

Revenue Canada

**1998-99
Estimates**

A Report on Plans and Priorities

Approved

Minister of National Revenue

Table of Contents

Section I Messages

- a. Minister's Message
- b. Management Representation Statement

Section II Departmental Overview

- a. Mandate, Roles and Responsibilities 3
- b. Objectives 5
- c. Strategic Goals, Ministerial Action Plan and Priorities 5
- d. Financial Spending Plan 6

Section III Plans and Priorities

- a. Summary of Key Program Commitments 7
- b. Plans and Priorities by Business Lines 8
 - (i) Assistance to Clients and Assessment of Returns 9
 - (ii) Customs and Trade Administration 13
 - (iii) Verification and Enforcement 18
 - (iv) Revenue Collections 22
 - (v) Appeals 25
 - (vi) Administration and Information Technology 27

Section IV Supplementary Information

- Appendix 1. Department Spending Authorities 31
- Appendix 2. Personnel Information 34
- Appendix 3. Capital Projects 38
- Appendix 4. Additional Financial Information 39
- Appendix 5. Regulatory Strategy 42
- Appendix 6. Legislation Administered 43
- Appendix 7. Revenue Canada Points of Service by Region 44

Section I

Messages

a. Minister's Message

For most Canadians, Revenue Canada is their main point of contact with the federal government. Indeed, few other departments interact with so many Canadians each day. This is the main reason I am so committed to maintaining the high quality of service that you have come to associate with our programs. In our dealings with Canadians, I have urged my officials to accentuate personal service and fairness, provide access to information, respect your rights, and satisfy your legitimate needs. These are some of the things we do regularly to help you, our clients, meet your obligations under the self-assessment system.

We also work in close partnership with provincial governments to support your economic well-being by providing a competitive environment for Canadian business in the global economy. To do this, we invest heavily in world-class information technology and in systems that facilitate communication with the business community.

While we have made significant progress in serving you, we are committed to doing even more. For example, in the years immediately ahead, I intend to focus on the key themes of revenue administration involving: our transition to an agency; promoting an increased emphasis on fairness in dealing with you; introducing a Customs Blueprint to define the future direction of Customs; improving the efficiency of our service delivery; reinforcing compliance to ensure fairness; and strengthening our international relations in the interests of Canadian Business competitiveness and jobs.

With the planned implementation of the Canada Customs and Revenue Agency, we seek to create an organization that has even greater flexibility to tailor its policies and programs to more efficiently meet your needs. This organization will retain our commitments to fairness, confidentiality, and integrity, but within a more business-like, efficient, open, and transparent administration.

As evidence of this and other commitments, I am proud to submit my Department's 1998-99 Report on Plans and Priorities, highlighting the diligence with which our resources will be dedicated to serving you and all Canadians.

Minister of National Revenue

b. Management Representation Statement

I submit, for tabling in Parliament, the 1998-99 Report on Plans and Priorities (RPP) for Revenue Canada.

To the best of my knowledge the information:

- Accurately portrays the Department's mandate, plans, priorities, strategies and expected key results of the organization.
- Is consistent with the disclosure principles contained in the *Guidelines for Preparing a Report on Plans and Priorities*.
- Is comprehensive and accurate.
- Is based on sound underlying departmental information and management systems.

I am satisfied as to the quality assurance processes and procedures used for the RPP's production.

The planning and reporting structure on which this document is based has been approved by Treasury Board Ministers and is the basis for accountability for the results achieved with the resources and authorities provided.

Senior Financial Officer

Section II

Departmental Overview

a. Mandate, Roles and Responsibilities

Revenue Canada influences the lives of all Canadians, the social and economic well-being of their families and communities, the health and prosperity of their businesses, and the affordability and sustainability of their social programs.

This influence is a product of Revenue Canada's mandate to collect revenues; to administer tax laws, both for the federal government and on behalf of some provinces and territories; to administer trade policies and legislation; to provide border services; and to make certain social and economic payments to individuals and corporations.

The reach of its mandate emanates from the *Department of National Revenue Act*, under which Revenue Canada administers the *Customs Act*, the *Customs Tariff*, the *Special Import Measures Act*, the *Excise Act*, the *Excise Tax Act*, the *Income Tax Act*, Part I of the *Canada Pension Plan*, Parts IV and VII of the *Employment Insurance Act*, and numerous other pieces of legislation on behalf of other federal departments and provincial and territorial governments.

More specifically, Revenue Canada collects federal income taxes; personal income taxes on behalf of all provinces except Quebec; corporate income taxes on behalf of all provinces except Alberta, Ontario, and Quebec; the Goods and Services Tax (GST) in all provinces except Quebec; and the harmonized sales tax (HST) with Nova Scotia, New Brunswick, and Newfoundland. It also collects

Our Mission

Our mission is to promote compliance with Canada's tax, trade, and border legislation and regulations through education, quality service, and responsible enforcement, thereby contributing to the economic and social well-being of Canadians.

Our Values

Our values include integrity, professionalism, respect and cooperation.

Integrity is the cornerstone of our administration and it means treating people fairly and applying the law fairly. Integrity requires that we act with honesty and openness.

Professionalism is the key to success in achieving our mission and it means being committed to the highest standards of achievement. Professionalism requires that we act with dedication and skill.

Respect is the basis for our dealings with colleagues and clients and it means being sensitive and responsive to the rights of individuals. Respect requires that we act with courtesy and consideration at all times.

Cooperation is the foundation for meeting the challenges of the future and it means building partnerships and working together toward common goals. Cooperation requires that we act with leadership and innovation.

Our Vision

Revenue Canada will be recognized and respected by clients for its integrity, fairness, and innovation in administering high-quality, yet affordable programs. Our progressive stance will encourage new inter-governmental and international partnerships fostering greater government efficiency and a stronger economic union.

commodity taxes, excise duties on behalf of certain provinces; employee and employer contributions under the *Canada Pension Plan*; and employee and employer premiums for Employment Insurance. The Department also administers International Tax Agreements signed with a large number of countries aimed at promoting the exchange of information between treaty partners and the avoidance of double taxation of foreign-earned income of their respective citizens.

Revenue Canada protects Canadian individuals, business and society as a whole from the entry of dangerous or illegal goods (e.g., drugs, weapons) and inadmissible people (e.g., criminals, illegal immigrants). The Department also administers border and trade legislation, including international agreements, such as the World Trade Organization (WTO), the Canada-U.S. Free Trade Agreement (FTA), and the North American Free Trade Agreement (NAFTA), as well as domestic laws, such as the *Exports and Imports Permits Act* aimed at protecting and supporting sovereignty at the border, Canadian industrial competitiveness, economic policies and society as a whole.

Furthermore, Revenue Canada administers numerous pieces of legislation, in whole or in part, on behalf of other departments, notably: Agriculture and Agri-Food; Industry; Citizenship and Immigration; Foreign Affairs and International Trade; Health; Human Resources Development and Environment Canada.

In carrying out its mandate, Revenue Canada administers more than 185 Acts, regulations, incentives, credits, surtaxes, and international tax treaties.

The Department serves some:

- 22.2 million individual income tax filers;
- 299,000 trusts;
- 1.2 million corporations;
- 2.7 million Goods and Services Tax (GST) registrants;
- 1.3 million employers;
- 9.0 million Goods and Services Tax Credit (GSTC) recipients;
- 3.3 million Child Tax Benefit (CTB) recipients;
- 158,000 commercial importers;
- 113 million travellers;
- 23,966 registered pension and deferred profit sharing plans; and
- 75,064 charities.

In 1998-99, Revenue Canada will process an estimated:

- \$267 billion in trade representing more than 34 million commodity declarations resulting from 11.4 million commercial entries;
- 36.0 million Child Tax Benefit payments;
- 33.0 million Goods and Services Tax Credit payments;
- 20.5 million public enquiries by agents and 11.5 million via automation; and
- 528,000 Children's Special Allowance payments.

b. Objectives

- To ensure the fair and timely assessment, collection and, where appropriate, refund of all taxes, duties and other relevant charges and levies.
- To enhance the competitiveness of Canadian business through the administration of a wide variety of the Government's trade policy instruments and the facilitation of trade, international commerce and tourism.
- To enforce Canadian laws and sovereignty at the border and protect Canadian business, individuals and society generally from inadmissible or dangerous goods and people.
- To support the social and economic programs and goals of the Government such as competitiveness through fair and equitable administration of legislation, international treaties and agreements and other federal and provincial statutes and regulations.

c. Strategic Goals, Ministerial Action Plan and Priorities

Revenue Canada's mission is to promote compliance with Canada's tax, trade, and border legislation and regulations through education, quality service, and responsible enforcement, thereby contributing to the economic and social well-being of Canadians. In support of its program objectives and mission, Revenue Canada is pursuing the following strategic goals:

Quality Service and Client Education: to provide accessible, responsive, and reliable services at an affordable cost.

Responsible Enforcement and Border Protection: to deliver fair, responsible, and effective enforcement programs in a manner that safeguards the integrity of revenue programs and protects Canadians' personal security.

Fair Administration: to apply the principle of fairness diligently and consistently in all departmental programs.

Simple and Efficient Processes: to minimize the administrative cost and compliance burden imposed on our clients through streamlining and simplifying our legislation, programs, and operations.

Knowledgeable, Skilled People: to ensure that people have the knowledge, skills and support needed to work effectively in an environment that promotes and recognizes exemplary performance.

Effective and Responsive Corporate Support: to provide effective support for our programs and initiatives through responsive, modern, and integrated corporate policies, systems, and processes.

Revenue Canada's goals flow naturally into the Ministerial Action Plan which is the umbrella for the Department's plans and priorities. The focus of this action plan, during the planning period, encompasses six key priorities for action externally involving:

- creating the Canada Customs and Revenue Agency;
- modernizing service delivery;
- reinforcing our commitment to fairness;
- enhancing our approach to compliance;
- defining the future direction of Customs; and
- strengthening our international relations.

In addition to the six priorities in the Ministerial Action Plan, Revenue Canada has also identified the following four other priorities to guide actions internally over the next three planning years:

- managing key human resource issues;
- improving internal communications;
- enhancing management processes; and
- ensuring IT readiness for Year 2000.

d. Financial Spending Plan

The Department carries out its mandate through one Program, *National Revenue*, and six Business Lines, maintaining clear accountabilities with the respective national program managers, as detailed in Section III.

