will also continue our recruitment efforts to attract and retain the workforce the Agency needs to deliver timely client-centred service, crack down on tax evasion and tax avoidance, and improve collections. Our focus on talent management and building the Agency’s leadership capacity will help to sustain a healthy, productive and high-performing workforce that can deliver on Government of Canada priorities, meet current and future business needs, and strive to provide the best possible service to all Canadians.

* For more information on the CRA’s plans, priorities and planned results, see the “Planned results” section of this report.
Taxpayer Bill of Rights

YOU HAVE THE RIGHT TO

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

COMMITMENT TO SMALL BUSINESS

THE CANADA REVENUE AGENCY IS COMMITTED TO

- administering the tax system in a way that minimizes the costs of compliance for small businesses
- providing service offerings that meet the needs of small businesses
- explaining how we conduct our business with small businesses
- working with all governments to streamline service, minimize cost, and reduce the compliance burden
- conducting outreach activities that help small businesses comply with the legislation we administer
Board of management strategic priorities

The Canada Revenue Agency is committed to being a world-class tax and benefit administration. The Board of Management supports this commitment and the Agency’s transformation, to further improve, accelerate, and excel, especially in the areas of service, people, financial resources, integrity and security, and innovation.

Board goals for 2018-2019 to 2020-2021

The Board will provide oversight of the CRA’s organization and administration, as specified in the Canada Revenue Agency Act. The Board will guide transformation in the CRA to optimize and integrate best practices in management. Over this planning period, the Board will continue to support the Agency’s determination to be a world-class tax and benefit administration, by ensuring the Agency has accurate and client-focused performance measures, attainable through continued concentration on breaking down silos across the Agency, solid project management, and a culture of service to valued clients.

The Board supports the Minister of National Revenue and the achievement of the priorities set out in the Minister’s mandate letter. In this regard, the Agency priorities are aligned with Board priorities in the areas of Board oversight and the Agency management fully collaborates with the Board to plan, monitor, and achieve its priorities.

Board priorities for 2018-2019 to 2020-2021

The development of the Corporate Business Plan is part of the Board’s legislated mandate. This responsibility also includes setting challenging service standards and meaningful client-focused performance measures. The Board will ensure the Agency has the capacity to achieve these measures. It will give great importance to following up on the execution of the plan throughout its life cycle, and instilling a sense of urgency throughout the organization to achieve planned results. Using core Board monitoring tools such as the Board performance dashboard, members will oversee the timely and effective achievement of goals in this Corporate Business Plan, as well as considering the Minister’s mandate and the government’s budgetary objectives. In this planning period, the Board will also specifically monitor the achievement of Vision 2020 goals and the implementation of the World Class Tax and Benefit Administration initiative.

Over the next planning period, to support the implementation of this Corporate Business Plan, the Board will concentrate on five priorities: service, people, resources, integrity and security, and innovation. A description of these priorities is provided in the following sections.

The Board will receive regular reports on all aspects of the security function, with particular emphasis on cybersecurity. More specifically, because information security and the security of Agency information and systems management are significant risk factors and constantly changing, Board members will continue to oversee collaboration between the Agency, Shared Services Canada, and other Government of Canada partners, and will also continue to approve the Information Technology Strategic Plan.
Service

The Board will make the area of customer experience a priority, ensuring employees understand the valued client concept and are motivated to put it into practice, understanding clients’ needs and making them central to service. This will apply whether serving clients through an ever-evolving and improving digital service, fast, pertinent, and accurate call centre responses, or training volunteers to help all Canadians obtain the guidance they need to file a proper return, and receive the benefits to which they are entitled.

The Board will continue to support the CRA’s specific goals not only in transformational technology projects, such as the evaluation and development of new call centre technology in partnership with Shared Services Canada, but in ensuring timely responses to objections and appeals, and ensuring accessible, relevant and efficient call centre service. In this regard, an ad hoc subcommittee of the Board has been established to provide oversight of the strategy and implementation of the Agency’s call centre action plan, and to provide oversight in respect of the implementation of the recommendations of the Auditor General’s report. The Board will also encourage continued efforts to involve Canadian individuals and businesses in consultations that involve stakeholders and staff of the CRA at all levels, and to implement measurable improvements resulting from targeted public opinion research.

To support the Agency’s readiness to adopt and respond to emerging technologies, the Board has launched an ad hoc subcommittee to work with members of the Agency’s Blockchain working group. The subcommittee and working group will work on the development and implementation of strategies for the Agency’s adoption of blockchain technology, in line with broader Government of Canada strategies.

The Board will also underline the importance of internal service culture in its direction to senior management, with the objectives of increasing excellence of service between branches, removing barriers between functional areas, and breaking down silos to increase productivity.

People

A large part of encouraging service excellence to Canadians is ensuring employees are supported in a healthy and respectful workplace, and are recognized for exceptional contributions in improving service to Canadians. The Board will continue to recognize service teams and individuals at all levels who make interactions with or within the CRA simpler and more satisfying.

People management depends in part on fair treatment of all the CRA’s employees. The Board will require regular reports on Phoenix and any issues with human resources systems or processes that have an impact on personnel. Members will also continue to oversee the modernization of human resources service delivery within the Agency. In addition, the Board will give careful consideration to the CRA’s collective bargaining recommendations to the Treasury Board.

In order to ensure the Agency’s alignment of recruitment to the business needs of the future, the Board will examine the annual Agency Workforce Plan, and its alignment with Corporate Business Plan priorities and goals, before approval. Besides monitoring recruitment and retention strategies during the planning period, the Board will also oversee plans for internal succession, training, and development for executives and all personnel.
Finally, the Board will assess the performance of leadership at the CRA, and encourage measurable and timely results against this Corporate Business Plan and individual performance objectives.

Financial resources

The Board will continue to support and supervise strong financial resource management at the Agency through its monitoring of the Strategic Investment Plan, its approval and monitoring of major project investments worth over $20 million during the project’s life cycle, and its oversight of quarterly financial results and the annual contracting report. The Board will also examine the CRA’s annual financial statements as part of its consideration of the Departmental Results Report for recommendation to the Treasury Board.

As part of its oversight responsibility, the Board will weigh enterprise risk in priority areas through its annual review of the Corporate Risk Profile and Enterprise Risk Action Plan, and monitor risk mitigation strategies, as well as the use of the Profile to identify engagements in the annual Risk-Based Audit and Evaluation Plan submitted for Board approval.

The Board will support a strong internal audit function, and regularly review its plans and resulting reports. The Board will be briefed on audits by external bodies such as the Office of the Auditor General (OAG), and will receive reports by representatives of the OAG on a quarterly basis.
Integrity and security

An important component of fairness for taxpayers is ensuring the integrity of those who serve them. The Board will review the annual Integrity Framework and insist on aspects of integrity and fairness throughout the human resources function, including its policies and training. It will also be briefed on appropriate disciplinary measures in cases of misconduct.

The Board will receive regular reports on all aspects of the security function, with a particular emphasis on cyber security. More specifically, since the security of the CRA’s information and system management is a major and evolving element of risk, Board members will continue to monitor the collaboration between the Agency, Shared Services Canada, and other Government of Canada partners, as well as approve the Information Technology Strategic Plan.

Innovation

The Board will stimulate innovation at all levels of the CRA, and continue to challenge employees, communities of interest and senior management to include innovative ideas and practices in all business areas, in order to improve service to citizens and the everyday working life of employees. The Board will continue to encourage the work of the Accelerated Business Solutions Lab, and innovative suggestions for work in regions and at headquarters, whether they refer to small day-to-day changes or major improvements.

The Board will once again hold its annual strategic planning meeting, and invite expert external speakers to spark debate within the CRA on potential innovations in areas under the Board’s oversight. Board members will also continue to examine and evaluate Board governance, and determine where innovation and best practices may help streamline or improve Board oversight and operation.
Section 2
Planned results
Core Responsibility

Description: To ensure that Canada’s voluntary self-assessment tax system is sustained by providing taxpayers with the support and information they need to understand and fulfill their tax obligations, and by taking compliance and enforcement action when necessary to uphold the integrity of the system, offering avenues for redress whenever taxpayers may disagree with an assessment/decision.

Service

The CRA recognizes the importance of helping Canadians get it right the first time no matter what channel they choose to use to interact with us. Our aim is to provide high quality services to Canadians in ways that best meet their needs regardless of what leads them to come into contact with the Agency. This means proactively sharing information so taxpayers are aware of changes affecting them, understand their options, and receive the information and support they need to meet their tax obligations. In pursuit of constant improvement of our services, we are seeking out and analyzing feedback from individuals, businesses, and the charitable sector. The Agency has made major investments in advanced analytics and technology to develop and implement innovative, flexible, and strategic approaches to simplify access to our services and minimize the administrative burden on taxpayers.

As our use of technology and analytics becomes more sophisticated, the Agency is increasingly targeting its services to taxpayers who may need a helping hand, like new Canadians, Indigenous peoples, small businesses, students, and seniors. We are also seeking to increase taxpayers’ understanding of their tax obligations through more outreach activities that are targeted directly to Canadians—often through partnerships with other government departments—to provide the early certainty taxpayers need to help manage their tax affairs with greater confidence and comply with Canada’s tax laws.

Providing timely and accurate information

Timely and accurate information are critical to the success of our tax system, which relies on self-assessment. We strive to make it easier for individuals and businesses to access clear, timely, and accurate information through our website, social media, written communication, and call centres. In each case, the Agency works hard to keep our paper and electronic publications updated and our officers equipped with the training and tools they need to provide current, relevant information.

