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LEGISLATIVE SUMMARY

BILL C-15: AN ACT TO IMPLEMENT CERTAIN PROVISIONS OF THE BUDGET TABLED IN PARLIAMENT ON NOVEMBER 4, 2025

45-1-C15-E

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Research and Education

BUDGET IMPLEMENTATION BILL

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For clarity of exposition, the legislative proposals set out in the bill described in this legislative summary are stated as as if they had already been adopted or were in force. It is important to note, however, that bills may be amended during their consideration by the Senate and House of Commons and have no force or effect unless and until they are passed by both houses of Parliament, receive Royal Assent and come into force.

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Legislative Summary of Bill C-15
(Budget implementation bill)

45-1-C15-E

Ce document est également publié en français.

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LEGISLATIVE SUMMARY OF BILL C-15: AN ACT TO IMPLEMENT CERTAIN PROVISIONS OF THE BUDGET TABLED IN PARLIAMENT ON NOVEMBER 4, 2025*

1 BACKGROUND

Bill C-15, An Act to implement certain provisions of the budget tabled in Parliament on November 4, 2025 (short title: Budget 2025 Implementation Act, No. 1),[1] was introduced in the House of Commons on 18 November 2025 by the Honourable François-Philippe Champagne, Minister of Finance and National Revenue. As suggested by the long and short titles, the purpose of the bill is to implement the government's overall budget policy, presented to the House of Commons on 4 November 2025. Bill C-15 is the first budget implementation bill of 2025.

The bill has five parts:

- Part 1 implements various income tax measures through amendments to the *Income Tax Act*[2] and related statues and regulations, including exempting the Canada Disability Benefit from income, extending the full credit rates for the Carbon Capture, Utilization and Storage investment tax credit to 2035, and providing immediate expensing for new additions of property in respect of productivity-enhancing assets (clauses 2 to 125).
- Part 2 repeals the *Digital Services Tax Act*[3] and the *Digital Services Tax Regulations*[4] and makes consequential amendments to other legislation (clauses 126 to 158).
- Part 3 clarifies that supplies of osteopathic services rendered by non-osteopathic physicians are taxable under the goods and services tax/harmonized sales tax, extends the Enhanced (100%) Goods and Services Tax Rental Rebate to qualifying cooperative housing corporations and student residences, allows input tax credits for redeemed coupons to be available for payments made exclusively in the course of commercial activities, eliminates the underused housing tax and the luxury tax for aircraft and vessels (clauses 159 to 176).
- Part 4 establishes an opt-in framework under the *First Nations Goods and Services Tax Act*[5] for interested Indigenous governments to levy a value-added sales tax, under their own laws, on fuel, alcohol, cannabis, tobacco and vaping products within their reserves or settlement lands. It also makes process-type improvements and machinery-of-government changes to streamline the administration of taxes under the Act (clauses 177 to 190).

- Part 5, which is divided into 45 divisions, implements various measures. It amends numerous existing Acts that cover many areas of law. It also enacts the National School Food Program Act and the Stablecoin Act (clauses 191 to 606).

This unedited legislative summary provides a brief description of the main measures proposed in Bill C-15. For ease of reference, the information is presented in the same order as it appears in the summary of the bill. Unless otherwise specified, provisions in this bill come into force on Royal Assent.

2 DESCRIPTION AND ANALYSIS

2.1 PART 1: IMPLEMENTATION OF VARIOUS INCOME TAX MEASURES

2.1.1 Expanding the Rollover for Small Business Corporation Shares

Under the *Income Tax Act* (ITA)[6], an individual may defer recognition of capital gains arising from the qualifying disposition of shares of an Eligible Small Business Corporation (ESBC) if the proceeds are reinvested in replacement ESBC shares either in the year of disposition or within 120 days after the end of that year. To qualify as an ESBC share, the share must be a common share issued to the individual by an ESBC, and the combined carrying value of the assets of the ESBC and of any related corporations must not exceed $50 million immediately before and immediately after the issuance of the share.

Clause 8(1) of Bill C-15 repeals the definition “common share” in section 44.1(1) of the ITA.

Clause 8(2) of the bill modifies the definition “eligible small business corporation share” in section 44.1(1) of the ITA to refer to a share issued by a corporation to the individual, thereby removing the requirement that the share meet the former definition of a common share.

Clause 8(3) of the bill increases the asset-value threshold in the definition eligible small business corporation share in section 44.1(1) of the ITA. Under the amended rule, immediately before and after the share is issued, the total carrying value of the assets of the corporation and its related corporations must not exceed $100 million (increased from the previous $50-million limit).

Clause 8(4) of the bill amends the definition “qualifying disposition” in section 44.1(1) of the ITA to require that, throughout the period during which the individual owned the share, it must have been a share of an active business corporation.

Clause 8(5) of the bill amends the definition "replacement share" in section 44.1(1) of the ITA to provide that the replacement share must be acquired by the individual in the year or in the following calendar year, replacing the previous rule under which replacement shares were required to be acquired in the year of disposition or within 120 days after the end of that year (120-day rule).

Clause 8(6) of the bill modifies section 44.1(7) of the ITA. Under the revised provision, where an individual receives new shares as the sole consideration for disposing of other shares, the new shares are deemed to be eligible small business corporation shares of the individual and shares of an active business corporation owned throughout the period during which the exchanged shares were owned.

Clause 8(7) of the bill modifies section 44.1(9) of the ITA. Under the amended rule, a disposition of a share of an active business corporation is deemed not to be a qualifying disposition unless the active business of the corporation was carried on primarily in Canada.

Clause 8(8) of the bill provides that clause 8(1) is deemed to have come into force on 1 January 2025. Clause 8(9) of the bill provides that clauses 8(2) to 8(7) apply to dispositions occurring on or after 1 January 2025.

