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Organisation de Coopération et de Développement Économiques
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DIRECTORATE FOR FINANCIAL, FISCAL AND ENTERPRISE AFFAIRS
COMMITTEE ON FISCAL AFFAIRS

Forum on Strategic Management

CANADIAN UPDATE TO ITS REPLY TO THE QUESTIONNAIRE ON INTERNATIONAL TAX SECTIONS OF TAX ADMINISTRATIONS

(Note by Canada)

The present note is submitted FOR INFORMATION to the Deputies of the Forum on Strategic Management at their meeting on 11-12 December 2000 in Apeldoorn, the Netherlands.

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The restructuring of the CCRA’s International Tax Directorate (ITD) has been formally approved. Information relating to the restructuring is attached. In addition to the ITD, The International Relations Coordination Office (IRCO), which is part of the Policy and Legislation Branch (P&L), is responsible for the coordination of the CCRA’s international activities and is the contact point between the Agency and other tax and customs administrations and international organizations. P&L also represents the CCRA in international fora, such as the OECD, CIAT, CATA, etc. This Branch is also responsible for negotiating international tax treaties, while the Customs Branch has that responsibility for international Customs agreements.

**INTERNATIONAL TAX DIRECTORATE**

**MANDATE**

1. The mandate of the International Tax Directorate is to be the Canada Customs & Revenue Agency’s (CCRA) centre of expertise in the administration of international tax. The Directorate contributes to the CCRA’s overall mandate by ensuring Canada receives its fair share of taxes from international business and financial transactions. The International Tax Directorate provides functional leadership, policy development and program direction for international auditors in Tax Services Offices and for servicing non-resident clients through the International Tax Services Office. The Directorate performs the competent authority functions under Canada’s income tax treaties.

**INTERNATIONAL TAX OPERATIONS DIVISION**

**MANDATE**

2. The mandate of this Division is to provide functional leadership, strategic direction and expert guidance on all international audit activities, including program direction to the field offices, policy guidelines on transfer pricing issues, multidisciplinary technical support to the field staff and headquarters staff on transfer pricing and other complex international tax issues, and to assist in the development of policies, procedures and tools in support of the international audit functions.
COMPETENT AUTHORITY SERVICES DIVISION

MANDATE

3. The Division directs the mandatory Competent Authority Program that is related to Canada's network of over 70 income tax treaties, designed to facilitate trade and investment between Canada and its treaty partners. The Competent Authority functions include participation in double taxation cases, exchanges of information, simultaneous audits and execution of miscellaneous special arrangements. The Division also administers the Advance Pricing Arrangements (APAs) service to multinationals and supports Canada’s participation in international forums such as the Organisation for Economic Co-operation and Development (OECD), the Pacific Association of Tax Administrators (PATA), etc.

NON-RESIDENT OPERATIONS DIVISION

MANDATE

4. The mandate of the Division is to be the International Tax Directorate’s centre of expertise for non-resident programs. The Non-Resident Operations Division provides program direction and policy guidance to the field, thereby contributing to the Directorate’s mandate by ensuring the non-resident programs operate in the most efficient and effective manner possible.

5. The Non-Resident Operations Division provides functional leadership and program direction to the International Tax Services Office (ITSO) for processing of non-resident, immigrant and emigrant tax returns programs, enquiries and adjustments programs as well as compliance programs, for Part I and Part XIII withholding programs, and to the Tax Services Offices (TSOs) for non-resident audit programs. The Division monitors and develops the non-residents programs to ensure:

- the timely processing, assessing and reassessing of income tax returns, including post-assessing validations, non/late filer programs and special matching programs;
- a professional enquiries service;
- effective Part I and Part XIII withholdings related enforcement; and
- proficient non-resident audits.

POLICY AND PROGRAMS DIVISION

MANDATE

6. The mandate of this Division is to provide program direction for all programs delivered by the International Tax Directorate; and to manage and monitor the corporate functions including budgeting, training plan, systems plan and human resources support. The formation of strategic partnerships with key stakeholders, as well as policy development and publication are also the responsibility of this Division.
INTERNATIONAL TAX STRATEGY DIVISION

MANDATE

7. The mandate of this Division is to implement a compliance strategy which maximizes voluntary compliance in all areas of international taxation and to undertake research and analysis in the area of international taxation and to provide advice within the Directorate on emerging international tax compliance issues and trends.

8. The strategy balances the sometimes-competing objectives of efficiency, effectiveness, quality service, compliance burden and privacy rights of taxpayers. It is implemented under the principle of risk management and is made dynamic and forward-looking through economic analyses, projections and forecasts. Success criteria and feedback mechanisms are built-in to test the effectiveness of the strategy.

FILM SERVICES UNIT

MANDATE

9. This Section provides program direction and policy guidance to the Film Services Units (FSU) established in the Vancouver, Toronto and Montreal TSOs to ensure an efficient enquiry service and proper processing of the waiver applications for the behind-the-scenes personnel providing services in Canada, including the advanced filing form for non-resident actors. This Section is also responsible for providing program direction and policy guidance on the non-resident withholding, remitting, and reporting and related compliance and enforcement activities specific to the film and television industry in Canada.