To support the Government of Canada’s priority for an open and transparent government, the CRA works closely with stakeholders, such as industry associations and the Minister’s Underground Economy Advisory Committee members, to better target our communication products and improve their clarity. Taxpayers and tax professionals with more complex information needs have access to CRA expertise through a number of channels, including technical publications on Canada.ca and by requesting rulings or interpretations.
Written correspondence

One of the most important ways the CRA serves Canadians is by clearly communicating tax-related information in plain language and telling them about any action they should take. The CRA has already simplified 75% of the millions of notices and letters we send annually. Over the planning period, we will simplify more of our notices, statements and letters to make it easier for Canadians to understand their tax obligations. We will also simplify tax and benefit forms so it will be easier for Canadians to complete and send these forms to the CRA. In addition, the Agency is responding to feedback about how we process clearance certificates1 by developing measures to reduce the time to process these requests.

Telephone services

In July 2017, the Agency launched a pilot of a telephone service for income tax professionals, who complete the majority of individual and corporate income tax returns in Canada. These dedicated phone lines provide a limited number of these professionals with access to CRA rulings officers, who can assist with complex income tax questions that may involve interpretation of tax law. We will operate this pilot through December 2018 before deciding whether to implement the service fully.

The CRA’s call centres answer enquiries and provide taxpayer-specific information, subject to identity authentication. The 2017 Fall Report of the Office of the Auditor General included results from a recent audit of Agency call centres that drew three conclusions:

> the Agency’s call centres did not provide taxpayers with timely access to call centre agents
> our agents gave taxpayers information that was not accurate almost 30 percent of the time
> our telephone performance measures were incomplete, and reported results were overstated

We agree with all recommendations issued in this report and see this as an opportunity to improve overall service in our call centres. The Agency has launched a three-point action plan to modernize CRA call centres to help us to address the Auditor General's recommendations.

> Callers will see notable improvements when we implement new call centre technology that will connect Canadians with agents more efficiently. The Agency’s call centre technology and infrastructure will be modernized, enabling us to offer new features for callers, such as wait-time information, and improve the overall service we provide to taxpayers. In partnership with Shared Services Canada and other government organizations, we are actively evaluating and developing new call centre technology for our individual enquiries and business enquiries call centres.

> We will enhance agent training and support, and adopt a new approach for routing calls to agents.

> We will also update our reporting and service standards to provide Canadians with clearer information about the service they can expect from our call centres and how we are performing.

The CRA will report on its progress in implementing this action plan in its annual Departmental Results Report beginning in 2019.

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1. Responsible representatives tending to deceased taxpayers’ property, business or estate have to obtain a clearance certificate before distributing any assets. A clearance certificate is the CRA's acknowledgment that all related tax returns have been filed and assessed and that all amounts owing have been paid.
Planning highlights

> Redesign existing guides and publications to make them easier to use by separating general tax information from “how to” instructions specific to completing forms

> Apply user-experience design principles to tailor publications to the information needs of different audiences and simplify technical content for those who need only general information

EXPECTED RESULTS

> In partnership with Shared Services Canada and other government organizations, actively evaluate and develop new call centre technology for our individual enquiries and business enquiries call centres

> Establish service standards for the processing of clearance certificate requests, by April 2019

> Improve the design, style, clarity, and tone of 95% of our written correspondence to Canadians, by May 2019

Making it easy to comply with tax obligations

Targeted outreach

The CRA takes a proactive approach to education and outreach. We identify and work with those taxpayers who are most likely to benefit from more targeted interaction, ranging from individuals—including Indigenous peoples, seniors, newcomers to Canada, and youth—to small and medium-sized businesses through various webinars. The Agency also makes teaching material available to school boards across the country for use in teaching high school and post-secondary students the basics of taxation, how to complete a tax return, and the relationship between taxes and our quality of life in Canada.

Building on past success and lessons learned, the Agency will be working with trusted service providers over the planning period to reach vulnerable populations. Through our regional and local tax services offices, the CRA will foster community leadership and ownership to eliminate, wherever possible, unnecessary barriers that prevent greater participation in Canada’s tax and benefits system. As part of the CRA’s action plan for northern residents, we are committed to expanding our outreach and partnerships in northern communities, improving services for people in these communities, and helping them better understand how to claim deductions available to eligible northern residents.

Our Liaison Officer service promotes compliance through in-person visits with taxpayers at key stages of their business’s life cycle, an approach that has been well-received by taxpayers. We will build on the success of this initiative and, using feedback from taxpayers, will work to increase the level and type of services offered to Canadians. In 2019, we will expand the initiative to include services for small corporations.
Digital services

Each year, the CRA handles large volumes of tax and benefit transactions accurately, on time, efficiently, and cost-effectively using modern tools, systems, and information technology solutions. The Agency’s capacity to process returns and payments received electronically has increased and is less costly than paper alternatives. Often, electronic services result in fewer errors because there are fewer manual steps. That said, it is our responsibility to make sure that taxpayers are provided with the services they need to comply and we recognize that not all Canadians prefer online service options. We will maintain traditional alternatives for those who choose to use them, and develop tailored support for groups like seniors, first time filers, and new Canadians, who may have unique needs.

The goal of our Digital Services Modernization Strategy is to create a service experience that is user-centric, secure, and digital from end-to-end for Canadians who wish to use these services. We are making a range of enhancements in 2018 to help those filing individual income tax and benefit returns, including:

> allowing individual taxpayers to submit adjustments to T1 returns with NETFILE software to reduce the time and cost burden of paper T1 adjustments

> delivering an express notice of assessment in near real-time and allowing tax preparers using EFILE and taxpayers using NETFILE to receive the notice of assessment almost immediately

> enhancing our Auto-fill my return service to allow individuals (via NETFILE) and authorized representatives (via EFILE) to retrieve tax information from two prior years to automatically fill in parts of a 2017, 2016 and 2015 income tax and benefit return with the information that the CRA has available at the time of filing the return

Account alerts provide taxpayers with near real-time email alerts when there have been changes to their address or direct deposit information, or when mail has been returned to the CRA. Over the planning period, we will expand our online mail and account alerts services, and develop strategies to encourage more people to use online mail.

Canadians are spending more time on smartphones and tablets and less time on personal computers. The CRA is responding to this trend by ensuring that our digital services and content remain accessible to all devices without compromising the security of taxpayer information. Over the planning period, we will make our secure online portals (My Account, My Business Account, and Represent a Client) easier for taxpayers and their representatives to use. For example, we will:

> implement data sharing between services so that logical navigation from one service to another is achieved (e.g., when viewing their account balances, taxpayers will be able to access our payment service, and their balance information will automatically populate in the payment fields for them)
design and implement a Common User Interface Architecture that will ensure consistency in user experiences in our three current portals and that the content of our portals displays correctly on any device (desktop, tablet, mobile phone, etc.), giving users more flexibility in how they interact with us.

The Agency’s approach to mobile development will ensure any new mobile service is designed according to established principles and uses a consistent approach, including a strong focus on user-centric services and design.

Voluntary disclosures

The Agency provides an avenue for taxpayers to voluntarily come forward and correct their tax affairs through the CRA’s Voluntary Disclosures Program. This program is an integral part of the Agency’s broader compliance strategy. We carefully review each application for voluntary disclosure before it is accepted to make sure it meets the conditions for this program. For complex offshore files, we are also adding expert resources to review disclosures for completeness, to identify all offshore issues and sources of reportable income, and to ensure that the relevant intelligence from the disclosure is captured and synthesized.

We recently completed a comprehensive review of our Voluntary Disclosures Program in response to the recommended actions set out in the Sixth Report of the Standing Committee on Finance, entitled “The Canada Revenue Agency, Tax Avoidance and Tax Evasion”. Over the planning period, the Agency will apply policy changes that we announced in the fall of 2017.

Planning highlights

> Enhance and maintain our mobile apps, including Business Tax Reminders, CRA BizApp, MyCRA, and MyBenefits CRA

EXPECTED RESULTS

> Allow authorized representatives to use commercial software to file an authorization request online that allows immediate access to client accounts with no signature required, by May 2018

> Expand our Account Alerts service to include alert triggers for businesses, by May 2018

> Allow taxpayers who use goods and services tax/harmonized sales tax (GST/HST) Internet File Transfer software to register for online mail, by December 2018

> Increase digital filing options for GST/HST new housing rebates, by May 2019

> Allow employers undergoing desk examination to submit their books and records electronically through My Business Account, by March 2020
Collaboration

The CRA works closely with other federal government departments and agencies to deliver on Government of Canada priorities. We also partner with industry associations and community organizations to make voluntary compliance as easy as possible. These collaborative arrangements help us enhance our services for Canadians, improve our programs, and reduce the administrative burden on taxpayers.

The Agency has been working with Innovation, Science and Economic Development Canada to advance the Government of Canada’s goal that all business-facing services use the business number as their primary identifier by 2020. This will allow our business clients to manage one identifier when interacting with the Government of Canada rather than having separate numbers for each business-facing program.

The Tell-Us-Once service enhancement project between the CRA and Employment and Social Development Canada allows Canadians to give either department their direct deposit and address information and ensures the information is updated simultaneously to the other department, resulting in a tell-us-once environment. A phased-in approach is being taken to ensure alignment with departmental plans and capacities.

In consultation with the Chartered Professional Accountants of Canada, we launched a post-audit survey in March 2017 to seek voluntary and anonymous feedback from businesses that have undergone a CRA income tax or GST/HST audit. We are analyzing this feedback to identify opportunities to improve our audit process.