(\$ millions)	Forecast 1997-98	Planned 1998-99	Planned 1999-2000	Planned 2000-2001
Gross Budgetary Expenditures	2,574.2	2,514.6	2,547.7	2,547.2
Less: Revenues Credited to the Vote	132.9	137.3	139.8	145.5
Net Budgetary Expenditures	2,441.3	2,377.3	2,407.9	2,401.7
Plus: Additional Initiatives Approved		13.6	10.9	10.3
Planned Spending	2,441.3	2,390.9	2,418.8	2,412.0

The 1997-98 Forecast (Net Budgetary Expenditures) includes Supplementary Estimates A and B items, such as the 1996-97 to 1997-98 carry forwards and some policy and legislative initiatives announced in the 1997 Federal Budget. The total planned spending for 1997-98, tabled at this time last year (i.e., in Main Estimates), was \$2,268.9 million.

Section III

Plans and Priorities

a. Summary of Key Program Commitments

Revenue Canada is committed	
to provide Canadians with:	to be demonstrated by:
<i>Effective Revenue Administration</i>	
<p>Administration of the taxation regime for the Federal Government and certain provinces and territories by assessing and collecting taxes, duties, and other levies and payments and delivering a number of social and economic benefits in a fair and timely manner.</p>	<p><i>Assistance to Clients and Assessment of Returns</i> (see page 9)</p> <ul style="list-style-type: none"> • trends in the processing of enquiries from individuals and businesses • level of client satisfaction with the services the Department provides when communicating information and answering enquiries • implementation of electronic service delivery options and client participation rates in such options • trends in the time and costs for clients to comply with taxation requirements <p><i>Verification and Enforcement</i> (see page 18)</p> <ul style="list-style-type: none"> • total fiscal impact of enforcement activities • trends in compliance in high-risk areas • taxes assessed as a result of targeting the underground economy • the identification and audit of potentially abusive tax avoidance and tax shelter arrangements on a timely basis • the extent to which the proper reporting of world income, and payments of Canadian taxes by non-residents takes place <p><i>Revenue Collections</i> (see page 22)</p> <ul style="list-style-type: none"> • implementation of a system allowing clients to deal with one official for collection of all revenue types • maintaining accounts receivable at a level of not more than 4% of gross revenues <p><i>Appeals</i> (see page 25)</p> <ul style="list-style-type: none"> • the percentage of objections processed within timeframes approved through the development of service standards • the level of client satisfaction with the impartiality, timeliness and fairness of the redress process

Revenue Canada is committed	
to provide Canadians with:	to be demonstrated by:
<i>Effective Customs and Trade Administration</i>	
Enforcement of Canadian laws and sovereignty at the border and support of Canadian industrial competitiveness and economic policies	<i>Customs and Trade Administration</i> (see page 13) <ul style="list-style-type: none"> • trends in the number of travellers and volume of commercial shipments processed • level of client satisfaction with services provided • compliance rate for travellers entering Canada • quantity of contraband goods detected and interdicted • the availability of electronic service delivery options and client participation rates in such options • use of streamlined options for processing low-risk travellers and commercial shipments • the number of unfair trade practices identified and eliminated to protect Canadian industry • the number of measures introduced to reduce the compliance burden for Canadian business

b. Plans and Priorities by Business Lines

To achieve its objectives in the context of the evolving external factors that influence its operations, the Department makes a number of specific commitments in relation to each of its business lines; develops relevant enabling initiatives; determines the strategies by which its performance can be measured; and identifies the applicable performance indicators.

In the interest of consistency and the most economic use of the reader's time, each Business Line is presented and discussed under the following main headings:

- Objective;
- External factors influencing change;
- Key Commitments and Priorities;
- Enabling Initiatives; and
- Performance Measurements
 - Strategies
 - Indicators

(i) Assistance to Clients and Assessment of Returns

Objective

To foster self-assessment and compliance and to process client returns.

External Factors influencing change

Revenue Canada operates in an environment where the socio-demographic make-up of Canadian society is changing. The population is ageing, many families and children are in need of some assistance and a growing percentage of Canadians have a first language which is neither English nor French. For Revenue Canada, these trends challenge its traditional approaches to program delivery.

The Department's workload is directly influenced by population growth and economic indicators such as per capita income, changes in interest rates, labour force participation and unemployment rates. In addition, the increasing use of the tax system as a vehicle for implementing various socio-economic programs such as the Goods and Services Tax Credit, Child Tax Benefits and Duty Remissions has also affected its workload in terms of the number of individuals having to file a form.

The Department must, as well, respond to the Government's Budget which generally introduces new or revised tax legislation and arrangements that also have a significant impact on its operations. For this reason, it liaises with the Department of Finance to ensure that proposed legislative changes are administratively feasible and economically viable.

Key Commitments and Priorities

In relation to the strategic priorities it has established, that apply to all Business Lines, the Department has made the following commitments:

- modernizing service delivery
 - ✓to provide one-stop service points whereby clients can obtain a variety of information, acquire forms and make payments in one location to be demonstrated by client satisfaction levels and trends in client traffic at the one-stop service points
 - ✓to continue the aggressive application of technology in order to seek reductions in the administrative burden and costs experienced by business and individual clients evidenced by trends in client participation rates, the average time to receive a refund and the number of enquiries processed
 - ✓to continue to efficiently and effectively administer federal and provincial benefit programs and utilize the expertise developed to help other departments and levels of government deliver targeted income support payments

- reinforcing our commitment to fairness
- ✓ to fully implement the legislative changes pertaining to registered and educational savings plans ensuring greater equity in the changing work and education environment
- ✓ to evaluate and implement measures designed to ensure that clients receive their full entitlements under the benefit programs administered by the Department

- enhancing our approach to compliance
- ✓ to improve monitoring and enforcement capabilities in the charities sector to ensure the integrity of the income tax provisions
- ✓ to enhance the identification of individual tax returns that have a greater risk of non-compliance, performance will be measured through trends in compliance, the number of “no change” returns and the percentage of returns with positive reassessments

Enabling Initiatives

To meet the preceding commitments, the following initiatives are either at the planning stage or under way:

GST Rulings and Interpretations Re-engineering Project: GST workloads and expertise are in the process of being streamlined with the designation of one office per region, with a direct link to the Headquarters function, being able to provide service to clients on technical GST interpretations and rulings. This concentration of knowledge and expertise will assist the Department in responding to technical matters as they relate to the Excise Tax Act while providing a single point of contact for clients.

Provincial/Territorial Refund Set-Off Program (Update): The purpose of this initiative is to expand Revenue Canada systems capability, beginning in 1998, so that individual income tax refunds are automatically made available, via electronic data interchange, for set-off to repay past due provincial/territorial Crown debts. The Department of Finance has issued a formal invitation to all provinces and territories to join the program.

Excise Act Review: In collaboration with the Department of Finance, a comprehensive review of the Excise Act, and related provisions of the Excise Tax Act pertaining to the taxation of alcohol and tobacco products will be undertaken. The objective is to modernize and streamline many antiquated provisions and at the same time safeguard the significant tax revenues from these products. Changes should contribute to a reduction in administration and compliance costs for both industry and government.

Account Consolidation: Statements of account will be simplified by consolidation which will allow business to offset liability in one area, such as Income Tax, with overpayments or refund from another such as GST.

National Child Benefit (NCB): In June 1996, federal and provincial/territorial governments agreed to pursue a new national initiative - the National Child Benefit (NCB) - to address the growing problem of child poverty. Federal NCB funds will be delivered by implementing the new Canada Child Tax Benefit (CCTB) in July 1998. This enhanced federal funding will enable provinces and territories to reinvest some of their social assistance resources into other programs, thereby improving children's services and income assistance. In this regard, Revenue Canada has agreed to administer two NCB-inspired reinvestment programs: the Saskatchewan Child Benefit (SCB) and the Northwest Territories Child Benefit (NWTCB) on behalf of these administrations.

Standardized Accounting (Update): All of Revenue Canada's major accounting systems now perform the same basic functions. Each was implemented in a proprietary fashion with the intention of supporting one particular revenue type (i.e., individual taxes, corporation taxes, Goods and Services Tax, etc.).

The Standardized Accounting initiative is focusing redevelopment efforts on harmonizing business rules so as to develop a single accounting system for all business programs including: Corporation Tax, Excise Tax and Excise Duties, GST, Source Deductions and Customs. Standardization of accounting components that are capable of supporting multiple revenue programs will provide flexibility to enable the integration of clients' accounts.

T2 Assessing Redesign (Update): The Department is redesigning its Corporate Income Tax Processing System (T2) to achieve major processing efficiencies, support the Government's strategy to promote greater use of electronic commerce, provide an electronic filing facility for corporations, enhance client service by providing faster and more accurate assessments, allow for cooperation with the provinces and other departments, improve the targeting of compliance efforts, and position the Department for future simplification. The T2 Assessing Redesign will reduce the burden on businesses by collecting information for other government departments.

Validation Programs Enhancement: Validation programs will be enhanced to detect and correct payments of income-tested social benefits, such as the Child Tax Benefit and Goods and Services Tax Credit. As these programs are economically important to Canadians with low or moderate income, the Department is committed to placing as much emphasis on preventing underpayments as overpayments. These validation programs will provide the following performance measurement strategies and indicators: measure results of targeted validation reviews; random samples to measure overall level of incorrect payments; and samples to determine take-up rates and other key measures.

Individual Enquiries Re-engineering for Greater Accessibility: In order to meet the challenge of increasing call volumes, Client Services has developed a strategy to improve access to our telephone service, as well as the accuracy of replies provided to our clients. The strategy involves activity in three key areas: investing to increase existing capacity; improving operational efficiency; and reducing the need to call. Initiatives to increase capacity include the establishment of a National 1-800 Overflow Call Centre and injection of additional resources into Tax Service Offices with the lowest accessibility rates. To improve operational efficiency, initiatives are focused on maximizing use of automated front-end systems in order to provide information to

clients; implement telephone management practices; and provide staff with better working tools. Reducing the need to call involves expanding information on the Internet, making our notices easier to understand; and enhancing our community volunteer program.

Telephone services designed to respond to the needs of clients have been consolidated into a single site in each of the three major metropolitan areas of Montréal, Toronto and Vancouver. These areas handle approximately 40% of the national workload. Automated telephone technology (automated front-end and computer telephone integration) is being implemented to improve both the efficiency of the operation and accessibility for our clients. Implementation of the new process is being phased in beginning in 1998, with a 1999 completion date.

Performance Measures

Figure 1: Public Enquiries

	Forecast 1997-98 ¹	Planned 1998-99	Planned 1999-2000	Planned 2000-2001
Public Enquiries by Agents (000's)	22,922	20,500	20,500	20,500
Public Enquiries via Automation (000's)	9,000	11,500	12,000	12,500
Total Enquiries (000's)	31,922	32,000	32,500	33,000
Associated FTE	2,419	2,166	2,158	2,152
¹	1997-98 forecast includes 2.1 million enquiries and 221 associated FTEs related to one-year initiatives such as Elections Canada, Child Support Reform, Legislative changes, etc.			