2.1.2 Expanding the List of Expenses Recognized Under the Disability Supports Deduction

Clause 12(1) of Bill C-15 amends section 64 of the *Income Tax Act* (ITA)[7] to provide an extended disability supports deduction, including for individuals with a severe and prolonged impairment in physical functions, an impairment in physical or mental functions, or a vision impairment.

As noted in budget 2024, which announced this measure, the disability supports deduction aims to

> help persons with disabilities have a fair chance of success … [and] ensur[e] persons with disabilities have the tools they need to pursue an education, advance their careers, become entrepreneurs, or achieve whatever their aspirations may be.[8]

That was a recommendation from the Disability Advisory Committee.[9]

Further, clause 111(1) of the bill amends section 5700 of the *Income Tax Regulations*[10] to add the cost of a navigation device for low vision for persons who have a vision impairment as qualifying expenditure in respect of the medical expense tax credit under section 118.2(2)(m) of the ITA.

These measures apply to the 2024 and subsequent taxation years (clauses 12(2) and 111(2)).

2.1.3 Exempting the Canada Disability Benefit from Income

Clause 20(3) of Bill C-15 amends section 81(1) of the *Income Tax Act* [11] to exclude, in computing a taxpayer's income, any amount received under the *Canada Disability Benefit Act*.[12] As the government explains:

> Under current rules, payments received under the Canada Disability Benefit would be included in income for tax purposes. While an offsetting deduction would be provided to ensure these payments are effectively non-taxable, amounts received could affect income-tested benefits delivered through the federal tax system.[13]

This change therefore prevents these unwanted interactions.

This measure, which was announced in the *2024 Fall Economic Statement*,[14] applies to taxation years that begin after 2024 (clause 20(7)).

2.1.4 Aligning the Taxation of Investment Income and Active Business Income Earned and Distributed by Controlled Foreign Affiliates with the Current Rules for Canadian-Controlled Private Corporations

The *Income Tax Act* (ITA)[15] sets out a set of rules to prevent any tax deferral advantage that can be obtained from earning certain types of highly mobile income through non-resident corporations. Generally, these rules ensure that such income (included under the term "foreign accrual property income," FAPI) is subject to Canadian tax as soon as the amounts are earned by the corporation,[16] because they are immediately included in the Canadian resident shareholder's income[17] – subject to a deduction to reflect the foreign taxes paid (DFT).[18] Another deduction is provided when the shareholder receives a dividend from the non-resident corporation, which allows the deduction of all or part of the amount of the dividend received based on the surplus account from which the dividend was paid (DSA).[19]

As provided for by the definition in section 95(1) of the ITA, FAPI includes "income from property" (such as interest, rent, certain dividends, as well as income from an "investment business"), income from a business other than an "active business" and income from a "non-qualifying business."[20]

However, as the government has pointed out,

> [u]nlike the domestic anti-deferral rules, the FAPI rules (and more specifically the relevant tax factor) do not differentiate between different tax rates applicable to different types of Canadian corporations. This provides a tax-deferral advantage for [Canadian-controlled private corporations (CCPCs)] and their individual shareholders earning passive investment income through non-resident corporations.[21]

Specifically, a CCPC (or a substantive CCPC) can claim the small business deduction[22] for its portion of "active business" income[23] in Canada, which, combined with the other business deductions, generally permits the reduction of the applicable income tax rate. The "aggregate investment income" (AII) of a CCPC (or a substantive CCPC) is generally subject to a higher income tax rate. As provided for by the definition in section 129(4) of the ITA, the AII generally includes income from property.

In order to eliminate this tax deferral advantage, clause 29(3) of Bill C-15 amends the definition of "relevant tax factor" (RTF) provided under section 95(1) of the ITA, so that a CCPC (or a substantive CCPC) as well as certain partnerships (collectively, a CCPC), are now subject to an RTF of 1.9 instead of the RTF of 4, thereby reducing the DFT and the DSA that they can claim.

Clause 27(1) of the bill, however, provides for an elective relief through new sections 93.4(2) and 93.4(3) of the ITA, by introducing a new concept: "foreign accrual business income (FABI)." FABI is defined in new section 93.4(1) of the ITA and is a modified version of FAPI. Generally, this modified version accounts "for the fact that the FABI … includes certain types of income that are not included in AII when earned directly by a CCPC … in Canada."[24] For this income, the higher RTF of 4 may be preserved in computing the DFT and in computing the DSA for dividends paid out from the taxable surplus account.[25]

To access this relief, a CCPC must make an election in prescribed form and manner on or before the CCPC's filing-due date. Deeming provisions are included for elections in relation to pre-2026 taxation years (new sections 93.4(4) and 93.4(5) of the ITA).

These changes apply to taxation years beginning after 2025 and to previous taxation years where an election is made under new sections 93.4(4) or 93.4(5) of the ITA (clause 27(2)).

Further,

- clauses 10(1) and 25(1) of the bill make consequential changes, including to the definition of "capital dividend account," in order "to address the integration of certain earnings of foreign affiliates as they are repatriated to and distributed by [CCPCs] and substantive CCPCs to their individual shareholders";[26]
- clause 25(2) makes consequential changes to the definition of "general rate income pool" to reflect the fact that the integration "will now be addressed through the capital dividend account";[27] and
- clauses 61(1) to 61(3) make consequential amendments to the definition "income or loss" to "ensure that, where an election … has been filed … no account is to be taken of the portion of the amount … that can reasonably be considered to be attributable to the FABI of a controlled foreign affiliate."[28]

These amendments are deemed to have come into force when budget 2022 was tabled, namely on 7 April 2022 (clauses 10(2), 25(5) and 61(4)).