Canadians have access to many in-person and digital options to make a payment to the CRA. By the end of the planning period, the Agency will reduce its reliance on paper remittance vouchers. We will also make the payment experience easier by:

> allowing taxpayers to make a secure, in-person payment through Canada Post
> partnering with financial institutions to simplify direct deposit enrolment
> supporting direct deposit information-sharing with Employment and Social Development Canada

We are committed to acting on all opportunities to expand our collaboration with our federal partners in order to enhance service delivery to citizens and businesses.
Cannabis

As announced in Budget 2017, a taxation framework will be implemented when recreational cannabis is legalized in 2018. The CRA will work closely with Health Canada and the Department of Finance to implement a program to assess and collect taxes on the sale of cannabis products.

Carbon levy

In Budget 2017, the Government of Canada reiterated that it will put in place a federal carbon pricing system. The CRA has been mandated to implement and administer the proposed federal carbon levy program. To do so, we will work with Environment and Climate Change Canada and the Department of Finance.

Registered charities

The CRA takes an education-first approach with the approximately 86,000 registered charities in Canada, providing them with all the information and tools they need to comply voluntarily. When an organization is not meeting the legislative requirements to maintain charitable status, the Agency provides the organization with further information and opportunities to amend the situation.

After extensive online and in-person consultations were held with public and charitable sector representatives across the country in 2016, a consultation panel reviewed the feedback and presented its report to the Minister of National Revenue in March 2017. The Agency is carefully reviewing the report to help inform its future regulation of charities under the Income Tax Act.

Planning highlights

> Clarify the rules governing the involvement of registered charities in political activities
> Modernize our information technology systems to reduce administrative burden on charities and offer online services to the charitable sector
> Develop new educational resources and use new and existing channels to communicate information to the charitable sector and the public that will explain and facilitate compliance with the requirements of registration

**EXPECTED RESULTS**

> Implement a program to assess and collect taxes on the sale of cannabis products, by July 2018
> Launch our new online filing service for registered charities, by November 2018
> Implement consent to share direct deposit and address information related to the Old Age Security and the Canada Pension Plan between the CRA and Employment and Social Development Canada by February 2019 and, by February 2020, consent to share employment insurance direct deposit and address information between the CRA and Employment and Social Development Canada
Providing fair and impartial review

When taxpayers are not satisfied with a service or a decision they have received from the CRA, they have the option of a fair and impartial redress process. The Agency resolves disputes and requests for relief that arise from decisions made under the legislation and programs we administer and services we provide. Every taxpayer who disagrees with an assessment, determination, or decision has the right to register a formal dispute. The CRA ensures each objection is treated in accordance with applicable laws. A responsive redress process promotes voluntary compliance and fosters trust in the integrity of the CRA.

The 2016 Fall Report of the Office of the Auditor General focused on how efficiently the CRA manages income tax objections in terms of timeliness of decisions\(^1\). The report also examined whether our performance indicators related to the objections process were developed and reported, and whether the Agency studied and analyzed objections and appeals decisions and shared the analyses internally. The Agency agreed with the recommendations issued in the report and saw this as a good opportunity to further strengthen how we manage objections. We have already established a service standard to resolve low-complexity objections within 180 days, 80% of the time and, to emphasize our commitment to service, will be implementing an additional service standard in 2018 to resolve medium-complexity objections within 365 days, 80% of the time. As our backlog of these types of objections declines, we will seek opportunities to improve the timeliness commitments of these service standards. Timely resolution of objections gives Canadians the certainty they need about their tax affairs to make decisions for themselves, their families and their businesses.

The CRA also administers legislative provisions under which the Minister of National Revenue may grant relief to taxpayers from penalties and interest arising from an inability to pay through no fault of their own or due to circumstances beyond their control. Requests for relief can arise in any number of circumstances, ranging from widespread disaster to individual hardship. In addition, the Agency offers a process to resolve service-related issues resulting from mistakes, undue delays, the behaviour of our employees, and poor or misleading information. Taxpayers can file unresolved service complaints and requests for relief online through My Account.

Planning highlights

> Increase our capacity to resolve objections quickly, to improve service, and provide early certainty of tax obligations

> Further enhance our digital services to allow taxpayers to receive a more timely response to their service complaints

> Report improved performance indicators, related targets, and results to Parliament concerning our timeliness in processing objections and communicate this performance information to taxpayers

> Communicate objections and appeals decisions, and identify opportunities for improvement in the service provided to Canadians

EXPECTED RESULTS

> Implement digital delivery of responses to service complaints through the My Account and My Business Account secure portals, by December 2018

> Address recommendations made in the Office of the Auditor General Report by:
  • implementing our action plan pertaining to income tax objections during 2018
  • establishing a new service standard for the resolution of medium-complexity objections, by June 2018
  • revising Form RC4288, Request for Taxpayer Relief — Cancel or Waive Penalties or Interest, to ensure that the necessary information and documentation is submitted with the request, by March 2019

> Renew Agency processes, improve tools, and improve workload management to enhance efficiency for Canada Pension Plan and employment insurance disputes, by December 2020
Compliance

Our services are aimed at making voluntary compliance as easy as possible, and we provide proactive support when it is needed. However, there will always be those who, by error or intent, do not meet their obligations. The CRA seeks to protect the integrity of Canada’s voluntary compliance system by identifying filing non-compliance and pursuing individuals, corporations or trusts that do not file tax returns despite a legal obligation to do so. In addition, the Agency devotes significant resources to identifying and addressing the small segment of the population that does not report the correct amounts. The Agency’s compliance activities follow an escalating approach, moving from influencing compliance to enforcing it, with a focus on early detection and correction of failure to comply with the federal and provincial tax legislation we administer.

Business intelligence

Gathering business intelligence gives us better insight into taxpayer behaviour and allows us to more precisely and rapidly target non-compliance, whether it stems from unintentional errors or deliberate non-compliance. By gaining access to better data and improving our information technology and tools we can more effectively guide our operational and strategic decisions. By complementing this with advanced data analysis techniques, the Agency is taking a more targeted and risk-based approach to promoting, supporting, and enforcing all aspects of compliance.
Access to better data, used more effectively

The CRA has access to a very large volume of data from multiple sources\(^1\), especially as it relates to our work to identify offshore and aggressive tax planning non-compliance. It is crucial that we effectively use this increasing volume and variety of data to guide our operational and strategic decisions. To more effectively identify those taxpayers at highest risk of being non-compliant, we will implement an automated system that accurately matches taxpayers to electronic funds transfer records and integrates this data with existing CRA data. In addition, the Agency will expand our use of taxpayer information to further enhance our risk assessment systems and business intelligence tools, including the Integrated Risk Assessment System, to increase our ability to detect significant non-compliance within the large business population segment, and optimize the allocation of resources to address these compliance risks.

Advanced analytics

The CRA is advancing its analytics capability by developing and testing predictive models that allow us to identify individual and business taxpayers with an increased risk of non-compliance and determine specific actions to apply. These predictive models will enable the Agency to make fact-based decisions that lead to better identification of non-compliant accounts and support re-directing our resources toward resolving the highest risk accounts—at the right time and at the lowest cost—thereby reducing the burden on the larger population of taxpayers. The application of advanced analytics will improve our decision-making and help us tailor and time our interventions for maximum impact. Over the planning period, we will test predictive models on individual taxpayers and develop new predictive models for individual and business taxpayers.

Planning highlights

> Maximize the use of third-party data to support operational and strategic decision-making and to conduct pilot projects using advanced analytics to enhance risk assessment

**EXPECTED RESULTS**

> Using advanced analytics, develop new predictive models for detecting non-compliance related to corporate income tax, and complete audits of individual taxpayers selected from current predictive models, by March 2019

> Automate the process of matching and risk assessing electronic funds transfer records, which do not contain a taxpayer identifier, with existing CRA taxpayer data, by March 2020

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1. This information includes electronic funds transfers, country-specific information, informant submissions under our Offshore Tax Informant Program, our Foreign Reporting Requirements Management System, our Voluntary Disclosure Program, and agreements for the exchange of information related to income tax treaties.
International collaboration

The CRA’s approach to compliance takes the Agency beyond Canada’s borders to work with other countries to improve global tax transparency and address aggressive international tax avoidance and evasion. We do this by engaging both bilaterally and multilaterally with a range of partner administrations and organizations. Our engagement at the Organisation for Economic Co-operation and Development (OECD) is particularly vital, including our work with the OECD Forum on Tax Administration.

The Forum on Tax Administration brings together the Tax Commissioners of the most advanced tax administrations worldwide, including OECD and G20 members, to work collaboratively to address common tax administration challenges and take collective action to achieve common goals. Through the Forum on Tax Administration, the Agency is participating in a pilot project to identify large multinationals exhibiting low risk of tax avoidance. This project, called the International Compliance Assurance Program, has been established as a coordinated, multi-jurisdictional tool for assuring that certain multinational enterprise groups are in compliance with applicable tax legislation. By participating in this pilot the Agency and our international partners are able to identify those corporations that do not need to be considered for any compliance activities associated with tax evasion or aggressive tax avoidance. It helps us to quickly isolate any areas of risk that might require further attention and better target our resources to where compliance action may be most needed.

The Commissioner of the Canada Revenue Agency leads the Forum on Tax Administration’s Large Business and International Programme, where the CRA, together with other tax administrations, is leading the development and delivery of a work plan to support the OECD and G20 base erosion and profit-shifting project. This is a global project that seeks to prevent multinational corporations from inappropriately minimizing their taxes. This initiative is being undertaken to support other potential projects and will help with the compliance management of large businesses.

The CRA also engages in bilateral and multilateral cooperation and collaboration on taxpayer-specific issues, risks and compliance practices through its work with the Joint International Taskforce on Shared Intelligence and Collaboration. Working within the legal framework of effective bilateral and multilateral conventions and tax information exchange agreements, this tax force offers a platform for its members to actively collaborate and share their experience, resources, and expertise to tackle the common issues they face. Our participation in this network of tax administrations from over 37 countries makes it easier to share information and helps increase our understanding of intergroup transactions. Over the planning period, the Agency will lead the working group on High Net Worth Individuals and actively participate in other expert working groups.