In 1996-97, the Tax Information Phone System (TIPS) and the Automated Enquiries Response System (AERS) handled 3.8 million enquiries. Accessibility related measures introduced in 1997-98, as described above, have significantly increased the number of routine enquiries answered using automation up to 9 million. The agents will now be able to focus on enquiries related to more complex or infrequently asked questions.

Figure 2: Tax Filers by Type

	Forecast 1997-98	Planned 1998-99	Planned 1999-2000	Planned 2000-2001
(000's)				
Individuals and Trusts ¹	22,185	22,548	22,882	23,220
Corporations	1,150	1,201	1,248	1,305
Goods and Services ²	1,968	2,133	2,313	2,505
Total Tax Filers	25,303	25,882	26,443	27,030
Associated FTE	6,122	6,055	6,172	6,181
Tax Filers per FTE	4,133	4,274	4,284	4,373
¹	Includes 265,000 Trust Returns in 1997-98 and 299,000 in each of 1998-99, 1999-2000 and 2000-2001.			
²	Excludes 509,000 tax filers registered in the province of Quebec, for a total of 2,477,000 nationally for 1997-98, 536,000 for a total of 2,669,000 for 1998-99, 568,000 for a total of 2,881,000 for 1999-2000 and 603,000 for a total of 3,108,000 for 2000-2001.			

Figure 3: Processing Review of Individual Returns, Additional Tax Assessed ¹

	Forecast 1997-98	Planned 1998-99	Planned 1999-2000	Planned 2000-2001
Returns Reviewed (000's)	875	900	900	1,089
Additional Tax Assessed (\$000's)	82,800	95,200	104,700	115,200
¹	Includes additional federal and provincial taxes assessed.			

Figure 4: Matching of Individual Returns, Additional Tax Assessed ¹

	Forecast 1997-98	Planned 1998-99	Planned 1999-2000	Planned 2000-2001
Returns Reviewed (000's)	1,735	1,425	1,425	1,675
Additional Tax Assessed (\$000's) ²	253,300	243,500	243,500	293,500
¹	Includes both manual and computer assisted and fully automated matching.			
²	Includes additional federal and provincial taxes assessed.			

(ii) Customs and Trade Administration

Objective

To enforce Canadian laws and sovereignty at the border, and support Canadian industrial competitiveness and economic policies.

External Factors influencing change

In the liberalized global trading environment of today, characterized by increased capital mobility, spontaneous electronic commerce, and intense international competition, certainty and timeliness in the movement of goods and people across the border are absolute requirements for Canadian business success.

As a result, Customs is faced with the challenging task of expediting ever increasing volumes of commercial goods and travellers, while protecting Canadians against the entry of illegal goods and inadmissible people and continuing to ensure compliance with the laws we administer while enhancing the competitiveness of Canadian business.

Key Commitments and Priorities

In relation to the strategic priorities it has established, that apply to all Business Lines, the Department has made the following commitments:

- modernizing service delivery
 - ✓ to optimize service delivery by facilitating client compliance and by making business processes more responsive to clients needs; results will be assessed by time studies on low-risk commercial shipments and compliance rates
 - ✓ to locate business processes and decision-making closer to the points of service delivery
 - ✓ to use risk management techniques to facilitate the movement of goods and people, while strengthening protection efforts
 - ✓ to develop, publish and post service standards for all program areas to let clients know what services to expect
- enhancing our approach to compliance
 - ✓ to develop a comprehensive compliance strategy in 1998-99, to implement a holistic approach to compliance, verification and enforcement
 - ✓ to introduce a commercial pre-clearance solution to facilitate import control activities at certain locations burdened by traffic congestion
- defining the future direction of Customs
 - ✓ to commence consultations in April 1998 with Canadian business and other stakeholders to develop a Customs Blueprint and articulate and share the Customs vision for the millennium
- strengthening our international relations
 - ✓ to facilitate greater government to government cooperation in trade administration
 - ✓ to seek international opportunities to “export” its best practices for the benefit of Canadian exporters

Enabling Initiatives

To meet the preceding commitments, the following initiatives are either at the planning stage or under way:

Service Standards: The Department has published and implemented, in January 1998, standards for traveller and cashier payment wait times. For commercial clients, standards for paper and electronic processing times for two release options - Release on Minimum Documentation (RMD) and the Pre-Arrival Review System (PARS) were established in February 1998. These standards

are the starting point for the development of others in the Customs area which will focus on the areas of release, accounting and post-accounting activities. Published and posted service standards let clients know exactly what services to expect and provide the basis for measurable performance indicators.

Administrative Monetary Penalty Structure (AMPS): Sanctions are a necessary part of the administration of Revenue Canada's Customs program. The current sanctions regime, however, is limited in scope and flexibility. For example, Customs presently relies heavily on its most intrusive option - seizure. In order to overcome these deficiencies and support the implementation of new client oriented processes, the Department plans to introduce a new monetary penalty system that will focus on encouraging compliance, recognize the compliance history of clients, and provide a graduated response to non-compliance. The new sanctions regime will embrace the concepts of fairness, flexibility and transparency. The AMPS legislation is expected to be implemented in 1999 following public consultations.

Comprehensive Compliance Strategy: The strategy is based on a multi-year plan that defines compliance priorities for all areas of the Customs program including activities directed toward detecting contraband. Priorities will be related to social, health, economic and other risks. Revenue Canada will ensure that a balanced approach to compliance is maintained by incorporating into the strategy a holistic approach to compliance verification and enforcement. This will encompass an education program; simplification of processes where possible; targeting; physical examination programs; audit programs; sanctions; and compliance measurement. The strategy will be developed during the 1998-99 fiscal year.

Customs Blueprint: Given the need to facilitate trade and travel while protecting Canadians, the Department has undertaken to develop a blueprint for the future direction of Customs. This comprehensive framework will set out the vision for the Customs program, with specific strategic objectives aimed at defining how this vision will be achieved. The Customs Blueprint will form the basis of consultations with clients, stakeholders and staff, particularly to identify for Canadian business where the Customs program is headed, and how the changes may affect them. Consultations will commence in April 1998.

International Data and Process Simplification/Harmonization: International opportunities abound for cooperation in a multitude of areas, including the harmonization and simplification of Customs processes and the undertaking of joint developmental projects. These will lessen the compliance burden on Canadian importers and exporters, as well as provide the Department with an improved capability to detect inadmissible goods and people at the border. Negotiations currently underway in the Asia Pacific Economic Cooperation (APEC) forum, as well as under the NAFTA and G7 agreements, will afford Canada the opportunity to disseminate best practices. Canada is currently examining with other administrations what data are required, why and when, as well as how current processes can be improved through the maximization of technology. A pilot of the North American Trade Automation Prototype (NATAP) with the United States and Mexico is scheduled to begin January 1, 1999.

Accord Processing Centre (Commercial Vehicle Processing Centre (CVPC)): Commercial pre-clearance is an innovative solution to import control activities at geographic locations burdened by traffic congestion. Under the auspices of the Canada/United States Shared Border Accord, Revenue Canada and the United States Customs Services are exploring pre-clearance opportunities which will complement the vision of shared facilities, equipment and resources along the border; one such initiative is the Commercial Vehicle Processing Centre (CVPC). Construction of the roadway infrastructure and staging facility for the CVPC at Fort Erie, Ontario started in the spring of 1997 and is expected to be completed by the first quarter of 1999. The CVPC in Fort Erie will provide the opportunity to further explore the development of the legislative and operational frameworks necessary to optimize service delivery and increase our protection capability. Completion of construction is scheduled for the first quarter 1999.

Performance Measures

Figure 5: Contraband

(\$000's)	Forecast 1997-98	Planned 1998-99	Planned 1999-2000	Planned 2000-2001
Contraband Seizures ¹ Value	900,000	800,000	800,000	800,000
¹ Includes drugs, alcohol, jewellery and tobacco.				

Figure 6: Travellers

	Forecast 1997-98	Planned 1998-99	Planned 1999-2000	Planned 2000-2001
Travellers Processed (000's) ¹	111,000	113,000	114,000	115,000
Compliance Rate: ²				
Air	92%	93%	93%	93%
Highway	98%	98%	98%	98%
Client Satisfaction ³	92%	93%	93%	93%
¹ Individuals entering Canada and reporting to Customs by any mode.				
² Travellers, by mode, who comply with the laws administered by Customs and Trade Administration. This measure is a result of statistical sampling carried out systematically at the points of entry across the country.				
³ Travellers who, when surveyed, indicate that they are reasonably to very satisfied with the service they received.				

Figure 7: Commercial

(000's)	Forecast 1997-98	Planned 1998-99	Planned 1999-2000	Planned 2000-2001
Releases Processed ¹	10,380	11,000	11,660	12,360
Entry Accounting Documents Processed ²	10,900	11,400	11,900	12,300
Postal Shipments Assessed ³	1,700	1,700	1,700	1,700
Courier Shipments Released ⁴	8,000	9,500	10,700	11,900
Courier Shipments Released less than \$20 ⁵	n/a	12,500	13,300	14,100
¹ Commercial shipments arriving by highway, air, rail and marine modes and released.				
² Customs Accounting forms (B3s) processed.				
³ Customs Postal Import forms (E14s) processed. Anticipated decrease in E14 volume (number of dutiable mail volumes) is the result of general decline in mail volumes, which is most likely due to the low Canadian dollar, as well as many foreign mailers using other means of importing goods into Canada, i.e., highway and courier. It should also be noted that in the 1996-97 Performance Report, the estimates for 1997-98 through 2000-2001 were updated to 1.7 million.				
⁴ Courier shipments released with a value greater than \$20 and less than \$1,600.				
⁵ New indicator introduced commencing 1998-99.				

Figure 8: Appraisal and Adjustment

(000's)	Forecast 1997-98	Planned 1998-99	Planned 1999-2000	Planned 2000-2001
Number of Entry Accounting Documents	10,900	11,400	11,900	12,300
Number of Commodity Declarations Presented	30,861	33,947	37,342	38,500
Number of Commodity Declarations Referred to Commodity Specialist Review ¹	1,685	n/a	n/a	n/a
Adjustments Processed ²	315	295	285	285
1	Due to the implementation of Tariff Simplification and Periodic Verification, this is no longer a valid indicator. Approximately 12,000 commodity declarations will continue to be selected for mandatory purposes or for correction of validation errors.			
2	Due to changes such as reduced duty rates for United States Tariff, Tariff Simplification, Single Level of Appeal, and self-adjustment, the number of accounting documents requiring adjustments may be significantly reduced. It is difficult to accurately project any anticipated decrease. Adjustments processed will be monitored and data updated for the next report.			

