



25 September 2014

Mr. Andrew Treusch
Commissioner and Chief Executive Officer
Canada Revenue Agency
555 MacKenzie Avenue, 7th Floor
Ottawa, Ontario K1A 0L5

Re: PBO Information Request IR0102: Tax Gap Estimate

Dear Mr. Treusch:

Thank you for your letter dated 29 August 2014, proposing a Memorandum of Understanding (MOU) for the provision of data by the CRA to the PBO. The PBO is willing to agree to the draft MOU with the following amendments:

1. *That the PBO be permitted to use the data for the performance of his entire mandate, including responding to requests from parliamentarians and committees. This amendment is necessary because otherwise section 4.1 would bar the PBO from using the data provided to address the requests for analysis from Senator Downe and MP Scott Brison.*
2. *That the PBO may withdraw a request for data and be reimbursed for the difference between the amount paid and the expenses the CRA incurred prior to notification. This amendment is necessary to avoid unnecessary waste should, for example, the requestors resign and no other parliamentarians express interest.*
3. *That the CRA provide the requested data with no more suppression or aggregation than is legally required. This amendment is necessary because otherwise the PBO has no guarantee it will not simply be provided with tables which are too suppressed to be useful. The amended text would still reflect CRA's commitment to provide the requested data subject to its legal obligations.*
4. *That the question of whether the CRA is "prohibited by law from disclosing the requested taxpayer information at the taxpayer level" (i.e. the level of suppression and aggregation required) be settled by the Federal Court under a mutual request for a reference opinion under section 17(3)(b) of the Federal Courts Act, with no order as to costs. As you noted in our prior*

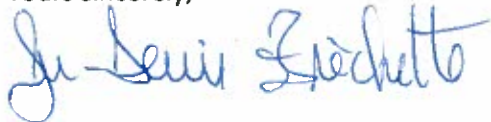
correspondence, many parliamentarians are of the view that the CRA can and must provide the PBO with access to taxpayer information. Referring this question would avoid allegations that the CRA has failed to meet its legal obligations.

A revised MOU reflecting these amendments, as well as some other non-essential changes and corrections, is attached for your approval. Grammatical and stylistic corrections had to be made to the French version, so our translator's notes are also enclosed.

Our renewed concern about cost and timelines stems from being informed that the data would be severely suppressed, so much so that it would have little if any utility for our purposes.

Thank you for your co-operation in advancing this endeavour. I would add that the PBO has a longer trail of correspondence on this request dating back to 22 January 2013, and that there have been additional exchanges by phone and e-mail, and in-person meetings.

Yours sincerely,



Jean-Denis Fréchette
Parliamentary Budget Officer

Attach. (2)