The CRA also plays a leading role in building capacity for developing countries by providing advice and support in the administration of their taxation regimes, either bilaterally or multilaterally through our participation in various initiatives. For example, Agency employees provide training at the OECD International Academy for Tax Crime Investigators, and serve as subject matter experts for OECD Global Relations Programme learning events related to tax administration. Our Commissioner co-sponsors, with China, the Forum on Tax Administration’s Capacity Building Network. This network is focused on identifying how member jurisdictions can address the increasing demand for capacity-building by working together to improve coordination, reduce duplication, and generate efficiencies in how assistance is provided.

In addition, the Agency is developing an online tool, called the Knowledge Sharing Platform for Tax Administrations. Currently a prototype being deployed through early adopters, this tool is designed to foster the sharing of practical knowledge and expertise concerning tax administration in a cost-effective and sustainable way.
Combatting base erosion and profit sharing

There are tax planning strategies implemented by multinational enterprises that exploit gaps and mismatches in tax rules to artificially shift profits to low-tax or no-tax jurisdictions where there is little or no economic activity, resulting in little or no overall corporate tax being paid. The G20 asked the OECD to address this growing problem by creating an action plan to address base erosion and profit shifting. This plan, endorsed and adopted by Canada, identifies a series of domestic and international measures to address the problem and sets timelines for the implementation. The CRA will extend its cooperation on base erosion and profit shifting through to 2020.

Country-by-country reporting

The objective of country-by-country reporting is to provide transparency to tax administrations of the global operations of multinational enterprises, including information about their economic activity, how they allocate their income across the globe, and any taxes paid among participating countries. These reports are usually filed in the jurisdiction of tax residence of the ultimate parent entity of the multinational enterprise group, then shared between participating jurisdictions.

As of June 2017, a total of 64 countries signed on to exchange country-by-country reports. Automated exchanges pursuant to government-to-government agreements will begin in June 2018. The Agency has also been exchanging advanced income tax rulings; those we receive are given consideration as we work to identify new tax schemes and potential non-compliance in Canada.

As part of the OECD base erosion and profit-shifting action plan, Canada is committed to implementing measures to make dispute resolution mechanisms more effective. In accordance with mutually agreed procedures, the CRA will put in place monitoring mechanisms by March 2019 to ensure that settlements are implemented, there is clarity in related guidance, and that taxpayers understand access and timeframes for resolving disputes.

Common reporting standard

For many years, tax authorities have expressed a heightened interest in developing a standard for the automatic exchange of information. On July 15, 2014, the OECD approved the new global Standard for Automatic Exchange of Financial Account Information in Tax Matters, referred to as the Common Reporting Standard. To increase global transparency, each jurisdiction will annually collect and automatically exchange information, including details such as taxpayer names, addresses, birth information, tax identification numbers, and account balances, with partner jurisdictions for all reportable accounts. Canada will undertake its first exchanges in 2018.

As of July 1, 2017, financial institutions have had to start identifying certain accounts held by or for non-residents, and to report these accounts to the CRA. Financial institutions will file information with the CRA in accordance with the Common Reporting Standard for the first time by May 2018, which will allow for Canada’s first exchanges with other countries in September 2018. The Agency has developed a transmission platform for the initiative that we will leverage for other exchanges, including country-by-country reporting and exchanges of rulings.
Planning highlights

> Play an active role with the Joint International Taskforce on Shared Intelligence and Collaboration network concerning new projects to ensure tax compliance and participate in joint collaborative sessions with other member countries

> Collaborate with international partners to address global tax evasion and financial crimes, specifically in the areas of beneficial ownership intelligence, money laundering, bribery, corruption, terrorism financing, and capacity building

**EXPECTED RESULTS**

> Complete the first exchanges of information under the Common Reporting Standard, by September 2018

> Begin the automatic exchange of country-by-country information and integrate the information into existing transfer pricing risk assessment processes by March 2019

> Deploy the end-state Knowledge Sharing Platform for Tax Administrations by March 2019

Tax evasion and aggressive tax avoidance

Aggressive tax planning 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 industrialized countries around the globe. With recent budget investments, the Agency is developing better tools and better approaches—and will achieve better results.

Addressing offshore compliance and aggressive tax planning is a top priority for the CRA, as demonstrated by our work on the Panama Papers. On April 3, 2016, the CBC published a story concerning the leak of 11.5 million documents from a Panamanian law firm, Mossack Fonseca, relating to the offshore financial affairs of numerous prominent individuals worldwide. From this information, we have been able to identify
over 3,140 offshore entities with over 2,360 possible beneficial owners that have some link to Canada. The Agency has reviewed and risk assessed over 1,350 of these possible beneficial owners. This project involves collaboration with Revenu Québec to exchange information linked to Quebec, share tools, and coordinate audits. In addition, using the foundation we have established in addressing the Panama Papers, we will review the more recent Paradise Papers. In both circumstances, we will share information related to non-residents of Canada with our treaty partners and take compliance action, including completing audits and making referrals for further investigation. Where appropriate, we refer cases to the Public Prosecution Service of Canada for possible criminal prosecution.

Since January 1, 2015, financial institutions have been required to report to the CRA all international electronic funds transfers of $10,000 or more. This information is invaluable in helping the Agency identify international non-compliance, monitor potentially unreported income, and target jurisdictions and financial institutions of concern. Over the planning period, we will review all of the electronic funds transfers in four jurisdictions or financial institutions of concern and focus our audit efforts on high-risk taxpayers.

For medium- and low-risk taxpayers identified through the review of electronic funds transfers in the jurisdictions or financial institutions of concern, we will conduct desk audits or send out letters to nudge compliance. This approach reduces the compliance burden on taxpayers because the desk audit approach does not require a visit to the taxpayers’ premises. It does not replace field audits; rather, it provides an alternative method of reviewing files with certain risk profiles and helps taxpayers comply where appropriate. We plan to implement a desk audit pilot project for the medium-risk segment during the planning period.

**Wealthy individuals**

Some wealthy individuals (and related parties) use private corporations or complex schemes, including involvement in complex offshore structures and transactions. Using new risk assessment strategies and additional audit teams, the Agency plans to expand the scope of our initiative to address non-compliance among these taxpayers. By March 2021, we will have in place a number of new measures, including an increase in the number of high net worth individuals within the Related Party Initiative program identified for potential audit and the number of audits undertaken, plus we will be leveraging information gathered through new risk assessment tools and increasing Agency cooperation with tax administrations in other countries.

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1. High net worth individuals within the Related Party Initiative program are those who, either alone or together with associates (related parties), control a net worth of at least $50 million.
Aggressive GST/HST planning

The CRA’s approach to GST/HST compliance is designed to ensure GST/HST registrants comply with their reporting requirements and that we identify and address non-compliance, especially by those who knowingly and aggressively avoid paying GST/HST. Annually, the Agency receives two million refund and rebate claims, some of which are false, totalling about $47 billion. Over the next three years, as part of the Government of Canada’s Budget 2016 commitment, we will be developing processes to improve our ability to identify and profile various schemes in the GST/HST registrant population. We will put in place a fully integrated automated system to help us detect fictitious entities, preventing us from issuing unwarranted GST/HST refunds. This will also allow the Agency to respond to emerging abusive tax schemes by updating and modifying our risk assessment models and profiles in a timely manner.

Tax scheme promoters

The CRA is actively cracking down on promoter schemes that promise large refunds and tax-free income, or that devise other creative ways to pay less tax owing. The Agency has the authority to apply third-party penalties against tax preparers, promoters, and other third parties who misrepresent tax matters that could result in other persons making false statements or omissions on their tax returns. Those who counsel others to file their tax returns based on false or misleading information, or who knowingly accept false information provided by their clients for tax purposes, can face penalties under the law and criminal prosecution that can lead to court-imposed fines and jail time. Over the planning period, we will increase audits of promoters of tax schemes and apply appropriate compliance actions; improve information gathering and business intelligence on emerging schemes; maintain a database on all identified promoters; pursue additional legislative tools to discourage investment in abusive schemes; and improve communication to taxpayers to warn them about such schemes.

Underground economy

Combatting the underground economy (UE) is one of the top compliance priorities for the CRA. The UE poses a threat to Canada’s revenue base and makes it difficult for Canadian businesses, particularly small businesses, to compete on a level playing field. In 2013, the last year for which the UE was estimated, UE activity totalled $45.6 billion in Canada, or about 2.4% of gross domestic product. The UE includes both unreported and under-reported sales or income, which may involve failure to:
If left unchallenged, the UE can erode the integrity of Canada’s tax system.

Our work to combat the underground economy is aimed at ensuring a fair tax system and a level playing field for all businesses and taxpayers. Through the successes and challenges learned in our previous strategy, the Agency is building a better understanding of the UE in Canada, and we are continuing to enhance our approaches to reduce UE participation. Beginning in 2018-2019, the CRA will implement an updated, fulsome and relevant UE strategy with the following three themes.

> Social responsibility and engaged citizenship: The aim of this theme is to raise awareness of the risks and consequences of participating in the UE to reduce its social acceptability. Through external partnerships, we will increase the reach of our UE messaging, which will address both those who create the demand for UE services and the individuals and businesses who supply the UE.

> Use of third party data: The CRA intends to obtain additional third party data from our partners—mainly other federal departments, the provinces and territories as well as municipalities. The CRA will also obtain information from third parties through the use of legal requirements when it has reason to believe this data will help detect and deter non-compliance.

