

Canada Dispute Resolution Profile

(Last updated: 26 July 2022)

General Information

- **Canada's tax treaties are available at:**

<https://www.canada.ca/en/department-finance/programs/tax-policy/tax-treaties.html>

- **MAP requests concerning specific cases of taxation not in accordance with a tax treaty should be made to:**

Director, Competent Authority Services Division
344 Slater Street, Canada Bldg., 18th Floor, Ottawa, Ontario K1A 0L5
email: CPMAPAPAG@cra-arc.gc.ca

Requests can also be made electronically using the Canada Revenue Agency E-Services – see following link for more information:

<https://www.canada.ca/en/revenue-agency/services/e-services.html>

- **APA requests should be made to:**

Director, Competent Authority Services Division
344 Slater Street, Canada Bldg., 18th Floor, Ottawa, Ontario K1A 0L5
email: CPMAPAPAG@cra-arc.gc.ca

Requests can also be made electronically using the Canada Revenue Agency E-Services – see following link for more information:

<https://www.canada.ca/en/revenue-agency/services/e-services.html>

- **MAP requests concerning general application or interpretation of tax treaties should be made to:**

Director General, Legislative Policy Directorate, Competent Authority Policy and Treaty Advisory Section
320 Queen St., Place de Ville Tower A, 6th Floor, Ottawa, Ontario K1A 0L5

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
A. Preventing Disputes				
1.	Are agreements reached by your competent authority to resolve difficulties or doubts arising as to the interpretation or application of your tax treaties in relation to issues of a general nature which concern, or which may concern, a category of taxpayers published?	Yes	-	https://www.canada.ca/en/revenue-agency/services/tax/international-non-residents/competent-authority-agreements-notice.html
2.	Are bilateral APA programmes implemented? If yes:	Yes	-	https://www.canada.ca/en/revenue-agency/services/tax/international-non-residents/competent-authority-services/advance-pricing-arrangements.html
a.	<ul style="list-style-type: none"> Are roll-back of APAs provided for in the bilateral APA programmes? 	Yes	-	https://www.canada.ca/en/revenue-agency/services/tax/international-non-residents/competent-authority-services/advance-pricing-arrangements.html
b.	<ul style="list-style-type: none"> Are there specific timelines for the filing of an APA request? 	Yes	Pre-file meeting(s) is/are the first step in requesting an APA. A pre-file package must be submitted within 180 days after the end of the first taxation year that is to be covered by the APA. If the pre-file package is not received by that date, the APA will usually not cover transactions of that first taxation year.	https://www.canada.ca/en/revenue-agency/services/tax/international-non-residents/competent-authority-services/advance-pricing-arrangements.html

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c.	<ul style="list-style-type: none"> Are rules, guidelines and procedures on how taxpayers can access and use bilateral APAs, including the specific information and documentation that should be submitted in a taxpayer's request for bilateral APA assistance, publicly available? 	Yes	-	https://www.canada.ca/en/revenue-agency/services/tax/international-non-residents/competent-authority-services/advance-pricing-arrangements.html
d.	<ul style="list-style-type: none"> Are there any fees charged to taxpayers for a bilateral APA request? 	No	On February 5, 2021, the CRA issued a notice to tax professionals announcing the cancellation of cost recovery charges for APAs..	https://www.canada.ca/en/revenue-agency/services/tax/international-non-residents/competent-authority-services/advance-pricing-arrangements.html
e.	<ul style="list-style-type: none"> Are statistics relating to bilateral APAs publicly available? 	Yes	-	https://www.canada.ca/en/revenue-agency/services/tax/international-non-residents/competent-authority-services/advance-pricing-arrangements.html
3.	Is training provided to your officials involved in the auditing /examination of taxpayers to ensure that any assessments made by them are in accordance with the provisions of your tax treaties?	Yes	-	-

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4.	Is other information available on preventing tax treaty-related disputes?	See detailed explanation	Canada has an advance rulings service that allows a taxpayer to obtain the views of the Canada Revenue Agency on the application of our income tax laws to a transaction or transactions contemplated by the taxpayer. This service includes rulings on the application of specific provisions of our tax treaties (other than transfer pricing).	https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/ic70-6/ic70-6-advance-income-tax-rulings-and-technical-interpretations.html

Notes:

1. An APA is an “arrangement that determines, in advance of controlled transactions, an appropriate set of criteria (e.g. method, comparables and appropriate adjustments thereto, critical assumptions as to future events) for the determination of the transfer pricing for those transactions over a fixed period of time”. (see definition of APA in the *OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations* (“Transfer Pricing Guidelines”).)
2. Situations may arise in which the issues resolved through an APA are relevant with respect to previous filed tax years not included within the original scope of the APA. The concept of “roll-back” is further elaborated in paragraph 4.136 of Section F (Advance pricing arrangement) of Chapter IV of the Transfer Pricing Guidelines and in paragraph 69 of Section D.4.2 (Possible retrospective application (“Roll back”)) of the Annex to Chapter IV (Guidelines for Conducting Advance Pricing Arrangements under the Mutual Agreement Procedure (“MAP APAs”)) of the Transfer Pricing Guidelines. Simply put, the “roll-back” of the APA is understood to mean that the outcome of the APA is applied to previous filed tax years not included within the original scope of the APA.