Finally, consequential amendments to the definition of "tax-free surplus balance" in section 5905(5.5) of the *Income Tax Regulations* (ITR),[29] to the partnerships look-through rule and to the ITR are made by new section 93.4(6) of the ITA, clause 26(1) and clause 101(1) of the bill, respectively. These changes apply to taxation years beginning after 2025 and to previous taxation years where an election is made under new sections 93.4(4) or 93.4(5) of the ITA (clauses 26(3), 27(2) and 101(4)).

2.1.5 Extending the Deadline for Making Certain Charitable Donations Eligible for Tax Support in the 2024 Tax Year

2.1.5.1 Corporate Donations

Section 110.1 of the *Income Tax Act* (ITA)[30] allows a corporation to deduct eligible charitable donations in computing its taxable income. Clause 34 of Bill C-15 amends the ITA by adding section 110.1(18), which provides that, for a corporation with a taxation year that ended after 14 November 2024 and before 2025, a charitable donation made in the period beginning immediately after the end of that taxation year and ending before March 2025 is deemed to have been made in that preceding year – rather than in the corporation's 2025 taxation year – if:

- the donation would have been deductible under section 110.1 of the ITA if it had been made immediately before the end of that taxation year;
- the corporation deducts the donation for that preceding taxation year; and
- the donation is made in cash, or by cheque, credit card, money order or electronic payment.

2.1.5.2 Individual Donations

Section 118.1 of the ITA provides a non-refundable tax credit for eligible charitable donations made by an individual in a taxation year. Clause 43 of Bill C-15 amends the ITA by adding section 118.1(29), which provides that, for an individual with a taxation year that ended after 14 November 2024 and before 2025, a charitable donation made in the period beginning immediately after the end of that taxation year and ending before March 2025 is deemed to have been made in that preceding year – rather than in the individual's 2025 taxation year – if:

- the donation would have been deductible under section 118.1 of the ITA if it had been made immediately before the end of that taxation year;
- the individual claims the donation under section 118.1(3) of the ITA for that preceding year;

- the donation is made in cash, or by cheque, credit card, money order or electronic payment; and
- the donation is not made through a payroll deduction, and, if the individual died after 2024, is not made by will.

2.1.6 Increasing the Limit Under the Lifetime Capital Gains Exemption

Section 110.6 of the *Income Tax Act* (ITA) provides an exemption on capital gains realized by individuals on the disposition of qualified small business corporation shares and qualified farm or fishing property.

Clause 35(6) of Bill C-15 replaces section 110.6(2.2) of the ITA[31] in order to establish a transitional rule for the individual's taxation year that includes 25 June 2024 (the "transition year"). Under new section 110.6(2.2), an individual (other than a trust) who was resident in Canada throughout the transition year and who disposed of a qualified small business corporation share or a qualified farm or fishing property in that year, on or after 25 June 2024, may deduct an additional amount of $116,582 – thereby increasing the Lifetime Capital Gains Exemption (LCGE) to $1,250,000 – in computing taxable income for the transition year.

Clause 35(5) of the bill modifies the formula in section 110.6(2)(a) of the ITA to establish $625,000 as the new base amount used in computing the LCGE deduction. This amount represents one-half of the enhanced $1,250,000 LCGE, consistent with the 50% inclusion rate applicable to eligible capital gains. The limit for subsequent years continues to be determined under the indexation mechanism in section 117.1 of the ITA, under which the $1.25-million LCGE amount will be indexed beginning on 1 January 2026.

Clauses 35(1), 35(4) and 35(7) of the bill introduce coordinating amendments to section 110.6 of the ITA to ensure that the calculation of the annual gains limit, cumulative gains limit, and related definitions properly reflect the new deductions under sections 110.61(2) and 110.62(2) of the ITA and align with the enhanced LCGE framework.

Clauses 35(8) to 35(10) of the bill set out the coming-into-force rules for the LCGE amendments, providing that clauses 35(1) to 35(4) apply to dispositions occurring on or after 12 August 2024, clause 35(5) applies to taxation years beginning after 2024, and clauses 35(6) and 35(7) apply to taxation years beginning after 2023.

2.1.7 Exempting the First $10 Million in Capital Gains on the Sale of a Business to a Worker Cooperative and Amending the Corresponding Exemption for Sales to an Employee Ownership Trust

When a business owner sells shares of their company, any capital gains realized from the sale are taxable. In 2023–2024, the government introduced the concept of the Employee Ownership Trust (EOT) and enacted a temporary tax incentive – located in section 110.61 of the *Income Tax Act* (ITA)[32] – for business owners who sell to a qualifying EOT to claim an exemption of up to $10 million of capital gains, applicable to sales occurring from 1 January 2024 to 31 December 2026.

An EOT is a Canadian-resident trust that holds shares of qualifying businesses for the benefit of employees to facilitate succession and promote employee ownership. The EOT rules allow employees to borrow from the business to finance the purchase with an extended repayment period and a longer capital gains deferral period for the retiring owners, where certain conditions are met. Bill C-15 enacts serval technical changes to the EOT framework.

Clause 36(2) of the bill amends section 110.61(1)(b) of the ITA to ensure that the holding period and the active business asset tests – two conditions that the subject shares must meet throughout the 24 months immediately prior to the disposition – operate where shares are received in substitution for other shares, allowing shares of a holding corporation to satisfy these conditions.

Clause 36(3) of the bill amends section 110.61(1)(d)(ii) of the ITA to allow for the "active engagement" of the individual claimant in the corporation, or the spouse or common-law partner of the individual – for the purpose of their qualification for the EOT – must take place on a regular, continuous and substantial basis.

Section 110.61(3)(b) of the ITA provides that a sale is disqualified from the deduction (a "disqualifying event") when less than 50% of the fair market value of an EOT's shares are attributable assets used principally in an active business (referred to as the "active business test"). Clause 36(6) of the bill amends section 110.61(3)(b) of the ITA to provide an exception where an active business ceases to be carried on due to the disposition of all the assets in order to satisfy debts owed to creditors of the EOT or of a qualifying business controlled by the EOT.