> Emerging business models and transacting in the digital age: The CRA will strengthen its understanding of the tax attributes of those who are using business models that monetize assets or labour in non-traditional ways, such as online intermediaries that facilitate the sharing and gig economy and those that use digital payment systems like Bitcoin. Test audits, research, and education sessions will be conducted to ensure taxpayer compliance in these rapidly expanding areas of Canada’s economy.

In addition, the CRA will continue its important work on all aspects of the UE, including education, detecting non-filers, improving its audit techniques to detect unreported income, enhancing our business intelligence, and improving our risk assessment to help us focus our efforts in the areas where non-compliance is most prevalent.

Criminal investigations

The CRA’s 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 to the Public Prosecution Service of Canada for criminal prosecution. We have taken steps to enhance the efficiency of our criminal investigations, to identify egregious tax evasion cases more effectively. To improve our forensic informatics capabilities for complex investigations, we are investing in advanced technological tools, and researching the use of the Dark Web as a means to commit tax evasion to help us better identify sophisticated and well-organized schemes. To help us better measure our success, we will introduce new performance measures.
Over the planning period, we will set up a free subscription service to help interested Canadians stay current on our enforcement efforts. These enforcement notifications will include information on tax evasion convictions, non-filer convictions, and, in some instances, searches executed and the criminal charges laid. In addition, the Agency will update its results throughout the year in a series of newly created webpages dedicated to describing its offshore activities. We will also seek opportunities to report results through various media and on Canada.ca.

**Other ways we are improving compliance**

**Sharing economy**

The sharing economy connects individuals or businesses that are looking for a particular product or service to those that have it. Many participants in the sharing economy do not follow traditional small business practices—and the number of non-traditional small businesses participating in this sharing economy is growing—so it is important to ensure that they are aware of and comply with their tax obligations, namely collecting and remitting GST/HST. Until now, the Agency’s approach to promoting compliance within this sector has largely been focused on a mix of education, outreach, and nudge techniques to help registrants better understand their tax obligations and encourage them to correct any inaccuracies on their past returns and in their future filings. The CRA will focus its efforts over the planning period on conducting compliance activity on commercial operators within the sharing economy. Following completion of these audits, we will further develop associated data and risk models.

**SR&ED claims**

Through the Scientific Research and Experimental Development (SR&ED) Program, the Government of Canada 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. Over the planning period, the Agency will monitor, support, and enhance its new suite of services to ensure they meet the needs of SR&ED program claimants. We will also apply the elements of our SR&ED Large Claim Strategy in reviewing claims to other claimant populations to improve compliance.

**Planning highlights**

- Monitor adherence to newly established national investigative standards to streamline the investigative process and ensure the timely referral of cases to the Public Prosecution Service of Canada for criminal prosecution
- Engage industry associations, specifically targeting those with the broadest reach and impact to raise awareness of the requirements of the SR&ED program
> Review and risk assess the remaining approximately one thousand Panama Papers records, by March 2019
> Introduce a new reporting measure for criminal investigations, by March 2019
> Research and explore the use of the Dark Web as a means to commit tax evasion, by March 2020
> Implement an applied intelligence solution to identify abusive GST/HST schemes, by May 2020

Collections

The CRA collects tax debts on behalf of federal, provincial, and territorial governments. We also collect debts for such government programs as defaulted Canada Student Loans, employment insurance overpayments, and Canada Pension Plan overpayments. Managing tax debt\(^1\) is critical to protecting Canada’s revenue base and providing governments across Canada with the revenue needed to support programs and priorities.

To be fully compliant, individual and business taxpayers must pay all taxes on time. Due to a variety of factors, not all taxpayers are willing or able to pay all tax owing once their assessments have been raised, including after any disputes or appeals have been resolved. To address these tax debts in the most effective way possible, the Agency has implemented three distinct strategic approaches that are based on the circumstances of non-compliant taxpayers.

> In the case of those who want to pay, we seek to avoid delays and the accumulation of interest and penalties by encouraging compliance and assisting these taxpayers to quickly resolve all tax owing through self-resolution tools.

> For those who cannot immediately pay all amounts outstanding, we work with taxpayers to resolve their debts through collection tools, such as payment arrangements that take into account their ability to pay, while avoiding any undue financial hardship.

> In those relatively few instances where taxpayers have the means but are unwilling to pay what they owe, the Agency uses available enforcement tools to compel compliance with Canada’s tax laws.

The Agency’s collections activities are guided by two main goals: avoiding new debt and resolving existing debt quickly. Over the past number of years, our collections work has been evolving to address a tax debt portfolio that has been growing at a 10-year average of 7.8%. Through investments from federal budgets, the CRA has transformed its business processes for addressing tax debt and reduced the growth of the tax debt to 5% in fiscal year 2016-2017. With this enhanced capacity to address tax debt, the Agency will continue to leverage technology and business intelligence over the planning period to manage new amounts owing and the growth in tax debt inventory. In addition, this will help improve our ability to deliver the right account to the right level of collection in a timely manner to increase opportunities for debt resolution.

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1. Taxes and other revenues assessed or estimated by the CRA but not yet collected.
In the almost two decades since their launch, the Agency’s Debt Management Call Centres have proven to be critical to faster resolution of tax debt. Agents from these centres call taxpayers to seek payment of taxes owing and they receive calls from those who were notified that they have a tax debt. In some instances, our Debt Management Call Centre agents have been unable to resolve more complex tax debt issues, requiring the taxpayer to make an additional call to another collections officer. To improve our level of service, the CRA will be piloting a project where these calls are transferred directly from the call centre agent to a more senior collections officer to resolve the account. We are limiting this pilot to a select group of taxpayers in order to measure the effectiveness of this initiative before deciding to expand this service in the future.

To improve the accessibility of the Agency to taxpayers at a time when they are available to discuss resolving a debt, we have implemented a SMARTLINKS tool. This tool allows taxpayers to arrange for a call from a Debt Management Call Centre agent at a time that is convenient for them. Adding a service like this one contributes to achieving our goal to improve service and encourage taxpayers to resolve their tax debts in a timely manner.

The CRA is focusing on aggressive tax planning to promote both reporting and payment compliance. Using funding from Budget 2016, we are now in a better position to have specialized collections officers focus on collecting the tax owing from the high-risk reassessments from all types of targeted audits, such as those related to offshore tax schemes.

**Planning highlights**

> Leverage new data mining models to enhance our use of automation to direct files to the proper workload in a timely manner to improve collection potential

> Improve the research that we undertake both to gain a better understanding of trends in payment non-compliance and to identify the risks involved

> Increase our focus on the collection of files identified as being higher risk in order to reduce the likelihood of these debts becoming uncollectable

**EXPECTED RESULTS**

> As a result of the Government of Canada investments announced in Budget 2016, we will collect an additional

  * $3 billion in tax debt—plus $210 million from high-risk reassessments—by March 2019
  * $5 billion in tax debt—plus $280 million from high-risk reassessments—by March 2020
  * $7 billion in tax debt—plus $350 million from high-risk reassessments—by March 2021\(^1\)

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1. All figures are cumulative and represent totals beginning from fiscal year 2016-2017. The breakdown within the current planning period is $1.65 billion plus $69.8 million during 2018-2019; $2.3 billion plus $69.8 million during 2019-2020; and, $1.65 billion plus $69.8 million during 2020-2021.
Tax planned results

The CRA’s Departmental Results Framework demonstrates how CRA’s work contributes both to government priorities and overall well-being of Canadians. The framework identifies the indicators that are used to assess overall progress towards the outcomes we are striving to achieve and provides a foundation for accuracy and transparency in reporting our results to Parliamentarians and Canadians.

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of filers who have filed a tax return by their due date (by March 31, 2018)</td>
<td>90%</td>
<td>93%</td>
<td>94%</td>
<td>91%</td>
</tr>
<tr>
<td>Percentage of known businesses registered for GST/HST (by March 31, 2018)</td>
<td>90%</td>
<td>94.6%</td>
<td>94%</td>
<td>94.9%</td>
</tr>
<tr>
<td>Percentage of reported taxes (including instalments) and source deductions that are paid on time (by March 31, 2018)</td>
<td>90%</td>
<td>89.9%</td>
<td>89.9%</td>
<td>88.7%</td>
</tr>
<tr>
<td>Percentage of external service standards targets that are met or mostly met (by March 31, 2018)</td>
<td>90%</td>
<td>94.1%</td>
<td>91.5%</td>
<td>85.1%</td>
</tr>
<tr>
<td>Number of Community Volunteer Income Tax Program returns completed (by May 15, 2018)</td>
<td>800,000</td>
<td>633,468</td>
<td>749,963</td>
<td>768,349</td>
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Tax budgetary financial (dollars) and human resources (full-time equivalents)

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<tr>
<th></th>
<th>2018-19 Main Estimates</th>
<th>2018-19 Planned²</th>
<th>2019-20 Planned³</th>
<th>2020-21 Planned³</th>
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</thead>
<tbody>
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<tr>
<td>FTE</td>
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<td>30,882</td>
<td>30,357</td>
<td></td>
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</tbody>
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Financial, human resources and performance information for the CRA’s Program Inventory is available in the GC InfoBase.

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1. Note the methodology for determining the results for this indicator has recently been revised and therefore the 2016-2017 calculations will not be directly comparable with past figures.
2. Met or mostly met (within 5% of target).
3. Planned spending is identical to expenditure levels presented in the Main Estimates.
Benefits

CORE RESPONSIBILITY

Description: To ensure Canadians obtain the support and information they need to know what benefits they may be eligible to receive, that they receive their benefit payments in a timely manner, and have avenues of redress when they disagree with a decision on their benefit eligibility.

