



THE CANADIAN BAR ASSOCIATION
L'ASSOCIATION DU BARREAU CANADIEN

June 13, 2008

Lise Potvin, Director – Sales Tax Division
and
Jim Daman, Special Advisor – Tax Policy
Finance Canada
140 O'Connor Street
Ottawa, ON K1A 0G5

Dear Ms. Potvin and Mr. Daman:

Re: Canadian Bar Association – Commodity Tax, Customs and Trade Section Meeting

Thank you for meeting with representatives of the Commodity Tax, Customs and Trade Section of the Canadian Bar Association (CBA Section) on May 14, 2008. We appreciate all the participants taking time from their busy schedules to discuss issues that the CBA Section members have identified as being significant.

During our meeting, you sought the CBA Section attendees' input on priority issues concerning the goods and services tax and harmonized sales tax. We have identified the following issues (in order of perceived importance):

1. amending section 273 of Part IX of the *Excise Tax Act* (ETA) to extend the prescribed election to cover the initial acquisition of joint venture property by joint venture participants, and prescribing the long-standing Canada Revenue Agency administrative list of additional qualifying activities for the election;
2. amending the *Input Tax Credit Information (GST/HST) Regulations* to expressly contemplate billing agents;
3. introducing specific legislative authority and transitional measures for filing the financial institution information schedule; and
4. amending section 156 of the ETA to expressly permit the closely related group election to apply to a corporation's or partnership's initial acquisition of property, provided the entity will continue in existence and make supplies on an ongoing basis.

Once again, thank you for your time and consideration.

Yours very truly,

(original signed by Tamra L. Thomson for Allan J. Gelkopf)

Allan J. Gelkopf
Chair
National Commodity Tax, Customs and Trade Section