Clause 36(7) of the bill amends section 110.61(4)(b) of the ITA to limit the consequences of a disqualifying event from the tax deduction to any time up to 10 years after the disposition of a qualifying business transfer.

Clause 36(8) of the bill adds new section 110.61(11)(b.1) to the ITA to specify that a spouse or common-law partner of a particular individual includes an individual who was a spouse or common-law partner of the particular individual immediately before that individual's death.

These measures are deemed to have come into force on 1 January 2024.

Clauses 36(4) and 36(5) of the bill amend sections 110.61(2) and 110.61(2.1) of the ITA, respectively, to prevent multiple deductions from being claimed against the same amount, by incorporating limitations equivalent to those currently applicable to the lifetime capital gains exemption.

These measures are deemed to have come into force on 12 August 2024.

In addition, clause 37 of the bill adds new section 110.62 to the ITA to provide a $10-million deduction for the capital gains realized on the disposition of shares to a "qualifying worker cooperative" that occur after 2023 and before 2027. Clause 94(13) adds the definitions of "qualifying cooperative business," "qualifying cooperative conversion," "qualifying cooperative worker" and "worker cooperative" to section 248(1). In tandem, these measures effectively extend the tax treatment of the EOT to worker cooperatives.

To be eligible for the measure, the qualifying worker cooperative must be a Canadian-controlled private corporation, no more than 40% of its directors can own 50% or more of the corporation's debt or fair market value, and the corporation must deal at arm's length and not be affiliated with any persons or partnerships who owned half or more of the corporation's debt or fair market value of shares before it became controlled by the trust.

Clause 7 of the bill amends section 40(1.3) and adds new section 40(1.4) to the ITA to allow a taxpayer to claim a reserve – which reduces the amount of the capital gain a taxpayer reports as income in a particular year by spreading the amount over time – over a period of up to 10 years, wherein a minimum of 10% of the gain in selling an EOT or worker cooperative is included in the taxpayer's income each year.

Clauses 36(1), 58(2) and 94(5) of the bill make coordinating or consequential amendments to sections 110.61(1)(a), 110.62(2) and 248(1) of the ITA, respectively.

2.1.8 Removing the Tax-Indifferent Investor Exception to the Synthetic Equity Arrangement Anti-Avoidance Rule

Subject to certain limitations, the *Income Tax Act* (ITA)[33] generally permits a corporation to deduct the value of dividends received from another corporation resident in Canada from its taxable income, known as the inter-corporate dividend deduction. This deduction is intended to prevent the imposition of multiple levels of Canadian corporate tax on earnings distributed from one corporation to another. One such limitation – or specific anti-avoidance rule – precludes this deduction when the dividend arises as part of a "synthetic equity arrangement."

Synthetic equity arrangements are defined in section 248(1) of the ITA, and involve arrangements for which the main purpose is to enable a shareholder to retain share ownership and receive a corresponding dividend while the economic exposure to the share – the opportunity for gains or losses – is transferred to another party. Under these arrangements, shareholders typically compensate the other party for any dividends received, which may result in a tax deduction for the shareholder in addition to the dividend received. Exceptions to this anti-avoidance rule include where the taxpayer establishes that no "tax-indifferent investor" – a party that does not pay Canadian income tax – has all or substantially all of the economic exposure for the share, and where synthetic equity arrangements are traded on a derivatives exchange, being a market where derivative contracts can be bought and sold. These exceptions to the specific anti-avoidance rule are found in sections 112(2.31) to 112(2.34) of the ITA.

Clause 40(1) of Bill C-15 repeals sections 112(2.31) to 112(2.34), and clause 94 of the bill repeals or amends certain definitions in section 248(1) of the ITA to eliminate these exceptions.

Clause 40(3) specifies that these amendments apply in respect of dividends received after 2024.

2.1.9 Ensuring that an Expense Claimed Under the Medical Expense Tax Credit Cannot Also Be Claimed Under the Home Accessibility Tax Credit

The Home Accessibility Tax Credit is a non-refundable tax credit equal to 15% of eligible expenses up to a maximum of $20,000 per year for an eligible dwelling. It applies to eligible renovation expenses that improve the accessibility, functionality and safety of dwellings inhabited by individuals with a disability or 65 years of age or older.

Section 118.041(1) of the *Income Tax Act* (ITA)[34] contains the definition "qualifying expenditure." The definition sets out certain non-qualifying expenses such as those made for annual, recurring or routine repair or maintenance, the acquisition of certain assets such as household appliances; or financing costs in respect of the qualifying renovations. Clause 42(1) of Bill C-15 adds section 118.041(1)k) to create a new category of non-qualifying expense, namely expenses claimed under the Medical Expense Tax Credit.

In addition, section 118.041(4) of the ITA, which allows the same expense to be claimed under both the Home Accessibility Tax Credit and the Medical Expense Tax Credit, is repealed under clause 42(2) of the bill. Clause 42(3) provides that these amendments come into force or are deemed to have come into force on 1 January 2026.

2.1.10 Implementing the Personal Support Workers Tax Credit

Clause 45(1) of Bill C-15 adds section 122.93 to the *Income Tax Act* (ITA)[35] to introduce the new Personal Support Workers Tax Credit. This refundable tax credit provides for the payment to an eligible personal support worker of an amount equal to 5% of the worker's yearly eligible remuneration for the taxation year up to a maximum of $1,100, as provided for in new section 122.93(2). The tax credit is available for the taxation years 2026 to 2030.