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B. Availability and Access to MAP				
5.	Are transfer pricing cases covered within the scope of MAP?	Yes	-	https://www.canada.ca/en/revenue-agency/services/tax/international-non-residents/competent-authority-services/mutual-agreement-procedure-map.html
6.	Are issues relating to the application of treaty anti-abuse provision covered within the scope of MAP?	See detailed explanation	Canada's competent authority policy is that we will discuss matters concerning treaty anti-abuse provisions with a view to reaching consensus on the application or non-application of the provisions. However, Canada's treaty policy is to exclude such provisions from arbitration.	https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/ic71-17.html
7.	Are issues relating to the application of domestic anti-abuse provision covered within the scope of MAP?	See detailed explanation	The Canadian Competent Authority will accept a request for assistance under the MAP where the adjustment relies on the application of a domestic anti-avoidance provision but will limit discussions to seeking relief from the foreign competent authority.	https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/ic71-17.html
8.	Are issues where there is already an audit settlement between the tax authority and the taxpayer covered within the scope of MAP?	Yes	-	https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/ic71-17.html
9.	Are double taxation cases resulting from bona fide taxpayer initiated foreign adjustments covered within the scope of MAP?	Yes	-	https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/ic71-17.html

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10.	Are there any other treaty related issues not covered under s/n 5 to 9 which are not within the scope of MAP?	Yes	<p>We do not allow a deduction for notional expenses except where the AOA applies. We can only apply the AOA by agreement between the Canadian competent authority and the competent authority of another state.</p> <p>We retain the right to limit the deductibility of interest under our domestic thin cap rules.</p>	https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/ic71-17.html
11.	Are taxpayers allowed to request MAP assistance in cases where the taxpayer has sought to resolve the issue under dispute via the judicial and administrative remedies provided by the domestic law of your jurisdiction?	Yes	<p>The taxpayer is free to hold the competent authority process in abeyance while attempting to resolve the issue in dispute via alternative remedies. However, we will not pursue resolution under the competent authority process while the taxpayer is actively pursuing an alternative remedy.</p>	https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/ic71-17.html

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12.	Are taxpayers allowed to request for MAP assistance in cases where the issue under dispute has already been decided via the judicial and administrative remedies provided by the domestic law of your jurisdiction?	Yes	In cases where a Canadian court decision has been rendered, the Canadian Competent Authority will provide the other competent authority with the details of, and rationale for, the outcome of the court decision. However, the Canadian Competent Authority cannot alter a Canadian court decision. Any relief for double taxation or taxation not in accordance with the tax convention will be possible only in the other country at the discretion of its competent authority. Similarly, the Canadian Competent Authority will present a case to the other competent authority for relief only in that other country when the issues are resolved in Canada by a legally binding agreement that a taxpayer voluntarily entered into as part of an administrative dispute resolution process that is independent from the audit and examination functions and that can only be accessed through a request by the taxpayer (<i>i.e.</i> , Canadian Appeals process).	https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/ic71-17.html
13.	Are rules, guidelines and procedures on how taxpayers can access and use MAP, including the specific information and documentation that should be submitted in a taxpayer's request for MAP assistance, publicly available?	Yes	Our guidance is provided in Information Circular IC71-17R6, "Competent Authority Assistance Under Canada's Tax Conventions"	https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/ic71-17.html
14.	Are there specific timelines for the filing of a MAP request?	Yes	A taxpayer must notify the competent authority within the time limits, if any, specified in the applicable tax convention.	https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/ic71-17.html

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15.	Are guidance on multilateral MAPs publicly available?	Yes	-	https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/ic71-17.html
16.	Are tax collection procedures suspended during the period a MAP case is pending?	See detailed explanation	<p>An application for competent authority assistance, in itself, does not suspend collection action. However, if a taxpayer (other than a large corporation) files an objection with our appeals branch, we defer collection action while the objection is pending. Thus, no collection action is taken if a taxpayer (other than large corporation) files an objection and holds that objection in abeyance pending the resolution of the MAP case.</p> <p>A large corporation may suspend collection action in respect of one-half of its tax by filing an objection with our appeals branch.</p> <p>In circumstances where the collection of tax is not suspended, we may accept security in lieu of payment until the case is finally resolved.</p>	https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/ic71-17.html
17.	Are there any fees charged to taxpayers for a MAP request?	No	-	-
18.	Is there any other information available on availability and access to MAP?	Yes	-	https://www.canada.ca/en/revenue-agency/services/tax/international-non-residents/competent-authority-services.html