Figure 9: Interpretative Policy Determination and Appeals - Acceptance of Final Departmental Decisions ¹

Percentage (%)	Forecast 1997-98	Planned 1998-99	Planned 1999-2000	Planned 2000-2001
Accepted	96	96	96	96
Upheld by External Tribunal	2	2	2	2
Overtured by External Tribunal	2	2	2	2
1	Includes decisions which are potentially appealable to an external body, where the final departmental decision does not fully agree with the appellant's contention.			

Figure 10: Interpretative Policy Determination and Appeals

	Forecast 1997-98	Planned 1998-99	Planned 1999-2000	Planned 2000-2001
<i>SIMA</i> Complaints from Canadian Industries ¹	24	24	24	24
<i>SIMA</i> Investigations (on a country basis) ²	25	15	15	15
<i>SIMA</i> Measures (on a country basis) ³	72	46	46	46
Valuation Policy Interpretations	87	44	44	44
Tariff Classification and Policy Interpretations ⁴	11,185	10,760	9,560	8,860
Tariff, Valuation and <i>SIMA</i> Appeals ⁵	4,500	4,300	3,800	3,500
1	<i>SIMA</i> (Special Import Measures Act / Anti-Dumping) figures include initial enquiries and formal complaints whether or not they lead to an investigation.			
2	A country may be included more than once in this figure if it is subject to more than one investigation. This forecast is based on the number of <i>SIMA</i> complaints on hand which are likely to result in an investigation. In good economic times, fewer complaints actually lead to investigations. This trend is expected to continue until there is a downturn in the economy.			
3	Number of re-investigations. A country may be included more than once in this figure if it was subject to more than one <i>SIMA</i> measure. Due to revisions to certain <i>SIMA</i> measures made by the Canadian International Trade Tribunal (CITT), the number of countries to be reviewed is less than was originally forecast.			
4	The reduction in the number of tariff classifications and policy interpretations is due to the gradual elimination of tariffs under trade agreements and the simplification of tariff classifications.			
5	The reduction in the number of the appeals is directly related to the number of Tariff Classification and Policy Interpretations handled.			

(iii) Verification and Enforcement

Objective

To enhance compliance with the laws administered.

External Factors influencing change

Ongoing changes in the economy impact the volume and complexity of this workload, particularly the latter which has been significantly affected by the increasing use of electronic commerce and the potential increased risk of non-compliance as it becomes more difficult for the Department to verify and enforce compliance.

Rapid growth in the international movement of people, goods and services has significantly increased workload related to international tax issues (e.g., determination of transfer prices for international transactions among related entities, instances of double taxation, etc.). The Department must ensure that the Canadian tax base is protected while minimizing the compliance burden imposed on businesses. It must continue to meet our international commitments and assist Canadian businesses that operate within other tax jurisdictions.

Changes in employment patterns and the composition of personal income also have compliance implications. For example, the relative importance of income from self-employment and investments is growing, thereby creating greater challenges to verify that income is properly reported.

Evolving tax avoidance arrangements have resulted in an increase in the volume and complexity of this workload. As well, a significant impact on the number of cases of tax evasion which are being identified as a result of initiatives to target the underground economy and increase compliance has been identified.

The Department will continue to face resource pressures in managing the increased workload while attempting to maintain levels of enforcement activity necessary to ensure ongoing compliance and the integrity of the self-assessment system. In addition, Verification and Enforcement Programs are experiencing difficulties in staffing positions (e.g., audit specialists) in certain geographical areas.

Key Commitments and Priorities

In relation to the strategic priorities it has established, that apply to all Business Lines, the Department has made the following commitments:

- modernizing service delivery
 - ✓ to effectively administer the Scientific Research and Experimental Development (SR&ED) tax credit program by increasing the timeliness of payments, enhancing certainty and consistency and by reducing the costs of compliance and paper burden
- enhancing our approach to compliance
 - ✓ to promote public trust in the fairness, integrity and efficiency of Canada's revenue system by encouraging voluntary compliance and ensuring that taxpayers pay their fair share of taxes; the Department will examine trends in non-compliance to measure performance
 - ✓ to increase the total fiscal impact of enforcement to \$5.6 billion by 2000-2001
 - ✓ to enhance identification of persons not filing income tax returns or not registering for GST through analysis and matching data from various sources evidenced by trends in the amounts recovered
- strengthening our international relations
 - ✓ to share experiences and best practices with other countries through participation in bilateral and multilateral exchanges and international organizations such as the Organization for Economic Cooperation and Development (OECD) and Pacific Association of Tax Administration (PATA).

Enabling Initiatives

To meet the preceding commitments, the following initiatives are either at the planning stage or under way:

New Directions for Scientific Research and Experimental Development Program: The Department is introducing significant changes to improve service for taxpayers claiming SR&ED tax credits. These changes will increase the timeliness of payments, enhance certainty and consistency, and reduce the costs of compliance and paper burden. Elements of the new approach include closer working relationships with industry and industry associations, enhancing outreach activities, a pre-claim project review process, increased emphasis on the relationship between the SR&ED program and small business, as well as the revision of SR&ED information circulars.

Compliance Strategy (Update): Work is continuing to ensure that the Department's Compliance Strategy remains relevant and effective and to promote a multi-disciplined and integrated approach to compliance. The mix of programs and activities currently addressed by the Strategy is being expanded. Adjustments are being made in response to major trends in the Department's operating environment (e.g., globalization and electronic commerce) as well as to reflect the results of risk analysis and compliance research. An update of the Compliance Strategy will be released in the

Fall of 1998. This update will take into account the above-mentioned factors as well as reflect related aspects of other departmental initiatives such as the Fairness Strategy, the Customs Blueprint and the Service Delivery Strategy.

Targeting the Underground Economy (Update): The Department is continuing to enhance efforts to address underground economy activity. A campaign will be developed to counteract public acceptance of and support for underground economic activity and to provide information on other compliance issues such as abusive tax shelters. A national automated system will be developed for leads information to identify potential high-risk accounts and compliance problems. Other measures include the reporting of payments for service contracts by federal government departments and a proposed agreement between Revenue Canada and the Canada Employment Insurance Commission to provide for exchanges of information. These measures will increase voluntary compliance, facilitate departmental programs and enhance the effectiveness of measures directed toward the underground economy.

Data Warehouse: The proposed Data Warehouse, designed to extract and analyze data from a wide variety of departmental systems and external sources, will significantly enhance the information available to support decision making, program management and risk assessment. New analytic capability and better, more strategic use of data will facilitate a transition from a case-by-case workload management approach to one that focuses on compliance objectives and results. The initiative to build an enterprise data warehouse will provide employees at all levels with tools to work more effectively.

Increasing Enforcement (Update): 1998-99 is the third year for new resources to be added to this initiative (267 FTEs including support). Resources will be devoted to increasing audit coverage rates back to the 1986-87 levels for unincorporated and self-employed businesses to better address non-compliance in this segment of the population. A major portion of underground economy efforts has been focused on unincorporated and self-employed businesses given the growth in small business and the trend toward contract relationships. An increase in audit coverage levels in this area will significantly increase the Department's visibility and highlight the Government's resolve to deal with the problem of the underground economy. The resulting deterrent effect will result in long-term increases in voluntary compliance and associated revenues.

Combating Tax Avoidance (Update): Resources devoted to tax avoidance are being increased in order to address emerging tax avoidance issues on a timely basis, increase the identification and audit of abusive tax shelters and address increasing workloads associated with international commerce, evolution of tax avoidance arrangements and GST tax avoidance.

Counteracting Evasion, Smuggling and Fraud: The Department is developing a corporate strategy to combat tax evasion and enhancing coordination and integration of departmental activities through Department-wide coordinating committees and a new Anti-Evasion Division. The Department will expand research on patterns, trends and implications of illegal economic activity and enhance partnerships with other members of the enforcement community.

International Cooperation on Taxation: A number of activities are underway to share information and jointly develop new approaches through multilateral exchanges and international organizations. These activities include: multilateral study on risk assessment and measurement; exchanges of benchmarking and best practices; study on harmful tax competition; and promotion of principles of good tax administration.

Electronic Commerce: The Minister's Advisory Committee on Electronic Commerce is examining the implications of electronic commerce for revenue administration and will be recommending measures to ensure continued compliance with Canada's tax laws. The Department will continue to liaise with the Department of Finance and other tax jurisdictions to address related taxation issues. In addition, departmental expertise related to audit and investigation of automated systems and electronic information will be enhanced.

Organized Crime: Consultations with the Department of Finance on policy issues related to cash transaction reporting and tax evasion will be initiated to protect government revenues from the harmful effects of organized crime. The Department will liaise and coordinate activities through interdepartmental/intergovernmental committees and government contacts at all levels.

International Tax (Update): The Department will continue to maintain a strong International Tax program to respond to the growing significance of international trade and the challenges posed by the increased international movement of people, goods and services. New legislative changes will be implemented including measures related to transfer pricing of international transactions, property moved/transferred from Canada and foreign investment reporting. Verification and enforcement activities will be expanded in order to ensure compliance with these new measures.

Performance Measures

Figure 11: Verification and Enforcement Performance Measures

	Forecast 1997-98	Planned 1998-99	Planned 1999-2000	Planned 2000-2001
Total Fiscal Impact (\$ millions) ¹	4,851	5,282	5,538	5,637
Major Outputs				
Files Audited	226,429	227,379	234,179	237,473
Non-Filers/Registrants - Returns/ Registrations	402,400	428,471	438,831	449,191
Investigations - Enforcement Actions	2,095	2,160	2,198	2,236
GST Domestic Rebates Processed	236,628	297,160	297,160	297,160
Non-Resident Returns Processed ²	262,423	287,077	240,000	240,000
International Tax - Other Outputs ³	35,432	361,452	367,480	367,480
Associated FTE ⁴	9,158	9,408	9,742	9,743
¹	Total Fiscal Impact includes federal and provincial tax (participating provinces only), federal tax refunds offset or reduced, interest and penalties, and present value of future tax assessable.			
²	Reflects the expiration of the Fourth Protocol to the Canada-United States Tax Treaty dealing with the taxation of Non-Resident recipients of Old Age Security / Quebec Pension Plan benefits. The expiration reduces the number of non-residents filing returns to recover portions of tax deductions at source.			
³	For 1998-99 to 2000-2001 International Tax - Other Output includes outputs for Non-Resident Enquiries and Adjustments and Non-Resident Withholding Accounts programs. Outputs of those programs were not included in the previous Estimates.			
⁴	Associated FTE includes resources associated with all direct and indirect Verification and Enforcement activities.			

(iv) Revenue Collections

Objective

To collect tax, levies, duties, and other amounts such as Canada Pension Plan and Employment Insurance payments.

External Factors influencing change

Prevailing economic conditions are among the most important external factors that impact on revenue collections. The Canadian economy has been growing (strongly) at an average annual rate of about 4.3% over the last five years. Although an improved economy enhances revenue performance, it can also lead to a general rise in the intake of accounts receivable as the tax system adds on new businesses and employees, and probably larger tax assessments.

