



CRA SHARING INFORMATION WITH THE IRS

January 23, 2020

In the July 2019 Federal Court decision in *Deegan et al. vs. A.G.C. and M.N.R.*, T-1736-14, the Court found the **information exchange** between **CRA and the IRS** in respect of information CRA receives from Canadian financial institutions concerning the **financial accounts** belonging to customers whose account information suggests that they may be **“U.S. persons”** is **not unconstitutional**.

According to Elizabeth Thompson’s 2019 CBC article (Nearly a million Canadian bank records sent to IRS), 900,000 financial records of Canadian residents relating to the 2018 year were sent to the IRS as part of the information-sharing agreement under the *Foreign Account Tax Compliance Act* (FATCA). FATCA requires financial institutions in countries outside the United States to report information about accounts held by U.S. individuals, including Canadians with dual citizenship. This brings the 5-year total to 2.6 million records. These figures are concerning because the affected account holders receive **no automatic notification**.

The transferred information includes, but is not limited to, the names and addresses of account holders; account numbers, balances or values; and information about

certain types of payments including interest, dividends and other income.

The statistics may be skewed, however, because the number of records transferred may not correspond to the number of individuals impacted. For example, a single individual may have more than one bank account and a joint account could have more than one holder.

In return for this information sharing under FATCA, the IRS is supposed to provide CRA with information about Canadians’ U.S. bank accounts. At this time, CRA has not disclosed how many records it has received under this agreement.

For further information, visit

<https://www.cbc.ca/news/politics/fatca-tax-us-canada-1.5353942>

and

<https://www.cbc.ca/news/politics/tax-fatca-u-s-canada-1.4988135>.