The eligibility criteria for the tax credit are set out in new section 122.93(1) of the ITA. This new section provides, among other things, that yearly eligible remuneration is income from an office or employment as an eligible personal support worker for an eligible health care establishment in a province or territory, other than for duties performed in Newfoundland and Labrador, the Northwest Territories and British Columbia. These jurisdictions are excluded because they have signed bilateral agreements with the federal government under which they receive funding over five years to increase the wages of personal support workers.

In order to be considered an eligible personal support worker, an individual must be employed by an eligible health care establishment. Their main duties must include assisting individuals with activities of daily living and mobilization. Moreover, in the course of performing their duties, they must ordinarily provide one-on-one care and essential support to optimize and maintain another individual's health, well-being, safety, autonomy and comfort consistent with that other individual's health care needs as directed by a regulated health care professional or a provincial or community health organization.

An eligible health care establishment is a hospital, a nursing care, residential care or community care facility for the elderly, a home health care establishment, or a similar regulated health care establishment.

New sections 122.93(3) and 122.93(4) of the ITA set out the applicable rules relating to the tax credit when the eligible personal support worker becomes bankrupt or dies.

Lastly, clauses 72(5), 72(14) and 78(1) of the bill make consequential amendments to sections 152(1)b), 152(4.2)b) and 163(2) to the ITA, respectively, as a result of the addition of new section 122.93 of the ITA.

2.1.11 Enhancing the Scientific Research and Experimental Development Program

Clause 5 of Bill C-15 amends section 37 of the *Income Tax Act* (ITA)[36] to restore the eligibility of certain capital expenditures under the Scientific Research and Experimental Development (SR&ED) Program. Clause 5(1) of the bill adds new

section 37(1)(b) of the ITA to permit the deduction of expenditures of a capital nature incurred by a taxpayer in respect of SR&ED carried on in Canada, where the SR&ED is undertaken directly by, or on behalf of, the taxpayer and is related to the taxpayer's business. Clause 5(2) amends section 37(1)(d) of the ITA to ensure that the government-assistance rules apply in respect of such capital expenditures incurred on or after 16 December 2024. Clauses 5(3) to 5(9) make consequential amendments to section 37 of the ITA to ensure that the reinstated capital-expenditure rules operate coherently with existing provisions respecting capital cost allowance, loss-restriction events, leasing costs, and exclusions for buildings.

Clauses 47 and 48 of the bill amend sections 127 and 127.1 of the ITA to enhance the SR&ED investment tax credit framework. These amendments increase the enhanced 35% credit expenditure limit from $3 million to $6 million, revise the phase-out thresholds so that the enhanced credit begins to be reduced when taxable capital employed in Canada or average annual revenue exceeds $15 million and is fully phased out at $75 million, extend eligibility for the enhanced credit to certain eligible Canadian public corporations, introduce optional revenue-based expenditure-limit elections for Canadian-controlled private corporations (CCPCs), and align refundability rules by providing a 100% refundable credit for qualifying current SR&ED expenditures and a 40% refundable credit for qualifying capital SR&ED expenditures.

Clause 47(10) amends section 127(9) of the ITA by adding definitions to support the extension of the enhanced SR&ED credit to public corporations. These include definitions of "eligible Canadian public corporation," "eligible subsidiary," "consolidated group," and related financial and corporate concepts. Together, these definitions establish the framework for determining eligibility, control, and revenue for the purposes of calculating expenditure limits and refundability under the SR&ED Program.

Clause 47(11) amends section 127(10.1) of the ITA to extend access to the enhanced SR&ED investment tax credit to eligible Canadian public corporations, in addition to CCPCs.

Clause 47(12) replaces section 127(10.2) of the ITA to increase the enhanced SR&ED expenditure limit for CCPCs from $3 million to $6 million. The clause also revises the taxable-capital phase-out thresholds so that the limit begins to be reduced when taxable capital employed in Canada exceeds $15 million and is fully phased out at $75 million, with the rules continuing to apply on an associated-corporation basis.

Clause 47(13) introduces new sections 127(10.31) and 127(10.32) of the ITA, which allow CCPCs, including groups of associated CCPCs, to elect to have their enhanced

SR&ED expenditure limit determined using a revenue-based phase-out structure rather than the taxable-capital test. Where such an election is made for a taxation year, the expenditure-limit rules in section 127(10.2) of the ITA do not apply.

Clause 47(14) replaces section 127(10.6) of the ITA to establish the revenue-based expenditure-limit regime applicable to eligible Canadian public corporations. The new provision sets a $6 million expenditure limit subject to a phase-out based on the average annual revenue and includes special rules for consolidated groups, including allocation agreements among group members and ministerial allocation where no agreement is filed. Consequential amendments to section 127(10.3) of the ITA coordinate the shared-limit rules for associated CCPCs with these elections.

Clause 48 amends section 127.1 of the ITA to align the refundability of SR&ED investment tax credits with the enhanced expenditure-limit framework and the reinstatement of capital expenditures. In particular, the qualifying-income thresholds are increased to reflect the revised limits in section 127 of the ITA, refundability rates are differentiated between current and capital SR&ED expenditures, and refundability is extended to eligible Canadian public corporations.

The amendments made by clauses 5, 47 and 48 of the bill apply as of 16 December 2024.

2.1.12 Extending the Mineral Exploration Tax Credit for Individuals Who Invest in Eligible Mining Flow-Through Shares for Two Years

Section 127(9) of the *Income Tax Act* (ITA)[37] – and in particular, paragraph (a.2) under the definition of "investment tax credit" therein – provides for the mineral exploration tax credit (METC). In conjunction with the definition of "flow-through mining expenditure" in section 127(9) of the ITA, the METC allows for the 15% non-refundable credit, which is available in respect of certain specified surface mineral exploration expenses. It is applicable to expenses renounced under a flow-through share agreement entered into after March 2024, the "flow-through mining expenditures" definition provides that eligible expenses must be incurred by a corporation after March 2024 and before 2026.