Notwithstanding these external challenges, the Canadian populace still expects Revenue Canada to develop and carry out programs to minimize loss of revenue, encourage voluntary compliance and develop more efficient processes. Revenue Canada continues to work toward developing and enforcing strategies and policies aimed at supporting its pledges of quality service, fairness and transparency in all its actions.

Key Commitments and Priorities

In relation to the strategic priorities it has established, that apply to all Business Lines, the Department has made the following commitments:

- modernizing service delivery
 - ✓ to provide more options in electronic format to a wide variety of users and potential users such as employers, tax preparers, accountants and software developers
- reinforcing our commitment to fairness
 - ✓ to promote public trust in the fairness, integrity and efficiency of the revenue collections program by the fairness provisions allowing for discretionary relief from penalties and interest in extraordinary circumstances
- enhancing our approach to compliance
 - ✓ to continue to maintain accounts receivable at a level not in excess of 4% of gross revenue
 - ✓ to foster future voluntary compliance with the filing and remitting requirements, thereby ensuring that everyone meets their tax obligations; performance will be measured by trends in compliance with filing and remittance requirements and accounts receivable

- strengthening our international relations
 - ✓ continue to pursue opportunities and participate actively in international cooperative ventures that improve our knowledge and understanding of best practices and benchmarking models that are of relevance to the collections program

Enabling Initiatives

To meet the preceding commitments, the following initiatives are either at the planning stage or under way:

Collections Re-engineering (Update): As part of the re-engineering of the revenue collections program, the Department will identify additional opportunities for enhancement of Tax Services Offices operations, including the sharing of best practices identified in Tax Services Offices, private sector and other tax administrations. A national phone contact centre began handling the T1 individual revenue line in August 1997, followed by Goods and Services Tax in October 1997. The Department will continue with the implementation of other revenue lines to the Collections Call Centre workload. Calling campaigns planned and implemented daily by call centre management will ensure prompt attention to high-risk accounts while treating a maximum number of contacts daily.

Electronic Technology: Continue with the design, implementation and further enhancements of Tables on Diskette (TOD) - a computer program that calculates payroll deductions and gives easy access to information. This initiative will assist small businesses to meet their obligations while reducing the paper burden.

Risk Profiling System: Continue with the design and implementation of a risk profiling system, encompassing all revenue types, so as to classify accounts utilizing risk scoring and account streaming logic to route accounts according to compliance patterns or the potential for loss.

National GST/HST Delinquent Filing Program: The Department will continue with the development of a national GST/HST delinquent filing program which started in 1997-98 to obtain returns and remittances from non-compliant registrants and/or any other information or documents in order to maintain the integrity of the GST/HST self-assessment system.

Performance Measures

Figure 12: Annual Intake and Closing of Accounts Receivable ¹

	Forecast 1997-98	Planned ³ 1998-99	Planned ³ 1999-2000	Planned ³ 2000-2001
Annual Intake				
Number of Accounts	611,826	633,240	655,403	678,342
Total Amount (\$000's)	7,515,201	7,778,233	8,050,471	8,332,238
Annual Closings				
Collections:				
Number of Accounts	229,522	232,227	245,087	249,414
Total Collections (\$000's)	5,611,662	5,679,450	5,991,846	6,099,306
Other Closings: ²				
Number of Accounts	344,282	348,339	367,630	374,121
Total Amount (\$000's)	1,574,085	1,593,504	1,681,154	1,711,305
Total Closings:				
Number of Accounts	573,804	580,566	612,717	623,535
Total Amount (\$000's)	7,185,747	7,272,954	7,673,000	7,810,611
Associated FTE	3,564	3,606	3,759	3,779
Total Closings (Number of Accounts) per FTE	161	161	163	165
Total Collections per FTE (\$000's)	1,575	1,575	1,594	1,614
¹	Tax Services Office Accounts only; excludes routine accounts actioned by way of computerized collection notices and Ministère du revenu du Québec activities with respect to GST.			
²	"Other Closings" include accounts written off as uncollectible; and other sundry work disposal measures.			
³	These numbers do not factor in the impact of the Collections Call Centre, the results of the Failure to File and the Failure to Pay processes as it is too early to accurately assess the impact of these programs on Tax Services Office activities.			

Figure 13: Canada Pension Plan and Employment Insurance Rulings

	Forecast 1997-98	Planned 1998-99	Planned 1999-2000	Planned 2000-2001
Ruling Intake ¹	99,708	100,922	102,939	104,998
Completions	98,710	99,910	101,910	103,950
Closing Inventory	8,500	8,500	8,500	8,500
Associated FTE	365	370	378	385
Completions per FTE	270	270	270	270
Completions as a % of Intake	99%	99%	99%	99%
¹	Tax Services Office and Tax Centre workloads only.			

(v) Appeals

Objective

To provide clients with a fair and equitable redress process.

External Factors influencing change

Changes in legislation and the Department's efforts to help its clients properly interpret the law are the main forces that determine the number of objections and appeals.

The Department's clients expect, and are entitled to, a redress process that is not only fair and impartial, but also efficient and timely. Credible redress is a cornerstone of a high degree of trust in the tax system.

In keeping with client expectations and entitlements, the Department promotes fairness by facilitating early access to the dispute resolution process and by improving appeals officers' communication skills through enhanced training. With the planned move to an agency, retention of public confidence in the fair application and administration of the law will remain a priority.

Key Commitments and Priorities

In relation to the strategic priorities it has established, that apply to all Business Lines, the Department has made the following commitments:

- modernizing service delivery
 - ✓ to review and streamline the processes so as to improve the timeliness of service to clients; trends of results achieved versus service standard will be used to measure performance
- reinforcing our commitment to fairness
 - ✓ to settle disputes as early as possible in order to avoid the necessity of proceeding to court
 - ✓ to explore the feasibility of Alternative Dispute Resolution approaches in conjunction with the Departments of Finance and Justice to resolve tax disputes without relying on costly and time consuming litigation

Enabling Initiatives

To meet the preceding commitments, the following initiatives are either at the planning stage or under way:

Appeals Renewal Initiative (ARI): In response to a national survey undertaken to determine client satisfaction with the appeals system, the Department examined ways to improve the dispute resolution process. Several initiatives to be implemented include accelerating the average time to process an objection; developing Service Standards; surveying to measure client satisfaction regarding fairness, impartiality, clarity of communications and overall quality. In addition, the ARI commits Appeals officers to make available to clients all documents relevant to a disputed assessment; it also facilitates Appeals officers' access to legal advice.

Appeals Advisory Committee (Update): The Department has created an Appeals Advisory Committee which includes individuals and representatives from Canadian business and the tax community. Through this Committee, the private sector will have direct input into the redress process. The Committee will advise the Department about improvements to services, testing new ideas or approaches, and strengthening partnerships with clients.

Alternative Dispute Resolution: Under current legislation, objections can only be resolved according to the law. Within this legislative context, the Department, in cooperation with the Departments of Justice and Finance, will examine the present constraints on settlements and the ability to resolve cases using Alternative Dispute Resolution (ADR) techniques such as mediation. The Department is exploring ADR to determine if it can improve the process to offer taxpayers a practical approach to resolving tax disputes without relying on costly and time-consuming litigation.

Performance Measures

Figure 14: Annual Intake of Objections, Determinations, Adjudications and Appeals

	Forecast 1997-98	Planned 1998-99	Planned 1999-2000	Planned 2000-2001
Income Tax Objections and Appeals	60,000	61,500	63,000	65,000
GST/Excise Objections and Appeals	5,500	5,700	5,900	6,100
CPP-EI Determinations and Appeals	8,600	9,000	9,500	10,000
Customs Adjudications and Appeals	3,700	3,700	3,700	3,700
Associated FTEs	1,249	1,218	1,240	1,194

(vi) Administration and Information Technology

Objective

To provide executive direction, information technology, as well as financial, administration and human resource services necessary to administer the law uniformly, effectively and economically.

External Factors influencing change

Changes in support services are mainly driven by changes in the operational programs and administrative regulations, as well as by the impact of resource shortages on the demand for data processing technology.

Revenue Canada's transition to agency status is a major undertaking, representing a critical step in public service reform. The main impact will be reflected in the Agency's new governance structure, as well as its closer partnership with the provinces, and its flexibility to develop tailor-made financial administrative and human resources systems.

Equally important is the demand for skilled and knowledgeable workers who can adjust to a high performance, high technology workplace. Being a leading player in the use of technology in the delivery of its programs, it is important that Revenue Canada's IT systems specialists contribute effective and responsive corporate support.

In addition, the Department needs to respond to the demands on its administrative systems brought on by strategic changes within the government environment. For instance, the Financial Information Strategy (FIS) is a government-wide initiative designed to improve organization performance through the strategic use of financial information (e.g., full accrual accounting, including capitalization and amortization of fixed assets, common chart of accounts, etc.).

Key Commitments and Priorities

In relation to the strategic priorities it has established, that apply to all Business Lines, the Department has made the following commitments:

- creating the Canada Customs and Revenue Agency
 - ✓ to finalize consultation with provinces and other stakeholders in Spring 1998 on the proposed legislative framework and draft enabling legislation for the Agency
 - ✓ to develop implementation planning for the Agency start-up, including design of new human resources and administrative systems

- modernizing service delivery
 - ✓ to re-examine the delivery of information technology (IT) services in support of common systems development, including a corporate architecture view, single systems to service multiple programs, a high re-use approach to delivering systems applications, a corporate data warehouse for decision support and a single computing platform
 - ✓ to expand the use of electronic commerce to ensure faster, more consistent and more efficient delivery of information and transaction processing services to clients, including service delivery opportunities with the Internet and World-Wide-Web
 - ✓ to streamline departmental IT activities by evolving to a new style of computing that shares IT infrastructure, data and expertise within the Department and with other departments; client usage of systems will be used to measure performance

- managing key human resource issues
 - ✓ to develop and implement a training and development strategy during the first half of 1998-99 that ensures employees have the knowledge and skills to work effectively in a changing environment

- enhancing management processes
 - ✓ to implement an integrated corporate administrative system

- ensuring IT readiness for Year 2000
 - ✓ to reach full IT readiness for the year 2000 by January 1, 1999 and maintain the integrity, accuracy and effectiveness of the Department's automated systems

Enabling Initiatives

To meet the preceding commitments, the following initiatives are either at the planning stage or under way:

Agency Preparation: The Department expects the Government to present the final proposals in legislative form to Parliament in Spring 1998 following extensive consultations with stakeholders and with provinces on the structure and authorities for the proposed Agency. The Agency would have the mandate to administer all of the programs and activities that Revenue Canada now administers and would also be able to administer additional taxes and programs on behalf of participating provinces. This would provide an opportunity for better services to the public by simplifying tax administration: one taxpayer - one tax collector.

