



INVESTMENT INDUSTRY ASSOCIATION OF CANADA  
ASSOCIATION CANADIENNE DU COMMERCE DES VALEURS MOBILIÈRES

Ian C.W. Russell FCSI  
President & Chief Executive Officer

October 10, 2013

Mr. Andrew Treusch  
Commissioner and Chief Executive Officer  
Canada Revenue Agency (CRA)  
Commissioner's Office  
555 MacKenzie Avenue  
Ottawa, Ontario K1A 0L5  
Tel: 613-957-3688/Fax: 613-952-1547  
E-mail: [andrew.treusch@cra-arc.gc.ca](mailto:andrew.treusch@cra-arc.gc.ca)

Dear Mr. Treusch:

**Re: Urgent Request to Discuss Risks of Proceeding with T5013/T5013A Slip Combination and XML Reporting Implementation for the 2013 Tax Year**

I am writing on behalf of the members of the Investment Industry Association of Canada (IIAC) to request urgently a meeting, as soon as possible at your convenience, to discuss our concerns with the substantial risks associated with proceeding with implementation of the limited partnership unit T5013/T5013A tax slip combination and XML reporting for the 2013 tax year.

The IIAC is the national association of securities dealer firms regulated by the Investment Industry Regulatory Organization of Canada (IIROC). We represent 165 member firms – over 95% of the industry by size – on securities, tax and other public policy matters to better meet the savings and investment needs of millions of Canadians, and help small, medium and large companies, governments and not-for-profit organizations to raise capital.

The IIAC and its members strongly support the CRA's efforts to ensure that all people bear fairly their share of taxes so that we, as Canadians, can continue to enjoy the benefits of our high standard of living. As well, our members appreciate the CRA's efforts to make tax reporting as efficient as possible to speed the reporting, reconciliation, payment and refund process. For this to happen, the government relies on a considerable amount of work by financial institutions, and in the case of T5013s, almost exclusively on the investment dealers that are our members.

The IIAC and its members support (indeed encouraged) the move to T5013 reporting in XML, which will allow reconciliation in a way that we believe has not happened to date. With continued weakness in capital markets, our members face considerable implementation challenges and require sufficient time to make changes in a period of resource constraints. That said, we have the utmost respect for, and extend our gratitude to, the hardworking CRA staff with whom we have been dealing on this matter – Ms. Louise Deslauriers and her team. They have made exemplary efforts to achieve the successful combination of the forms and move to XML,



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and when the time to our members' typical testing cycle (now) got increasingly shorter, they went out of their way to help remove barriers.

What makes this a matter we believe must be raised to your attention now is that the few months remaining before tax slips must start being mailed brings significant risks: risks to Canadians needing tax slips to complete their tax returns and pay taxes, to the CRA's profile and commitments to individual and business taxpayers, and to our member firms. The T5013, more than any other aspect of Canadian tax slip reporting, truly relies on cross-industry co-operation among issuers, service providers to the financial services industry, print vendors, CDS Innovations Inc. and our members. Even as these parties manage in parallel as many of the preparations for change as possible, our members and their service providers, without exception, will have to test in late January/February, during what is known as the production phase of the tax season. The same systems will be used for, and the same people will be involved in, both testing and ultimately production of tax slips. This is almost certain to lead to a second series of testing in March – very close to the legislated T5013 tax slip mailing date.

We and our members' staff, involved in tax reporting for the CRA for many years, respect the mandate and power of the CRA, and understand the challenges from the CRA's perspective of not proceeding with the new format. At the same time, no one can recall anywhere near as large-scale a project, with as many industry-wide dependencies, involving testing during the key tax slip production stage, as this. The risk level is now such that, were we dealing with any party other than the CRA, our members already would have extended the T5013 combination and automation project timeline by at the very least three months for tax reporting to clients alone, and longer for the full tax-reporting process. As there is some danger that T5013 tax slips will not be mailed by the end of March, which we know is a firm date from the CRA's perspective, we would like the CRA, as intimately interested in this process, to be a part of the decision to proceed.

We would appreciate being able to discuss this matter with you very soon in Ottawa, or should you be in Toronto or Montreal, in either of these locations. Barbara Amsden, Director – Special Projects at the IIAC ([bamsden@iiac.ca](mailto:bamsden@iiac.ca); 416 687-5488), will contact your staff in the very near future to determine your availability.

Yours sincerely,