Clauses 47(6) and 47(7) of Bill C-15 amend the definition of "flow-through mining expenditure" in section 127(9) of the ITA to provide a two-year extension of the mineral exploration tax credit. The amended definition includes eligible expenses incurred by a corporation after March 2025 and before 2028, where the expenses are renounced under a flow-through share agreement entered into after March 2025 and before April 2027.

2.1.13 Expanding the Eligibility of the Critical Mineral Exploration Tax Credit to Bismuth, Cesium, Chromium, Fluorspar, Germanium, Indium, Manganese, Molybdenum, Niobium, Tantalum, Tin and Tungsten

The Critical Mineral Exploration Tax Credit (CMETC) provides an additional income tax benefit for individuals who invest in eligible flow-through shares. The CMETC is equal to 30% of specified mineral exploration expenses incurred in Canada and renounced to flow-through share investors.[38]

The following critical minerals are currently eligible for the CMETC: nickel, cobalt, graphite, copper, rare earth elements, vanadium, tellurium, gallium, scandium, titanium, magnesium, zinc, platinum group metals, uranium, and lithium (including lithium from brines).[39]

Clause 47(1) of Bill C-15 expands the definition of "critical mineral" in section 127(9) of the *Income Tax Act* (ITA)[40] to include bismuth, cesium, chromium, fluorspar, germanium, indium, manganese, molybdenum, niobium, tantalum, tin, and tungsten.

Clauses 47(6) and 47(22) specify that this amendment applies for expenses renounced under flow-through share agreements executed after 4 November 2025 and on or before 31 March 2027.

2.1.14 Amending the Canada Carbon Rebate for Small Businesses

Clause 50(1) of Bill C-15 amends section 127.421(2) of the *Income Tax Act* (ITA)[41] to extend until 31 December 2024 the deadline for filing a return of income for the taxation year ending in 2023 so that a corporation can receive the Canada Carbon Rebate for Small Businesses (the Rebate) for taxation years 2019 through 2023.

In addition, clause 50(3) of the bill amends section 127.421(6) of the ITA so that an amount received through the Rebate is not included in computing the income of a corporation.

Lastly, clauses 50(2), 50(4), 50(5), 72(4), 72(6), 76(1) and 76(2) of the bill make technical and clarificatory amendments to section 127.421 of the ITA.

These changes, announced in June 2025,[42] are deemed to have come into force on 20 June 2024 (clauses 50(6), 72(18) and 76(3)), which is the date on which the Act implementing the Rebate received Royal Assent.[43]

2.1.15 Extending the Full Credit Rates for the Carbon Capture, Utilization and Storage Investment Tax Credit to 2035

The Carbon Capture, Utilization and Storage (CCUS) investment tax credit is a refundable tax credit in respect of a percentage of qualified expenditure, equal to 60% for equipment utilized in a project to capture carbon directly from the air, 50% for other capturing equipment and 37.5% for carbon transportation, storage or utilization. It is expected that these rates will be reduced by half effective 2031 and phased out to zero effective 2041.

Clauses 51(1) and 118(2) of Bill C-15 amend section 127.44(1) of the *Income Tax Act* (ITA)[44] and Class 57 of Schedule II of the *Income Tax Regulation* (ITR)[45] to clarify the definition of "dual-use equipment" or equipment used for CCUS and another use. This change is deemed to have come into force on 1 January 2022.

Clause 51(2) of the bill amends section 127.44(1) of the ITA to amend the definition of "preliminary CCUS work activity" to cause excavating land directly related to the installation of property that is used for CCUS or that is dual-use equipment to be a qualified expenditure for the tax credit. This change is deemed to have come into force on 1 January 2022.

Clause 51(3) of the bill amends section 127.44(1) of the ITA to clarify the definition of "qualified carbon capture expenditure." This change is deemed to have come into force on 28 March 2023.

Clause 51(4) of the bill amends section 127.44(1) of the ITA to amend the dates of the change of the tax credit rates. Instead of being reduced from 2031, they will be reduced from 2036. The rates shall still be phased out to zero from 2041. This change is deemed to have come into force on 4 November 2025.

Clauses 51(5) and 118(1) of the bill amend section 127.44(1) of the ITA and Class 57 in Schedule II to the ITR to exclude from qualified activities those activities expected to be used for oxygen production, natural gas processing, acid gas injection or in the production of hydrogen and would be required to produce hydrogen even if no CCUS process was applied by the taxpayer. This change is deemed to have come into force on 1 January 2022.

Clause 51(8) of the bill amends section 127.44(17) of the ITA so the Minister of National Revenue may accept the late filing of the prescribed form containing information related to the tax credit on the later of the following dates:
(1) 31 December 2026 (instead of 2025); and (2) one year after the filing due date for a taxation year. This change is deemed to have come into force on 1 January 2022.

2.1.16 Expanding the Eligibility for the Clean Technology Investment Tax Credit to Support the Generation of Electricity and Heat from Waste Biomass

The clean technology investment tax credit is a refundable tax credit of up to 30% available to Canadian corporations and real investment trusts for taxable investments in equipment to generate clean electricity, stationary electricity storage equipment, low carbon emission heating equipment and non-road zero-emission vehicles and related charging and refuelling equipment. The credit is generally available for property that is acquired and becomes available for use on or after 28 March 2023, and before 2035, subject to a phase out in 2034.

Clauses 52(1) to 52(6), 52(8) and 52(10) of Bill C-15 amend section 127.45 of the *Income Tax Act* (ITA)[46] to introduce changes to the definition of "small modular nuclear reactor," which becomes "small nuclear energy property." These changes include the removal of the requirement for modularity and the threshold in electric megawatts and the increase in thermal megawatts for all nuclear fission reactors for a 1,400 megawatts thermal nuclear facility.