Once the legislation is passed, the new Agency will consider options for its human resources and administrative systems. The new human resources regime will be more flexible and responsive to Agency priorities. The December 1997 *Document of Intent* between management and unions established a union-management steering committee as well as joint design teams to develop options on various components of the human resources system such as classification, staffing, training and National Joint Council Directives. A subsequent agreement was reached to also establish design teams for recourse, employment equity and organizational learning.

Training and Development Strategy: Revenue Canada expects to complete during 1998-99: the development of a departmental leadership capacity that supports an environment of continuous improvement and change; and the provision of integrated learning solutions that improve employee performance in support of corporate and program priorities. In addition, the Department will support the development of infrastructures to improve training administration.

Information Highway Internet/Intranet: The continuing expansion of Revenue Canada's Internet site provides a one-stop access to information and service at any time through a variety of service options. This initiative reaches out to a rapidly expanding audience looking for information on tax, duties, and customs issues and provides the information in a cost effective manner. The web site can be updated easily and furnishes a one-window access to our products, services data, programs and policies. Interactive access to departmental information is offered for people across Canada and around the world. Clients can participate in, and influence the outcome of government activities such as data collection, service, consultations and decisions.

The Department is also developing an internal network to create an accessible repository of information to reduce communications barriers and costs, as well as improve the accuracy, timeliness and effectiveness of internal communications. This will ensure that people have the knowledge, skills and support needed to work effectively.

These initiatives will provide the following performance measurement strategies and indicators:

Strategies		Indicators	
		Internet	Intranet
1998-99	increased access	volume of "hits" per month/year	volume of "hits" per month/year
	improved navigation	focus group test results	
	additional functionality	page usage statistics	
	high availability services	system availability records	system availability records
1999-2000	secure Internet commerce	volume of electronic transactions processed	
	turnaround time		
	response time		
	client feedback		
	internal Intranet services		volume of transactions processed
2000-2001	provincial partnerships	number of partnership services	
	system response time		
	transaction time		

Corporate Administrative System (CAS): This system will integrate the majority of Revenue Canada's current administrative systems through a shared, flexible, information structure with integrated capabilities. Business processes included in this initiative include financial administration, human resource management, resource and materiel management. As a result, CAS will position the Department to effectively respond to the information demands and

changes present in its operating environment and allow information to be viewed along horizontal lines. The current administrative system environment will be streamlined and overlap reduced substantially.

Year 2000 Project: As date recognition is fundamental to the integrity, accuracy, and effectiveness of the Department's automated systems, the Department must ensure that its automated systems are Year 2000 compliant. Year 2000 readiness activities, underway for three years now, continue. Some critical systems with century-recognizant dates are currently running successfully in production mode, and testing is currently in progress for many other systems. Year 2000 certification testing of all systems is scheduled to begin April 1, 1998.

Scientific Development: The Department's laboratory is in the process of developing various contraband detection systems to provide scientific advice in support of our contraband and intelligence efforts. Joint testing with U.S. Customs of contraband detection technologies, including prototype systems for marijuana detection, is currently in progress and will continue.

Performance Measures

Figure 15: Administration and Information Technology Human Resources as a Percentage of Total Department

	Forecast 1997-98	Planned 1998-99	Planned 1999-2000	Planned 2000-2001
Total Business Line FTE	7,119	6,523	6,635	6,656
Total Department FTE	41,472	40,422	41,080	41,122
Total Business Line FTE as a Percentage of Total Department FTE	17.2%	16.1%	16.2%	16.2%

The 1997-98 Forecast (Business Line and Department Full Time Equivalent (FTEs)) includes Supplementary Estimates A and B items, such as the 1996-97 carry forwards and some policy and legislative initiatives announced in the 1997 Federal Budget. The "Total Department FTE" for 1997-98, tabled at this time last year (i.e., in Main Estimates), was 39,774 with a "Total Business Line FTE as a Percentage of Total Department FTE" of 16.3%.

Section IV

Supplementary Information

Appendix 1 - Department Spending Authorities

1.1 Summary of Authorities Contained in Part II of the 1998-99 Main Estimates

Financial Requirements by Authority			
Vote	(thousands of dollars)	1998-99 Main Estimates	1997-98 Main Estimates
National Revenue			
1	Operating expenditures	1,891,704	1,850,902
5	Capital expenditures	13,727	15,678
10	Contributions	92,750	92,750
(S)	Minister of National Revenue - Salary and motor car allowance	49	49
(S)	Contributions to employee benefit plans	335,067	266,482
(S)	Children's Special Allowance payments	44,000	43,000
Total Department		2,377,297	2,268,861

1.2 Votes - Wording and Amounts

Vote (dollars)		1998-99 Main Estimates
National Revenue		
1	National Revenue - Operating expenditures and recoverable expenditures on behalf of the <i>Canada Pension Plan</i> and the <i>Employment Insurance Act</i>	1,891,704,000
5	National Revenue - Capital expenditures	13,727,000
10	National Revenue - Contributions	92,750,000

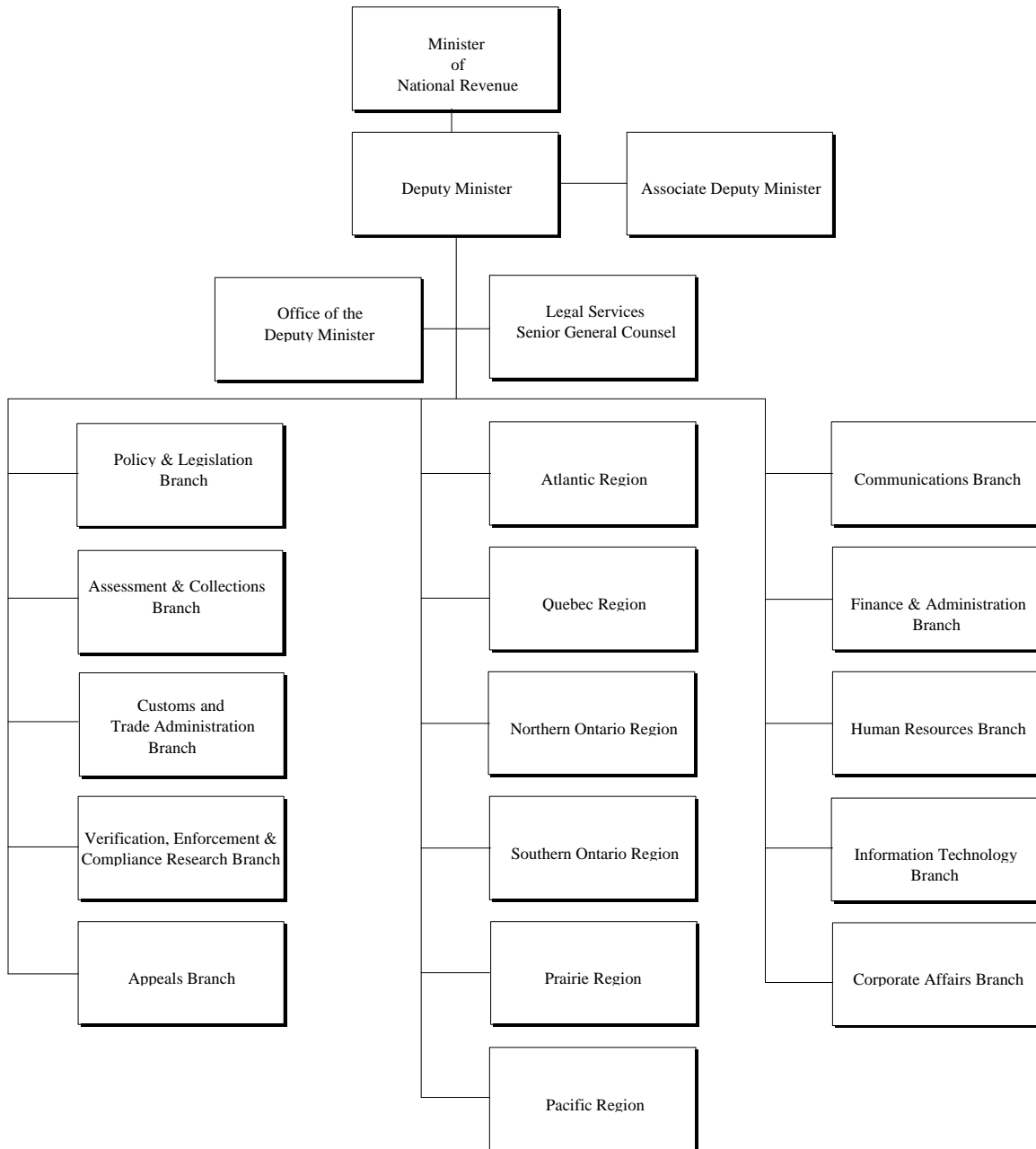
Appendix 1 - Department Spending Authorities (cont'd)

1.4 Explanation of Change from 1997-98 to 1998-99

(\$ millions)		
1997-98 Estimates		2,268.9
<u>Impact of New Government Approvals (1998-99)</u>		
• To implement priorities announced in the Federal Budget of February 1997:		
Measures for Charities	5.0	
Review of Transfer Pricing Provisions	<u>10.0</u>	15.0
• Harmonized Sales Tax/GST Review Bill		18.0
• Anti Smuggling Initiatives		23.3
• Other initiatives such as Alberta Family Employment Tax Credit and Child Support Reform Measures		2.3
• Technical adjustments and other increases/decreases to funding levels for approved initiatives		11.4
• Employee Benefit Plan rate increase from 17% to 21% as directed by Treasury Board		<u>62.6</u>
	Sub-Total	<u>132.6</u>
<u>Impact of Previous Government Decisions (1996-97 and 1997-98)</u>		
• Increase/(Decrease) in the Federal Budget reductions compared to 1997-98 Estimates:		
Program Review - February 1996 Budget		(69.8)
Salary Increment Freeze - February 1995 Budget		11.1
• Approved increases in Enforcement activities, including Accounts Receivable, Audit, Non-Resident		44.5
• Planned reductions associated with a series of measure announced in the Federal Budget of February 1996 such as Major Capital, Construction Industry Reporting Initiative, Failure to File and other sunseting initiatives		(10.7)
• Miscellaneous: Technical adjustments and other increases/decreases to funding levels for approved initiatives		<u>.7</u>
	Sub-Total	<u>(24.2)</u>
Total Increase/(Decrease)		<u>108.4</u>
1998-99 Estimates		<u>2,377.3</u>

Appendix 2 - Personnel Information

2.1 Organization Chart



Appendix 2 - Personnel Information (cont'd)

2.2 Organization Structure

The Department reports to Parliament through the Minister of National Revenue.