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C. Resolution of MAP Cases				
19.	Are there any model timeframes for the steps taken by your competent authority from the receipt of a MAP case to the resolution of the case provided to taxpayers?	See detailed explanation	With respect to adjustments raised by our tax administration, we endeavour to prepare a position paper within 6 months from receipt of a complete MAP request and we endeavour to resolve negotiable MAP cases within 24 months.	https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/ic71-17.html
20.	Are statistics relating to the time taken to resolve MAP cases publicly available?	Yes	We publish an annual MAP Report containing our MAP statistics.	https://www.canada.ca/en/revenue-agency/services/tax/international-non-residents/competent-authority-services/mutual-agreement-procedure-map.html
21.	Is interest or penalties resulting from adjustments made pursuant to a MAP agreement waived or dealt with as part of the MAP procedure?	No	-	https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/ic71-17.html
22.	Are the roles and responsibility of the MAP office publicly available, for example, is the mission statement of the MAP office available in the <i>annual</i> report of the organisation?	Yes	-	https://www.canada.ca/en/revenue-agency/services/tax/international-non-residents/competent-authority-services.html

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23.	<p>Is MAP arbitration a mechanism currently available for the resolution of tax treaty related disputes in any of your tax treaties?</p> <p>If not:</p>	Yes	A number of Canadian tax treaties have an arbitration provision in their MAP Article. In addition, Canada elected to apply Part VI of the MLI (Arbitration).	<p>https://www.canada.ca/en/revenue-agency/services/tax/international-non-residents/competent-authority-services.html</p> <p>https://www.canada.ca/en/department-finance/programs/tax-policy/tax-treaties.html</p>
a.	<ul style="list-style-type: none"> Are there any legal limitations in your domestic law (for example in your constitution) to include MAP arbitration in your tax treaties? 	-	-	-
b.	<ul style="list-style-type: none"> Does your treaty policy allow you to include MAP arbitration in your tax treaties? 	-	-	-
24.	<p>Is the explanation of the relationship between the MAP and domestic law administrative and judicial remedies publicly available?</p> <p>If yes:</p>	Yes	-	<p>https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/ic71-17.html</p>
a.	<ul style="list-style-type: none"> Does the guidance specifically address whether the competent authority considers that it is legally bound to follow a domestic court decision in the MAP or will not deviate from a domestic court decision as a matter of administrative policy or practice? 	Yes	-	<p>https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/ic71-17.html</p>

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25.	Are taxpayers allowed to request for multi-year resolution through the MAP of recurring issues with respect to filed tax years?	Yes	-	https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/ic71-17.html
26.	Do all your jurisdiction's tax treaties contain a provision which would oblige your jurisdiction to make corresponding adjustments or to grant access to the MAP with respect to the economic double taxation that may otherwise result from a primary transfer pricing adjustment (i.e. is paragraph 2 of Article 9 of the OECD Model Tax Convention or the UN Model Double Taxation Convention included in all of your jurisdiction's tax treaties)?	Yes	-	-
27.	Is there any other information available on resolution of MAP cases?	Yes	-	https://www.canada.ca/en/revenue-agency/services/tax/international-non-residents/competent-authority-services/mutual-agreement-procedure-map.html

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D. Implementation of MAP Agreements				
28.	Where the agreement reached by your competent authority through the MAP process leads to additional tax to be paid by your taxpayer, is there publicly available information on the timeframe the taxpayer could expect its tax position to be amended to reflect the agreement reached by the competent authority and/or for the additional tax to be paid?	No	-	-
29.	Where the agreement reached by your competent authority through the MAP process leads to a refund of the tax due or paid by your taxpayer, are there publicly available information on the timeframe the taxpayer could expect its tax position to be amended to reflect the agreement reached by the competent authority and/or for a refund of the tax paid?	No	-	-
30.	Are all mutual agreements reached through MAP implemented notwithstanding any time limits in your domestic law?	No	Mutual agreements reached through MAP can only be implemented notwithstanding any time limits in our domestic law when this is explicitly provided for in the applicable treaty.	https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/ic71-17.html
31.	Is there any other information available on the implementation of MAP agreements?	Yes	Mutual agreements reached through MAP will in most cases require the taxpayer's acceptance and waiver of all further domestic appeal rights	https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/ic71-17.html

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
			for each year filed, as applicable, before being implemented.	