



Canada Revenue Agency    Agence du revenu  
du Canada

Commissioner    Commissaire

Ottawa, Canada  
K1A 0L5

**NOV 27 2014**

Mr. Jean-Denis Fréchette  
Parliamentary Budget Officer  
50 O'Connor Street, Suite 919  
Ottawa ON K1A 0A9

Dear Mr. <sup>Jean-Denis</sup>Fréchette:

Thank you for your letter of September 25, 2014, regarding Parliamentary Budget Office (PBO) Information Request IR0102: Tax Gap Estimate. Among other proposals, your letter calls for a mutual request to the Federal Court for a reference opinion related to the PBO's right of access to taxpayer information, and proposes a number of amendments to the draft Memorandum of Understanding between the Office of the Parliamentary Budget Officer and the Canada Revenue Agency (CRA).

I understand that you are pursuing access to taxpayer information further to various parliamentary requests and that you propose to use these data to produce an estimate of the "tax gap." As indicated previously, we do not believe that the Canada Revenue Agency has data sufficient to establish a "tax gap." However, regardless of the limits of CRA data, we continue to be committed to work with your office to provide the data that the law permits us to provide.

Given the difference in views on the limits of the CRA's authority to provide taxpayer information to your office, I suggest that the next step in the process should be a discussion among our staff and legal counsel, in the hope that we can come to a common understanding of what the law currently provides. I believe this is an important and necessary precursor to a potential decision on a costly joint reference.

I believe that having a full and frank discussion of our respective positions at this point is important to our ability to successfully resolve this issue. This dialogue is critical in helping us reach the best solutions for Canadians. We are prepared to have this discussion at your convenience and on a without prejudice basis so as to not hamper any future positions.

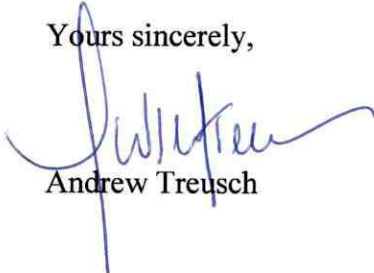
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**Canada**

I look forward to informative and constructive discussions. Catherine Bennett, Assistant Commissioner, Strategy and Integration Branch is available to coordinate these discussions. She can be reached at 613-954-3600.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Andrew Treusch", with a long, sweeping underline that extends below the printed name.

Andrew Treusch

c.c.: Mr. Paul Rochon  
Deputy Minister  
Department of Finance

Mr. Doug Nevison  
Assistant Secretary to the Cabinet  
Liaison Secretariat for Macroeconomic Policy  
Privy Council Office