Headquarters Program Branches: are responsible for the development of policy, programs and procedures and provide functional guidance and direction.

The *Policy and Legislation Branch*: legislative development, interpretation and remission administration; international and intergovernmental relations; and the registration of charities and deferred income plans.

The *Assessment and Collections Branch*: tax services such as client assistance, registration, assessment, accounting, collection, the Child Tax Benefit (CTB) and the Goods and Services Tax Credit (GSTC).

The *Customs and Trade Administration Branch*: border services including the full range of facilitation, inspection, detention, collection and enforcement activities at all ports of entry; trade policy administration including multilateral and regional trade policy agreements, other trade policy instruments and duties relief programs.

The *Verification, Enforcement and Compliance Research Branch*: ensuring compliance with Excise, GST and Income Tax legislation including international transactions and non-residents.

The *Appeals Branch*: resolution of disputes relative to Excise, GST and Income Tax, Canada Pension Plan, and Employment Insurance and Customs adjudications legislation.

Regional Operations: are responsible for the delivery of Customs and Trade Administration and Tax Services in the Atlantic, Quebec, Northern Ontario, Southern Ontario, Prairie and Pacific regions.

Corporate Services Branches: provide the necessary support for program delivery.

The *Communications Branch*: communications research, planning, advice, guidance and services.

The *Finance and Administration Branch*: finance, administration, security, resource and corporate information management, real property management, publishing of departmental documents including forms and guides, and laboratory and scientific services.

The *Human Resources Branch*: strategic support for major change initiatives; executive services; and programs, policies and services related to staffing, training and development, staff relations, organization, classification, human resources planning, official languages, employee assistance, pay and benefits and employment equity.

The *Information Technology Branch*: information technology (IT) strategy, management and operation of the network and computing infrastructure, and development of systems.

The *Corporate Affairs Branch*: corporate horizontal issues, employee and organizational renewal initiatives and client service quality strategies, ministerial correspondence, access to information and privacy, Parliamentary liaison, program evaluation and internal audit services.

The *Legal Services Branch*: counsel and legal advisory services, and coordination of Justice Canada services to the Department.

Appendix 2 - Personnel Information (cont'd)

2.3 1998-99 Resources by Organization and Business Line

		Assistance to Clients and Assessment of Returns	Customs and Trade Administration	Verification and Enforcement	Revenue Collections	Appeals	Administration and Information Technology	Organization Total
Executive Office	FTE						39	39
	\$Ms						4.3	4.3
ADM, Policy and Legislation Branch	FTE	825						825
	\$Ms	149.0						149.0
ADM, Assessment and Collections Branch	FTE	8,853			5,507		60	14,420
	\$Ms	391.6			247.9		4.0	643.5
ADM, Customs and Trade Administration Branch	FTE		7,381					7,381
	\$Ms		383.3					383.3
ADM, Verification, Enforcement, Compliance and Research Branch	FTE			9,408				9,408
	\$Ms			554.5				554.5
ADM, Appeals Branch	FTE					1,218		1,218
	\$Ms					68.8		68.8
6 ADMs, Regional Operations	FTE						285	285
	\$Ms						34.9	34.9
DG, Communications Branch	FTE	106						106
	\$Ms	8.1						8.1
ADM, Finance and Administration Branch	FTE	601					2,649	3,250
	\$Ms	87.4	13.7				279.7	380.8
ADM, Human Resources Branch	FTE						1,253	1,253
	\$Ms						71.7	71.7
ADM, Information and Technology Branch	FTE						1,970	1,970
	\$Ms						194.2	194.2
DG, Corporate Affairs Branch	FTE						267	267
	\$Ms						21.5	21.5
Totals	FTE	10,385	7,381	9,408	5,507	1,218	6,523	40,422
	\$Ms	636.1	397.0	554.5	247.9	68.8	610.3	2,514.6

Appendix 2 - Personnel Information (cont'd)

2.4 Planned Full Time Equivalents (FTEs) by Business Line

	Forecast 1997-98	Planned 1998-99	Planned 1999-2000	Planned 2000-2001
Assistance to Clients and Assessment of Returns	10,865	10,385	10,481	10,495
Customs and Trade Administration	7,555	7,381	7,312	7,312
Verification and Enforcement Compliance Research	9,158	9,408	9,742	9,743
Revenue Collections	5,526	5,507	5,670	5,722
Appeals	1,249	1,218	1,240	1,194
Administration and Information Technology	7,119	6,523	6,635	6,656
Total	41,472	40,422	41,080	41,122

2.5 Details of Full Time Equivalents Requirements

	Forecast 1997-98	Planned 1998-99	Planned 1999-2000	Planned 2000-2001
Average Group Salary Ranges				
<30,000	11,723	11,424	11,611	11,623
30,000-40,000	18,590	18,115	18,412	18,431
40,000-50,000	4,366	4,255	4,325	4,329
50,000-60,000	6,518	6,353	6,457	6,464
>60,000	275	275	275	275
Total	41,472	40,422	41,080	41,122

Appendix 3 - Capital Projects

3.1 Details of Major Capital Projects ¹

(\$ millions)	Current Estimated Total Cost	Forecast Expenditures to March 31, 1998 ²	Planned Expenditures 1998-99	Planned Expenditures 1999-2000	Planned Expenditures 2000-2001	Future Years' Requirements
New Facilities Projects:						
Saint-Bernard-de- Lacolle, Que.	18.7	18.7	-	-	-	-
Coutts, Manitoba	15.5	.5	5.0	5.0	5.0	-
Emerson, Manitoba	10.7	.4	5.0	5.3	-	-
Little Gold Creek, B.C.	1.2	.1	.3	.8	-	-
Osoyoos, B.C.	5.2	.1	.4	1.2	3.5	-
Andover, N.B.	4.8	.1	.9	1.2	1.2	1.4
Armstrong, Que.	4.8	.1	-	.2	1.3	3.2
Douglas, B.C.	1.0	1.0	-	-	-	-
Existing Facilities Projects:						
Health and Safety Projects	6.1	6.1	-	-	-	-
Other Projects	4.8	-	2.1	-	2.7	-
Total Spending Planned for Major Capital Projects	72.8	27.1	13.7	13.7	13.7	4.6
¹ Major Capital is included within the Customs and Trade Administration business line.						
² Total Spending (all years) to March 31, 1998.						

3.2 Distribution of Major Capital Expenditures

(\$ millions)	Forecast 1997-98	Planned 1998-99	Planned 1999-2000	Planned 2000-2001
New Facilities Projects	5.0	11.6	13.7	11.0
Existing Facilities	3.5	2.1	0	2.7
Total ¹	8.5	13.7	13.7	13.7
¹ Major Capital is included within the Customs and Trade Administration Services business line.				

Appendix 4 - Additional Financial Information

4.1 Departmental Summary of Standard Objects of Expenditure

(\$ millions)	Forecast 1997-98	Planned 1998-99	Planned 1999-2000	Planned 2000-2001
Personnel				
Salaries and Wages	1,606.8	1,595.8	1,630.7	1,634.3
Contributions to Employee Benefit Plans	273.2	335.1	342.4	343.1
	1,880.0	1,930.9	1,973.1	1,977.4
Goods and Services				
Transportation and Communications	187.2	148.1	145.0	143.3
Information	46.1	36.5	35.7	35.3
Professional and Special Services	129.7	102.6	100.5	99.3
Rentals	12.4	9.8	9.6	9.5
Purchased Repair and Maintenance	57.5	45.5	44.5	44.1
Utilities, Materials and Supplies	43.7	34.6	33.8	33.5
Other Subsidies and Payments	.2	.2	.2	.2
Minor Capital	70.9	55.9	54.8	54.1
	547.7	433.2	424.1	419.3
Capital				
Controlled Capital	8.5	13.7	13.7	13.7
Transfer Payments				
Grants (statutory payments)	43.0	44.0	44.0	44.0
Contributions	95.0	92.8	92.8	92.8
	138.0	136.8	136.8	136.8
Gross Budgetary Expenditures	2,574.2	2,514.6	2,547.7	2,547.2
Less: Revenues Credited to the Vote	132.9	137.3	139.8	145.5
Net Budgetary Expenditures	2,441.3	2,377.3	2,407.9	2,401.7

Appendix 4 - Additional Financial Information (cont'd)

4.2 Non-Tax Revenues

(\$ millions)	Forecast 1997-98	Planned 1998-99	Planned 1999-2000	Planned 2000-2001
Non-Tax Revenues				
Return on investments				
Public buildings and properties' rental	0.3	0.3	0.3	0.3
Refunds of previous years' expenditures				
Refunds of previous years' expenditures	1.2	1.2	1.2	1.2
Adjustment of Prior Year's Payable at Year-End	0.1	0.1	0.1	0.1
Privileges, licenses and permits				
Brokers' licence fees	0.4	0.4	0.4	0.4
Services and Service Fees				
Ruling fees	0.8	1.4	1.4	1.4
Special report on tax statistics	0.1	0.1	0.1	0.1
Foreign travel	0.1	0.1	0.1	0.1
Customs bonded warehouse fees	0.3	0.8	0.8	0.8
Provincial tax credit fees	10.3	10.4	10.9	11.4
Special services fees	0.9	1.8	1.8	1.8
Sufferance Warehouse Licence Fees	0.6	0.6	0.6	0.6
CANPASS	1.0	1.0	1.0	1.0
Other fees	2.4	2.4	2.5	2.5
Proceeds from Sales				
Proceeds from sales	0.1			
Sale of unclaimed goods, seals, etc.	0.2	0.2	0.2	0.2
Proceeds from disposal of surplus Crown assets	0.2	0.2	0.2	0.2
Other Non-Tax Revenues				
Penalties				
Goods and services tax	70.0	71.0	72.1	73.2
Other	5.4	5.5	5.5	5.6
Interest				
Goods and services tax	70.0	71.0	72.1	73.2
Other	11.2	11.4	11.6	11.7
Investigation services seizures	2.6	2.7	2.7	2.8
Port seizures	7.7	7.8	8.0	8.1
Duty free shops	3.3	4.3	4.3	4.3
Fines and forfeitures	8.0	8.1	8.2	8.4
Advance Pricing Agreements fees	0.1	0.3	0.3	0.3
Rental of parking space	0.2	0.2	0.2	0.2
British Columbia Family Bonus	3.2	2.5	2.5	2.5
New Brunswick Child Tax Benefit	1.6	1.1	0.9	0.9
Alberta Family Employment Tax Credit	2.5	1.8	1.7	1.7
Recovery of employee benefits	20.5	21.3	21.6	22.5
Other	14.7	7.0	6.4	6.0
Total Non-Tax Revenues	240.0	237.0	239.7	243.5