Clause 52(7) of the bill amends section 127.45(1) of the ITA to clarify the definition of "specified percentage" that is used in computing the tax credit.

Clause 52(9) of the bill amends section 127.45(1) of ITA to extend admissibility for the tax credit to systems that generate electricity, heat or both from waste biomass. The expansion applies to property that was acquired and became available for use on 21 November 2023 or after.

Clause 52(11) of the bill amends section 127.45(3) of the ITA so that the Minister of National Revenue may accept the filing of the prescribed form containing information relating to the tax credit on the later of the following dates: (1) 31 December 2026 and (2) one year after the deadline for filing a return for a taxation year.

Clause 52(12) of the bill amends section 127.45(5)(a) of the ITA so that capital expenditures claimed for this credit cannot be claimed as expenditures for another related tax credit (such as the carbon capture, utilization and storage tax credit).

Clause 52(13) of the bill amends section 127.45 of the ITA so that clean technology property is not clean technology property if the taxpayer does not comply with environmental laws and regulations. It also provides that the property is compliant if the taxpayer makes serious efforts to rectify a defect in the property.

In its current form, the ITA provides that certain costs, such as repayments of government assistance and overdue amounts owed, are added to the cost of clean

technology property. Clauses 52(15) and 52(16) amend sections 127.45(7) and 127.45(9) of the ITA to make minor clarifying amendments and to ensure that these costs are not added to the cost of clean technology property in certain circumstances, such as if the property is exported or used for a purpose not related to clean technology.

Clause 52(17) of the bill amends section 127.45 of the ITA to clarify the financial responsibilities of partners and former partners of a partnership in relation to overdue amounts owed in connection with this tax credit.

Subsections 52(4), 52(9) and 52(13) of the bill are deemed to have come into force on 21 November 2023. Subsections 52(5) of the bill is deemed to have come into force on 17 November 2025. Subsections 52(14) of the bill is deemed to have come into force on 16 April 2024. The other subsections in clause 52 are deemed to have come into force on 28 March 2023.

2.1.17 Expanding the Eligibility for the Clean Technology Manufacturing Investment Tax Credit to Investments in Eligible Polymetallic Projects and to Additional Qualifying Materials

The clean technology manufacturing (CTM) investment tax credit is a refundable tax credit that applies to new CTM property that is acquired on or after 1 January 2024 and becomes available for use on or before 31 December 2034. The credit rate is 30% of the capital cost of qualified property associated with qualified activities. This rate is expected to be reduced to 20% in 2032, 10% in 2033 and 5% in 2034, and to be reduced to zero effective 2035.

Under current law, to qualify for the credit, the property must be used in a mining activity to produce all or substantially all (generally meaning 90% or more) of qualified materials (i.e., copper, nickel, cobalt, lithium, graphite, rare earth elements). Clause 56(1) of Bill C-15 amends section 127.49(1) of the *Income Tax Act* (ITA)[47] to reduce this threshold to “primarily” (which generally means 50% or more) for property used at a mining or well site (drilling).

Clause 56(2) of the bill amends section 127.49(1) of the ITA to make an investment incorporated into another CTM property to qualify for the credit as part of the refurbishment of that property (e.g., improvements to increase its life or capacity) of the CTM property, provided that the property still qualifies on completion of the refurbishment.

Clause 56(3) of the bill amends section 127.49(1) of the ITA to add antimony, indium, gallium, germanium and scandium to the list of qualified critical minerals.

Clause 56(4) of the bill amends section 127.49(1) of the ITA to add certain mineral processing activities carried out outside of mining sites or pits to qualified mining activities.

Clause 56(5) of the bill amends section 127.49(1) of the ITA to clarify the definition of "specified percentage" that is used in computing the tax credit.

Clause 56(6) of the bill amends section 127.49(1) of the ITA to define the terms "specified mineral processing activity," "independent engineer or geoscientist," "specified fair market value determination method," "specified exemption rule price determination method," "exemption rule price," and "reclamation," which are used to implement the changes to the tax credit made by other clauses of the bill.

Clause 56(7) of the bill amends section 127.49(3) of the ITA to clarify the certification requirements, specifically to provide that the value of qualified materials is used as the appropriate measure of output to assess the extent to which the property is used, or should be used, for qualified mining activities producing qualified materials. The bill also introduces an exemption rule whereby the price of outputs used to determine qualification may be calculated using historical five-year average mineral prices. It also provides that a certificate will be issued by an independent engineer or geoscientist in relation to the taxpayer. Finally, it provides that the Minister of National Revenue may accept the filing of the prescribed form containing information related to the tax credit on the later of the following dates: (1) 31 December 2026; and (2) one year after the filing deadline for a return for a taxation year.

Clause 56(8) of the bill amends section 127.49(5)(a) of the ITA to ensure that capital expenditures claimed for this credit cannot be claimed as expenditures for another related tax credit (such as the carbon capture, utilization and storage tax credit).

In its current form, the ITA provides that certain costs, such as repayments of government assistance and unpaid amounts, are added to the cost of CTM property. Clauses 56(10) and 56(11) of the bill amend sections 127.49 (7) and 127.49(9) to provide minor clarifications and ensure that these costs are not added to the cost of a CTM property in certain circumstances, such as if the property is exported or used for purposes other than CTM.

Clause 56(12) of the bill amends section 127.49 of the ITA to clarify the financial responsibilities of partners and former partners of a partnership in relation to amounts owed in connection with this tax credit.

Clause 56(3) of the bill applies to property that is acquired and becomes available for use on or after 4 November 2025. Clause 56(9) of the bill is deemed to have come into force on 16 April 2024. The other changes to the tax credit apply on 1 January 2024.