The CRA administers a range of ongoing benefits and one-time payment programs for the federal government and the provinces and territories. Benefit programs offered by the federal, provincial and territorial governments support the economic and social well-being of Canadians across the country. Indeed, many Canadians depend on benefit payments for a significant part of their household income and the importance of these payments cannot be underestimated. We need to be vigilant and have an effective administration in place to ensure that benefits are paid in a timely manner, especially where recipients still rely on paper-based transactions.

More than $31 billion in credit and benefit payments are issued by the CRA each year to more than 12 million Canadians. Benefits include the goods and services tax/harmonized sales tax credit, the Guaranteed Income Supplement, and the Canada child benefit, which is a tax-free monthly payment made to eligible families to help them with the cost of raising children under 18 years of age. We strive to make the right benefit payment to the right individual at the right time, and recently began working with colleagues at Employment and Social Development Canada to improve our ability to do so. Overall, the CRA is taking significant steps to ensure that all Canadians, including Canadians with modest incomes, Indigenous peoples, and newcomers, are getting the benefits they are entitled to in a timely manner. We are also taking action to ensure that we are giving benefit recipients accessible information and timely responses to their enquiries.
Outreach

Outreach is an important component of the CRA’s client-focused approach to service and is one of many elements that comprise the Agency’s drive to be a world-class tax and benefit administration. The Agency continues to reach out to Canadians to ensure that everyone is receiving the benefits to which they are entitled.

Over the planning period we intend to further develop and enhance our outreach efforts, especially within Indigenous communities and other segments of the Canadian population who may not be aware of what benefits and services are available to them.

One of our most successful outreach efforts has been the Community Volunteer Income Tax Program (CVITP). Through the program, volunteers across Canada help to prepare income tax and benefit returns for Canadians who may not have the means or knowledge to prepare their own returns. The CVITP works with Indigenous peoples, seniors, persons with disabilities, and individuals with low or fixed incomes. In collaboration with partner organizations, the CRA provides the necessary training and support to the many volunteers who host the free tax preparation clinics. Beginning in 2018, our CVITP volunteers will be able to make use of the CRA’s Auto-fill my return service. Access to this service will significantly help volunteers in the important work that they do. By being able to automatically fill in parts of a taxpayer’s income tax and benefit return with information that the CRA has available at the time of filing, volunteers will be able to complete returns more quickly than before, the CRA will be able to process them faster, and there will be greater certainty that CVITP clients will receive the benefits to which they are entitled with little or no delay.

Digital services

The CRA’s digital services are at the forefront of providing the best possible service to benefit recipients and their use has been a significant factor in ensuring that benefits are delivered to Canadians efficiently, securely, and on time.

The Agency plans to further improve “MyBenefits CRA”, the web-based mobile app designed specifically for benefit recipients. It has proven to be invaluable in giving benefit recipients a fast, easy, and secure way to verify the amount and date of upcoming benefit payments. Recent enhancements have allowed users to view the breakdown in their payment between federal and provincial/territorial benefits. In addition, benefit recipients can now also view and update their marital status and view information the CRA has about children in their care.

Looking ahead, the Agency’s approach to developing mobile apps will ensure that any changes to a mobile service such as MyBenefits CRA will be made according to set principles and using a consistent approach. To this end the Agency will ensure that there is a strong focus on implementing features that incorporate designs and services that improve the application’s ease of use for benefit recipients.
Even in the era of the Internet and web-based services, the telephone often remains a vital form of communication for many Canadians. This is especially true for individuals who need to know if they are eligible for benefits, or when their payments will be issued.

The Agency continues to strive to improve its call centre technology and to provide more accessible telephone service. In partnership with Shared Services Canada and other government organizations, we are actively evaluating and developing new call centre technology for our individual enquiries call centres. The technology will offer modern contact centre features such as centralized queuing, wait time information, skills based routing, and workforce management. These features will contribute to the efficiency of the CRA’s call centre operations – reducing busy signals and improving service overall for those Canadians who rely on our benefit enquiries line for information.

The Agency intends to closely monitor call volumes to determine the impact of our call centre initiatives. We will also be monitoring the issues and questions being raised by callers to better understand their information needs and the most common reasons for calls.

All the call centre measures that we plan to implement over the next planning period should significantly improve the client-focused service that we strive to provide to benefit recipients. They will also significantly contribute to the Agency’s strategic priority of service and to the Government’s over-arching goal of social inclusion.
Benefit administration

The Canada child benefit is one of the more significant benefits administered by the CRA. By July 2018, the Agency plans to simplify the application process, both digitally and on paper. Changes to the Canada child benefit application form will be made, and information on the CRA’s website and in Agency publications will provide clear details on what applicants need to provide, and when, so that their eligibility for benefits can be determined accurately and quickly.

As noted earlier, the CRA and Employment and Social Development Canada initiative called “Tell-Us-Once” will allow Canadians to inform either department about their direct deposit or address information and be assured that the information is updated simultaneously with the other department. This will greatly facilitate the provision of benefits to eligible Canadians. By February 2019, the CRA and Employment and Social Development Canada intend to have organizational structures and processes in place that will allow both organizations to share information in relation to Canada Pension Plan and Old Age Security payments. By February 2020, we anticipate a similar arrangement for sharing information with respect to employment insurance payments.

Planning highlights

> Reduce processing times for returns completed through the CVITP, as well as reduce the processing times for assessing any benefits payable to CVITP clients

> Enhance the client-focused service provided to benefit recipients by improving the CRA’s understanding of the tax and benefit information needs of Canadians
EXPECTED RESULTS

> Allow the use of the Auto-fill my return service by CVITP volunteers in February 2018, so that parts of the income tax returns of Canadians using the CVITP service will be automatically completed

> Develop a quality monitoring program and introduce a national centralized listening team to improve the quality and accuracy of responses to telephone enquiries

> Enhance the MyBenefits CRA mobile app, implementing features that incorporate designs and services to improve ease of use in accordance with the CRA’s mobile app strategy (first new features to be implemented by March 2019)

> Implement the “Tell-Us-Once” initiative for sharing direct deposit and address information between CRA and Employment and Social Development Canada for Canada Pension Plan and Old Age Security payments by February 2019, and for employment insurance payments by February 2020

> In partnership with Shared Services Canada and other government organizations, actively evaluate and develop new call centre technology for our individual enquiries call centres
Benefits planned results

The CRA’s Departmental Results Framework demonstrates how CRA’s work contributes both to government priorities and overall well-being of Canadians. The framework identifies the indicators that are used to assess overall progress towards the outcomes we are striving to achieve and provides a foundation for accuracy and transparency in reporting our results to Parliamentarians and Canadians.

Canadians receive their rightful benefits in a timely manner

<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>Percentage of Canada child benefit (CCB) recipients who provide complete and accurate information in order to receive the proper entitlement (by March 31, 2018)</th>
<th>TARGET</th>
<th>95%</th>
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</thead>
<tbody>
<tr>
<td>N/A</td>
<td>N/A</td>
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<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>Percentage of benefit payments issued to benefit recipients on time (by March 31, 2018)</th>
<th>TARGET</th>
<th>99%</th>
</tr>
</thead>
<tbody>
<tr>
<td>99.9%</td>
<td>99.9%</td>
<td>99.9%</td>
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Benefits budgetary financial (dollars) and human resources (full-time equivalents)

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<th>BENEFITS</th>
<th>2018-19 Main Estimates</th>
<th>2018-19 Planned²</th>
<th>2019-20 Planned²</th>
<th>2020-21 Planned²</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
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<td>482,609,132</td>
<td>474,246,261</td>
<td>477,744,586</td>
</tr>
<tr>
<td>FTE</td>
<td>1,506</td>
<td>1,474</td>
<td>1,463</td>
<td></td>
</tr>
</tbody>
</table>

Financial, human resources and performance information for the CRA’s Program Inventory is available in the GC InfoBase.

1. Data to calculate the actual number of CCB recipients who provide complete and accurate information on their applications is not provided every year.
2. Planned spending is identical to expenditure levels presented in the Main Estimates.
**Internal services**

**Description:** Internal Services are those groups of related activities and resources that the federal government considers to be services in support of programs and required to meet corporate obligations of an organization. Internal Services refers to the activities and resources of the 10 distinct service categories that support program delivery in the organization, regardless of the Internal Services delivery model in a department. The 10 service categories are: management and oversight services, communications services, legal services, human resources management services, financial management services, information management services, information technology services, real property services, materiel services, and acquisition services.

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

The CRA’s strategic priorities of service, compliance, innovation, people, and integrity and security, affect everything we do. While service and compliance are mainly outward-facing as we administer tax and benefits, internal activities and resources provide the support and oversight necessary to fulfill our organizational obligations. Encouraging innovation, fostering integrity and security, and ensuring that effective workforce management is in place, will allow the Agency to deliver results and help it achieve the goal of being a world-class tax and benefit administration.
Innovation

Economic, social, and technological changes have transformed society in ways that would have seemed unimaginable even 20 years ago. To ensure that the CRA is able to adapt to these changes and meet the service expectations of Canadians and protect Canada’s revenue base, the Agency is committed to encouraging and maintaining a culture of innovation in the workplace.

Agency employees are supported in their efforts to offer new ideas, to envision new approaches to tackling issues, and to take risks and experiment. “Innovation is change that unlocks new value”\(^1\). To this end, the CRA will continue to foster intelligent risk-taking as part of its workplace environment. The Agency will ensure that, as an organization, it has the people and processes that can clearly identify problems and issues to be resolved, as well as the outcomes desired, and that there are methodologies in place to rigorously evaluate and report on the results of the ideas and plans that have been adopted.