Appendix 4 - Additional Financial Information (cont'd)

4.3 Revenues Credited to the Vote (Responsible Revenues)

(\$ millions)	Forecast 1997-98	Planned 1998-99	Planned 1999-2000	Planned 2000-2001
Revenues Credited to the Vote				
Canada Pension Plan	56.8	59.0	61.4	64.3
Employment Insurance	76.1	78.3	78.4	81.2
Total Revenues Credited to the Vote	132.9	137.3	139.8	145.5

4.4 Transfer Payments

(\$ millions)	Forecast 1997-98	Planned 1998-99	Planned 1999-2000	Planned 2000-2001
Grants				
Children's Special Allowance payments	43.0	44.0	44.0	44.0
Contributions				
Contributions to the Province of Quebec in respect of the joint administration costs of federal and provincial sales taxes	92.8	92.8	92.8	92.8
Total Transfer Payments	135.8	136.8	136.8	136.8

4.5 Services Received Without Charge

(\$ millions)		Planned 1998-99	Planned 1999-2000	Planned 2000-2001
Accommodation	– from Public Works and Government Services Canada	157.8	160.9	157.0
	– from Transport Canada	.3	.1	0
Employer's share of employee benefit costs and insurance premiums	– from Treasury Board Secretariat	105.3	107.6	107.9
Workers' compensation benefits	– from Human Resources Development Canada	3.6	3.6	3.6
Legal Services	– from Justice Canada	35.2	35.2	35.2
Total Services Received Without Charge		302.2	307.4	303.7

Appendix 5 - Regulatory Strategy

During 1998, the Department proposes the following regulations activities:

Advance Income Tax Rulings Fees Order - A minor change is being implemented to remove the requirements for a deposit when an advance income tax ruling is requested.

Electronic Data Processing and Statistical Services Fees Order - As a result of improved efficiencies in electronic data processing, the fees order is being revised to reflect lower costs for these services.

Income Tax Act Re-registration Fees Order - A new regulation will be implemented that will charge a fee for reinstating a charitable organization when the status is lost as a result of the organization failing to comply with the *Income Tax Act*.

Customs Legislation - Subject to the successful negotiation of a free trade agreement with the South American Mercosur countries, customs legislation will need revision:

- modernize certain reporting processes for persons and goods, to provide for alternative means of report and to address enforcement gaps
- clarify exporter obligations to report the export of commercial goods and expand the existing enforcement framework
- develop an administrative monetary penalty system to provide for an alternative enforcement mechanism to the existing penalty system of seizure and prosecution.

Income Tax Regulations - Various regulations will be required as a result of the upcoming passage of Bill C-28 as well as a result of the 1998 Federal Budget.

Canada Pension Plan Regulations and Insurable Earnings and Collection of Premiums Regulations - Will require changes to reflect new contribution rates.

Appendix 6 - Legislation Administered

Acts under the responsibility of the Minister of National Revenue, including certain acts for which the Minister of National Revenue has a role:

Canada-Chile Free Trade Agreement Implementation Act
Canada-Israel Free Trade Agreement Implementation Act
Canada Pension Plan, C-8 (Part I)
Canada-United States Free Trade Agreement Implementation Act
Children's Special Allowances Act, 1992, c. 48 (Schedule)
Customs Act, R.S., c. 1 (2nd Supp.)
Customs Tariff, R.S., c. 41 (3rd Supp.)
Customs and Excise Offshore Application Act, C-53
Employment Insurance Act, 1996, c. 23 (Parts IV and VII)
Excise Act, E-14
Excise Tax Act, E-15 (Part II-IX)
Export Act, E-18
Export and Import Permits Act, E-19
Federal-Provincial Fiscal Arrangements Act, F-8
Foreign Mission and International Organization Act
Fruit and Vegetable Customs Orders Validation Act, 1988, c. 5
Importation of Intoxicating Liquors Act, I-3
Income Tax Act, R.S., c. 1 (5th Supp.)
Income Tax Application Rules, R.S., c. 2 (5th Supp.)
Department of National Revenue Act, N-16
North American Free Trade Agreement Implementation Act
Petroleum and Gas Revenue Tax Act, P-12
Privileges and Immunities (North Atlantic Treaty Organization) Act
Public Utilities Income Tax Transfer Act, P-37
Special Import Measures Act, S-15
Surcharge on Imports Order Act, etc., 1963, c. 18
Tax Rebate Discounting Act, T-3 (SI/95-102)
Trade Marks Act, T-13 (ss. 53 to 53.3)
World Trade Organization Agreement Implementation Act

Appendix 7 - Revenue Canada Points of Service by Region

7.1 Atlantic Region

- **Atlantic Regional Office**
- **Customs and Trade Administration:** Atlantic Region
Newfoundland and Labrador District: Cornerbrook, Fortune, Gander, Goose Bay and St. John's
Central New Brunswick District: Andover, Bloomfield, Centreville, Forest City, Fosterville, Four Falls, Fredericton, River De Chute, St. Croix and Woodstock
Northern New Brunswick District: Bathurst, Clair, Edmundston, Gillespie, Grand Falls and St. Leonard
Southern New Brunswick/ Prince Edward Island District: Campobello, Charlottetown, Deer Island, Grand Manan, Milltown, Moncton, Saint John and St. Stephen
Nova Scotia District: Halifax, Kentville, Liverpool, Lunenburg, New Glasgow, Port Hawkesbury, Shelburne, Sydney, Truro and Yarmouth
- **Tax Centres:** St. John's and Summerside
- **Tax Services Offices:** Bathurst, Charlottetown, Halifax, Moncton, Newfoundland and Labrador (St. John's), Saint John and Sydney

7.2 Quebec Region

- **Quebec Regional Office**
- **Customs and Trade Administration:** Quebec Region
Metro Montréal District
Airports District: Dorval and Mirabel
Montréal District: Clarenceville, Covey Hill, Dundee, East Pinnacle, Franklin Centre, Frelighsburg, Hemmingford, Herdman, Jamieson's Line, Morses Line, Noyan, Saint-Armand-de-Philipsburg, Saint-Bernard-de-Lacolle and Trout River
Eastern Townships District: Abercorn, Beebe, Chartierville, Drummondville, East Hereford, Glen Sutton, Granby, Hereford Road, Highwater, Rock Island, Sherbrooke, Stanhope and Woburn
Québec District: Armstrong, Baie Comeau, Cap-aux-Meules, Chicoutimi, Daaquam, Pohénégamook, Port-Cartier, Québec, Rivière-du-Loup, Saint-Pamphile, Sainte-Aurèle, Sept-Îles, Sorel and Trois-Rivières
- **Tax Centres:** Jonquière and Shawinigan-Sud
- **Tax Services Offices:** Chicoutimi, Laval, Montérégie-Rive-Sud, Montréal, Outaouais, Québec, Rimouski, Rouyn-Noranda, Sherbrooke and Trois-Rivières
- **Regional Excise GST Liaison Office:** Québec
- **Federal-Provincial and Interdepartmental Relations Office**

7.3 Northern Ontario Region

- **Northern Ontario Regional Office**
- **Customs and Trade Administration:** Northern Ontario Region
Ottawa District: Ottawa and Pembroke
St. Lawrence District: Cornwall, Kingston, Lansdowne, Peterborough, Prescott and Trenton
Sault Ste. Marie District: Gore Bay, North Bay, Sault Ste. Marie, Sudbury and Timmins
Thunder Bay District: Pigeon River and Thunder Bay
Fort Frances District: Dryden, Fort Frances, Kenora, Rainy River, Red Lake, Sandpoint Lake and Sioux Lookout
- **Tax Centre:** Ottawa
- **Tax Services Offices:** Belleville, International (Ottawa), Kingston, Ottawa, Peterborough, Sudbury and Thunder Bay

Appendix 7 - Revenue Canada Points of Service by Region (cont'd)

7.4 Southern Ontario Region

- **Southern Ontario Regional Office**
- **Customs and Trade Administration:** Southern Ontario Region
Inland: Barrie, Brantford, Cambridge, Metro Toronto, Guelph, Hamilton, Kitchener, London, Oakville, Oshawa, Pearson International Airport and Woodstock
- **Frontier:**
Windsor District: Leamington, Pelee Island and Windsor
St. Clair District: Sarnia, Sombra and Walpole
Niagara District: Fort Erie, Niagara Falls and Welland
- **Tax Services Offices:** Hamilton, Kitchener/Waterloo, London, St. Catharines, Toronto Centre, Toronto East, Toronto North, Toronto West and Windsor

7.5 Prairie Region

- **Prairie Regional Office**
- **Customs and Trade Administration:** Prairie Region
Winnipeg District: Churchill, Inuvik, Iqaluit, Winnipeg and Yellowknife
Emerson District: Boissevain, Cartwright, Coulter, Crystal City, Emerson, Goodlands, Gretna, Lena, Lyleton, Piney, Snowflake, South Junction, Sprague, Tolstoi, Windygates and Winkler
Saskatchewan District: Big Beaver, Carievale, Climax, Coronach, Estevan Highway, Monchy, North Portal, Northgate, Oungre, Regina, Regway, Saskatoon, Torquay, West Poplar River and Willow Creek
North Central Alberta District: Calgary and Edmonton
Southern Alberta District: Aden, Carway, Chief Mountain, Coutts, Del Bonita and Wildhorse
- **Tax Centre:** Winnipeg
- **Tax Services Offices:** Brandon, Calgary, Edmonton, Lethbridge, Red Deer, Regina, Saskatoon and Winnipeg

7.6 Pacific Region

- **Pacific Regional Office**
- **Customs and Trade Administration:** Pacific Region
Metro Vancouver District
Vancouver International Airport District
Pacific Highway District: Aldergrove, Boundary Bay, Douglas, Huntingdon and Pacific Highway Canpass
West Coast and Yukon District: Atlin, Bamfield, Beaver Creek, Bedwell Harbor, Campbell River, Courtenay, Dawson City, Fraser, Gold River, Kitimat, Little Gold, Nanaimo, Pleasant Camp, Port Alice, Port Hardy, Powell River, Prince Rupert, Sidney, Smithers, Stewart, Telegraph Creek, Tohsis, Ucluelet, Victoria and Whitehorse
Okenagan and Kootenay District: Carson, Cascade, Chopaka, Cranbrook, Dawson Creek, Flathead, Kamloops, Kelowna, Kingsgate, Midway, Nelway, Osoyoos, Paterson, Penticton, Prince George, Roosville, Rykerts, Vernon and Waneta
- **Tax Centre:** Surrey
- **Tax Services Offices:** Burnaby-Fraser, Northern British Columbia and Yukon, Southern Interior British Columbia, Vancouver, Vancouver Island and Whitehorse

7.7 Foreign Offices

- Belgium, Brussels
- Japan, Tokyo