Since 2015, a culture of innovation, experimentation, and intelligent risk taking has been fostered within the CRA through the development of projects that focus on finding innovative solutions that can help the Agency better fulfil its core responsibilities. Important contributions in support of Agency priorities have been made, especially in relation to advanced analytics, nudge messaging, and ethnographic research. In fostering a culture of innovation, the CRA has also established collaborative relationships with other federal and provincial government departments, international counterparts, and academia, to gain new perspectives on issues touching on innovation. Over the next three years, as the Agency continues to develop new ideas and techniques to improve service to Canadians and promote taxpayer compliance, these are the main areas of focus:

\(^1\) Jamie Notter, What Is Innovation?, http://jamienotter.com/2012/09/what-is-innovation/
> Applying advanced analytics and developing an enterprise-level data infrastructure to allow for improved
decision making and enhanced tactical and strategic business processes. In particular, advanced analytics
will assist with the development of sophisticated models to better target non-compliance.

> Refining the use of behavioural insights and developing experimental designs for projects to better
measure outcomes. This will further help to improve service to Canadians and deter non-compliance.

> Engaging in ethnographic research to allow the CRA to gain additional insights into taxpayer behaviour.

A significant area of innovation within the Agency has been the use of business intelligence. Increasingly the
CRA undertakes complex research, trend analysis, and compliance risk analysis. In this regard, the Agency is
committed to enhancing and increasing its business intelligence environment to meet its ever-evolving data
analysis needs, especially in the areas of audit, collection, and benefits. By 2020, the CRA anticipates that it will
have renewed and optimized its business intelligence computing platform, tools, and processes to meet the
key needs of Agency researchers and analysts, which in turn will better inform decision-making at the Agency.

Information technology, of course, drives many of the CRA’s initiatives on innovation and the CRA is
committed to adapting to new technologies. The Agency has established an Information Technology
Innovation Centre to identify and make use of emerging technologies that may have an impact on how the
CRA fulfils its mandate. In partnerships with other federal government departments and other tax
administrations, and in consultations with information technology research and advisory firms, the CRA is
exploring the use of new technologies such as cloud computing, blockchain, and robotics process automation.
Leveraging these new technologies may play a significant role in helping reshape the Agency’s operations,
providing the means to enhance compliance activities and overall allowing the Agency to achieve its goal of
delivering the best possible service to Canadians.

The Agency is especially exploring the many practical possibilities associated with artificial intelligence. In the
last few years, industry has made many advances with Artificial intelligence, enabling the development of
computer software programs that have capabilities similar to people acting intelligently. Without being
explicitly programmed, these artificial intelligence software applications can generally be trained, using various
data sources, to perform human-like functions such as the ability to learn, reason, analyze, take decisions, and
recognize speech and visual patterns. The Agency has recently developed an outlook for artificial intelligence
that focuses on a subset of artificial intelligence technologies because of their potential business intelligence
capabilities for solving CRA business issues. These subsets include Natural Language Processing, Deep
Learning, Machine Learning, Computer Vision, Image Recognition, and Digital Assistants. As well, we are
evaluating applications of machine learning in business intelligence and artificial intelligence technologies as a
means of supporting CRA services. The applications could lead to systems that offer the possibility of
providing online clients with answers to basic tax and CRA questions immediately. Artificial intelligence tools
could also improve the Agency’s detection of large-scale tax schemes involving numerous parties since such
complex schemes are not easily uncovered.
Planning highlights

> Ensure that the CRA has the ability to conduct advanced research, trend analysis, and compliance-risk analysis through a renewed business intelligence environment, as well as to experiment with new approaches to improve service to Canadians and promote taxpayer compliance

**EXPECTED RESULTS**

> Renew the Agency’s business intelligence computing platform, tools, and processes by 2020
> Implement an Agency data program, under the leadership of a Chief Data Officer, that will provide a business-led coordinated approach to the acquisition, governance and use of data
> Using advanced analytics, develop sophisticated models that can improve service and more effectively target non-compliance

Integrity and security

Maintaining the trust of Canadians that their confidential information will be protected and handled in a highly secure and responsible manner will always be a top priority for the CRA and informs all aspects of the Agency’s activities, planning, and decision-making. The Agency is committed to protecting the privacy of taxpayer and benefit recipient information. With one of the largest and most sophisticated information technology environments in the Government of Canada, our computer systems have the capacity to ensure that stringent cyber-security mechanisms are in place to protect personal information. The continual monitoring of electronic transactions, and the use of identity and access management tools, help to prevent, detect, and mitigate unauthorized access to CRA systems. Additionally, each year employees must affirm that they have reviewed the Agency’s Code of Integrity and Professional Conduct. The Code underscores the fact that employees have an essential, critical duty to fulfill in protecting the privacy and confidentiality of personal information that Canadians entrust to the Agency.
As the nature and scope of complex cyber threats evolve, the Agency’s strategy for information technology security continues to progress in order to protect CRA data, information assets, and information technology infrastructure. In particular, the CRA’s Data Security Initiative will help to further strengthen the Agency’s information technology security controls, especially those over privileged-user access to taxpayer and benefit recipient information. It will also help to control and monitor information leaving the CRA, increase and enhance the protection of CRA data and databases from malicious software, and provide a secure foundation for adopting new technologies and expanding electronic services. The Initiative has 15 components with various implementation dates and all of them are expected to be completed by June 2020.

Monitoring who accesses taxpayer and benefit recipient information remains a cornerstone of the CRA’s integrity and security agenda. Through the use of an enterprise fraud management solution, the Agency will conduct more proactive examinations of access to CRA systems by further enhancing the tracking, identification, and quick verification of questionable transactions to ensure that the personal information of Canadians is accessed by employees only when and as necessary.

**Planning highlights**

> Implement stronger technological controls and processes to provide greater certainty that employees can access only the information they need to do their jobs and that taxpayer information is accessed only as necessary

> Keep pace with emerging cyber-security threats to better protect the Agency’s data and technology infrastructure

> Better protect Agency information, data, and technology assets by identifying security weaknesses before they can be exploited

**EXPECTED RESULTS**

> Improve proactive analysis of user actions on CRA systems containing sensitive taxpayer and benefit recipient information by March 2019

> Complete all components of the Data Security Initiative by June 2020

**Information technology**

Information technology is critical to all aspects of the Agency’s operations. It provides the necessary support for innovative Agency initiatives and it will continue to provide the Agency with the capacity it needs to sustain both current and emerging business needs. The support that information technology provides in designing and advancing our digital services is making it easier for Canadians to comply with their tax obligations and receive their benefit payments on time.
Through our information technology services, the Agency plans to optimize the use of business intelligence to meet its evolving data analysis needs. Over the planning period, information technology improvements to infrastructure, tools, and processes, will help the CRA establish a self-service business intelligence environment that will be able to meet the key needs of researchers and analysts. This, in turn, will help support business decisions and actions.

The availability and reliability of the Agency’s information technology systems are critically dependent on the information technology infrastructure services provided by Shared Services Canada (SSC). The CRA will continue to foster a strong partnership with SSC and will align with the Government’s Information Technology Strategic Plan. The most significant initiative the Agency is undertaking with SSC relates to new call centre technology. The new technology will provide the capabilities that will allow external and internal clients the ability to contact a government service agent or automated self-service system through multiple channels. In partnering with SSC on this initiative, the new functionalities associated with new call centre technology means that the Agency will be able to do more targeted innovation and automation to align with the CRA’s own Service Modernization agenda.

**Planning highlights**

> Improve infrastructure, tools, and processes related to the use of business intelligence

> Partner with SSC on the Government of Canada’s efforts to consolidate and transform telecommunications services

**EXPECTED RESULTS**

> Establish a self-service business intelligence environment by 2020 to help meet the CRA’s evolving data analysis needs

> In partnership with Shared Services Canada and other government organizations, actively evaluate and develop new call centre technology for our individual enquiries and business enquiries call centres
People

Over the next three years, the Agency will expand its recruitment strategy, continue implementing its Respectful Workplace and Well-being Strategy, and promote greater diversity and inclusion in the workplace.

Recruitment efforts will target existing and emerging workforce gaps, including specialized professions – such as auditors and data analysts – that the Agency will need in the years ahead. Our recruitment strategy is also designed to address the demographic challenges that organizations world-wide face with aging workforces and pending retirements. The plans and processes we have in place will ensure that we are able to develop our workforce and hire capable and motivated individuals with the skills required in information technology, project management, and business intelligence that can help the Agency deal with new and emerging issues in a technological environment (e.g., blockchain). Expertise in data analytics will be especially critical to our success and a top priority will be to train, attract, and retain individuals in this field. Overall, in addressing workforce gaps, the CRA will continue to modernize its recruitment products and promote consistent branding, enhance and increase its post-secondary institution outreach and engagement activities, and support targeted recruitment initiatives as required.

As part of our recruitment strategy, we will also continue to enhance the Agency’s online presence, expand our use of social media, and have a social media recruitment plan in place for 2019-2020. Prior to that, elements of our social media strategy will have been implemented throughout 2018 and will include developing enhanced content on the Agency’s social media platforms to position the CRA as an employer of choice. For example, we will showcase our workplace culture and highlight the fact that the CRA was recognized as one of Canada’s Top 100 Employers for 2018.

We will implement the Agency’s Respectful Workplace and Well-being Strategy by 2019. Activities currently planned in support of the Strategy include the renewal of the CRA’s Well-being website to provide employees with better information and advice on the range of support services available to them, and developing well-being products for employees both joining and leaving the CRA. The results of two surveys sent to senior management, in the context of the Strategy, will help us determine what tools are needed to better promote and foster respect, health, and employee well-being within the Agency.

In order to promote diversity and inclusion at the CRA, and in support of the Government’s goal of fostering a new and better relationship with Canada’s Indigenous peoples, the Agency will be implementing a Strategy for the Recruitment, Inclusion and Retention of Indigenous Peoples. The Strategy will seek to increase recruitment of Indigenous peoples, provide them with opportunities for higher-level and leadership positions, address current and anticipated under-representation, and improve the Agency’s engagement with Indigenous communities overall. It will involve collaboration with other government organizations such as Indigenous and Northern Affairs Canada, Treasury Board Secretariat, Health Canada, and the Aboriginal Centre of Expertise within the Public Service Commission.

Ensuring that employees are paid accurately and in a timely manner will remain a priority. The Agency will continue to focus on the stabilization of the Phoenix pay system and the resolution of outstanding inventory. The Agency will continue to work with Public Services and Procurement Canada, its bargaining agents and other stakeholders in resolving systemic issues related to Phoenix. Regular and frequent communications will continue to be issued to all employees to provide timely updates. The Agency will be promoting training for its employees in order to increase the understanding of the pay system and how, within CRA, we can minimize the impact on everyone.
Planning highlights

> Recruit specialized professionals and a targeted mix of different occupational groups to fill emerging workforce gaps

> Ensure a better future for Indigenous peoples at the CRA through increased recruitment, inclusion, and retention

**EXPECTED RESULTS**

> Develop a National Indigenous Community page on GConnex, launch an Indigenous student onboarding event in each region, and create a national Re-Hire Indigenous Students List to facilitate bridging into the CRA by May 2018

> Develop enhanced content on the Agency’s social media platforms to showcase the Agency’s workplace culture by June 2018

> Develop a social media recruitment plan by March 2019

> Address the under-representation of Indigenous peoples in professional positions by reducing the gap in this job category by 50% by March 2019

> Implement an Indigenous recruitment, retention, and promotion strategy by March 2020

Access to Information and Privacy

The Agency intends to enhance its current privacy management framework to better support the CRA’s Chief Privacy Officer in overseeing sound privacy management in the CRA.

A recent initiative of the Government has been a comprehensive review of both the Access to Information Act and the Privacy Act, which reflects the Government’s commitment to enhanced openness and transparency. The Treasury Board Secretariat has been leading the review of the Access to Information Act and Justice Canada has reviewed the Privacy Act. Consultations with stakeholders have included the CRA.

Legislation to amend both Acts was introduced in June 2017. Once the legislation is passed and changes to both Acts take effect, the CRA will ensure the administration of the changes is carried out effectively and efficiently so that Canadians can be assured of enhanced access to information and improved protection of their personal information.
Planning highlights

> Improve privacy management monitoring through performance measurement tools

> Enhance the CRA privacy management framework to support sound privacy management by March 2018

> Participate in ongoing discussions regarding the modernization of the Access to Information Act and the Privacy Act and communicate and implement the amendments to the Acts

### Internal services budgetary financial (dollars) and human resources (full-time equivalents)

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<tr>
<th></th>
<th>2018-19 Main Estimates</th>
<th>2018-19 Planned¹</th>
<th>2019-20 Planned¹</th>
<th>2020-21 Planned¹</th>
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<td>7,606</td>
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</table>

¹. Planned spending is identical to expenditure levels presented in the Main Estimates.
Section 3
Other items of interest
Organizational contact information

Diane Lebouthillier
Minister of National Revenue

Sherra Profit
Taxpayers’ Ombudsman

Suzanne Gouin
Chair, Board of Management

Bob Hamilton
Commissioner of the Canada Revenue Agency

Nancy Chahwan
Deputy Commissioner

Mireille Laroche
Assistant Commissioner
Appeals

Ainslea Cardinal
Assistant Commissioner
Atlantic

Brian Philbin
Assistant Commissioner and
Chief Audit Executive
Audit, Evaluation, and Risk

Frank Vermaeten
Assistant Commissioner
Assessment, Benefit, and Service

Vince Pranjivan
Assistant Commissioner
Ontario

Kami Ramcharan
Assistant Commissioner
and Chief Financial Officer
Finance and Administration

Michael Snaauw
Assistant Commissioner
Collections and Verification

Maureen Phelan
Assistant Commissioner
Pacific

Dan Couture
Assistant Commissioner
Human Resources

Ted Gallivan
Assistant Commissioner
International, Large Business
and Investigations

Ross Ermel
Assistant Commissioner
Prairie

Annette Butikofer
Assistant Commissioner
Information Technology

Anne-Marie Lévesque
Assistant Commissioner
Domestic Compliance Programs

Louis Beauséjour
Assistant Commissioner
Quebec

Lynn Lovett
Assistant Deputy Minister
Legal Services

Kami Ramcharan
Assistant Commissioner
and Chief Information Officer
Information Technology

Brian Philbin
Assistant Commissioner and
Chief Audit Executive
Audit, Evaluation, and Risk

Maxime Guénette
Assistant Commissioner
and Chief Privacy Officer
Public Affairs

Geoff Trueman
Assistant Commissioner
Legislative Policy and Regulatory Affairs

Yves Giroux
Assistant Commissioner and Chief Data Officer
Strategy and Integration

As of April 2018

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Connaught building
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Canada Revenue Agency
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.

Board members as of March 2018:

**Suzanne Gouin, MBA, ICD.D**
Chair, Board of Management
Hampstead, Quebec

**Myles Bourke, B.Com., FCPA, FCA**
Lethbridge, Alberta

**Dawn S. Dalley, B.P.R., MBA**
Conception Bay South, Newfoundland and Labrador

**Mark S. Dwor, B.A., LL.B**
Vancouver, British Columbia

**Francine Martel-Vaillancourt, FCPA, FCA, ASC**
Chair, Audit Committee
Saint-Laurent-de-l’Île-d’Orléans, Québec

**Joyce Sumara, B.A.**
Chair, Resources Committee
Haliburton, Ontario

**Bob Hamilton**
Commissioner and Chief Executive Officer
Canada Revenue Agency
Ottawa, Ontario

**Kathryn A. Bouey, B.A., M.A., CMC, ICD.D**
Chair, Human Resources Committee
Toronto, Ontario

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

**Gerard J. Fitzpatrick, CPA, FCA, TEP**
Charlottetown, Prince Edward Island

**Susan Hayes, LL.B**
Chair, Governance Committee
Halifax, Nova Scotia

**Mireille A. Saulnier, B.Ps, LL.B**
Tracadie-Sheila, New Brunswick

**D. Stanley Thompson, CPA, CA**
Whitehorse, Yukon
Over the planning period (from $4.205 billion in 2018-19 to $4.177 billion in 2020-21), the CRA’s appropriations show a slight reduction primarily as a result of planned decreases in funding received to implement and administer various measures announced in the federal budgets as well as in funding for the upgrade of the individual income tax processing system. These reductions have been partially offset by increases associated with adjustments to accommodation and real property services and increases to the CRA’s statutory authorities for children’s special allowance payments. Forecast spending in the 2017-18 fiscal year includes a significant increase associated with the cash out of severance benefits upon resignation or retirement for employees represented by the Public Service Alliance of Canada (PSAC) bargaining unit. The 2017-18 fiscal year also reflects higher spending as a result of retroactive payments associated with collective bargaining increases for employees represented by the PSAC and Professional Institute of the Public Service of Canada bargaining units, including amounts set aside in anticipation of wage settlements for the period under the operating budget freeze.
In fiscal year 2018-19, Planned Spending is identical to expenditure levels presented in the Main Estimates.

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

Actual and forecast spending for fiscal years 2015-16 to 2017-18 also includes technical adjustments such as the CRA’s carry-forward from the previous year and funding for maternity and severance benefits. In the 2017-18 fiscal year, a significant portion of the increase in spending is associated with the cash out of severance benefits upon resignation or retirement for employees represented by the Public Service Alliance of Canada (PSAC) bargaining unit.

Over the period 2015-16 to 2020-21, the CRA’s voted appropriations show an increase primarily as a result of funding received to implement and administer various measures announced in the federal budgets, transfers from Public Services and Procurement Canada for accommodation and real property services, as well as wage settlements. The 2016-17 and 2017-18 fiscal years also reflect higher spending as a result of retroactive payments associated with collective bargaining increases for employees represented by the PSAC and Professional Institute of the Public Service of Canada bargaining units, including amounts set aside in anticipation of wage settlements for the period under the operating budget freeze.
The above increases have been partially offset by planned decreases in funding for the upgrade of the individual income tax processing system and the administration of the Softwood Lumber Agreement, as well as other miscellaneous items such as decreases in Government advertising programs and the transfer of CRA training programs to the Canada School of Public Service.

Over the period 2015-16 to 2020-21, the CRA’s statutory authorities show a decrease primarily due to a reduction in disbursements to the provinces following the expiration of the Softwood Lumber Agreement and changes in employee benefit plan rates. These decreases have been partially offset by increases for children’s special allowance payments.

**CRA activities**

The CRA’s work volume has increased, as demonstrated in the graphic. Over the course of the last two years, there has been an increase of 7% in total administered revenues and 46% in benefit payments processed.

**Service standards**

The Canada Revenue Agency (CRA) is committed to carrying out its mandate in a way that will protect the well-being of Canadians by working to reduce the environmental effects of CRA programs, services, and operations. The 2017-20 Departmental Sustainable Development Strategy outlines the CRA’s mandatory responsibilities under the Low-Carbon Government goal outlined in the 2016–19 Federal Sustainable Development Strategy.

To continue reducing greenhouse gas emissions from its operations, the CRA has committed to modernizing its vehicle fleet, procuring green products and services, and promoting sustainable travel practices and other sustainable development information to its employees. In addition, the CRA’s strategy goes beyond its Federal Sustainable Development Strategy requirements by identifying additional opportunities to integrate sustainable development into its programs, services, and operations.