2.1.18 Providing a Refundable Investment Tax Credit to Qualifying Corporations and Trusts for Investments in Certain Clean Electricity Property

Clause 57 of Bill C-15 adds new section 127.491 to the *Income Tax Act* (ITA)[48] to create a refundable 15% investment tax credit for clean electricity investments. Under paragraph (e) of the definition of "clean electricity property" in new section 127.49(1), the clean electricity investment tax credit would be available to eligible investments in new or refurbished equipment – situated in Canada and be intended for use exclusively in Canada – related to:

- low-emitting electricity generation systems that use energy from wind, solar, water, geothermal, waste biomass, nuclear, or natural gas with carbon capture and storage;
- stationary electricity storage systems that do not use fossil fuels in operation, such as batteries and pumped hydroelectric storage (Class 43.1(d)(xviii) or Class 43.1(d)(xix) property); and
- transmission of electricity between provinces and territories.

New section 127.45(5.1) of the ITA deems an otherwise eligible property ineligible if – at the time the property becomes available for use – there is substantial non-compliance by the entity with the requirements of any environmental law, by-law or regulation of Canada, a province, a municipality, or a municipal or public body performing a function of government in Canada that is applicable in respect of the property.

Entities that qualify for the credit are found in the definitions within new section 127.491(1) of the ITA, and broadly include taxable Canadian corporations, provincial and territorial Crown corporations, corporations owned by municipalities, corporations owned by Indigenous communities and pension investment corporations, as well as the Canada Infrastructure Bank and the Canada Growth Fund.

The 15% "regular tax credit rate" under section 127.46(2) of the ITA may be reduced by 10 percentage points if certain labour requirements set out in section 127.46 of the ITA are not met. These include prevailing wage requirements, such as adhering to a labour agreement with a trade union, as well as apprenticeship requirements, which require the claimant to make reasonable efforts to ensure that at least 10% of the total work on the installation of the clean electricity property is performed by apprentices registered in a Red Seal trade.

The capital cost base on which the credit is calculated must be reduced for any property for which any of the clean economy tax credits, as defined under section 127.47(1), were deducted. These include: the carbon capture, utilization and

storage tax credit; the clean technology investment tax credit; the clean hydrogen tax credit; and the clean technology manufacturing tax credit. Furthermore, the credit is calculated on the cost base of the equipment net of any financial assistance received from government or non-government organizations.

New sections 127.491(16) to 127.491(19) of the ITA provide for credit recapturing provisions that will apply if the property is converted to an ineligible use, disposed of or exported from Canada within 10 calendar years of the date it was acquired, unless the clean electricity property is qualified natural gas energy equipment, in which case the recapture period is 20 years. The amount of the credit repayable is calculated taking into account the amount of the credit received for the property, the proceeds of the disposition of the property or its fair market value, and the capital cost of the particular property on which the clean electricity credit was deducted.

The clean electricity investment tax credit would generally be available as of 16 April 2024 for projects that began construction after 28 March 2023. The credit would be unavailable after 2034.

Clauses 2, 3(1), 3(2), 3(5), 3(6), 4(3), 9(2), 9(3), 16, 23(3), 24(1), 24(2), 30(1), 30(2), 30(3), 38(1), 47(3), 51(6), 51(7), 52(14), 53(1), 53(2), 54(1), 54(2), 54(3), 54(4), 54(5), 55(4), 56(9), 72(3), 72(7), 72(11), 74(1), 74(2), 78(2), 91 and 92 make consequential amendments to the ITA.

Clause 106 also makes consequential amendments to the *Income Tax Regulations*[49].

2.1.19 Amending the Alternative Minimum Tax to Exempt Certain Trusts for the Benefit of Indigenous Groups

Clause 59(1) of Bill C-15 amends section 127.55(f) of the *Income Tax Act*[50] so that the alternative minimum tax (AMT) does not apply to certain trusts, in particular those established for the benefit of an Indigenous group, community or people that holds rights recognized and affirmed by section 35 of the *Constitution Act, 1982*.[51]

The government explains that it recognizes the rights of Indigenous communities to self-determination. This exemption is therefore intended to ensure that the trusts in question are not unintentionally affected by the AMT, while "enabl[ing] Indigenous communities to reinvest in the priorities that matter most to them."[52]

This change, announced in budget 2024,[53] applies to taxation years that begin after 31 December 2023 (clause 59(2)).

2.1.20 Precluding a Corporation from Qualifying as a Mutual Fund Corporation Where It Is Controlled by or for the Benefit of a Corporate Group

Section 131(8) of the *Income Tax Act* (ITA)[54] defines "mutual fund corporation" broadly to be a Canadian public corporation with the only undertaking being the investment of its funds, its issued shares are redeemable on demand, and the fund's fair market value is no less than 95% of the fair market value of all the corporation's issued shares. A mutual fund is an investment vehicle intended for investors to pool their resources to invest in assets without purchasing the assets directly, and is subject to a number of different tax treatments in comparison to private corporations.

Clause 62(2) of Bill C-15 adds new section 131(8.2) to the ITA to introduce a restriction deeming a corporation not to be a mutual fund corporation if "specified persons" have a substantial interest in the corporation – defined as a fair market value interest in the corporation of over 10% – and if the corporation is controlled by, or for the benefit of, the "specified persons." Specified persons include a person or partnership, or any combination of persons or partnerships that do not deal with each other at arm's length.

An exception to new section 131(8.2) of the ITA is added by new section 131(8.3) of the ITA for corporations during the first two years of its existence, provided that the aggregate fair market value of the shares of the corporation owned by the "specified persons" does not exceed $5 million.

In addition, clause 62(1) of the bill amends section 131(8) of the ITA to specify that new section 131(8.2) does not apply to corporations which are "prescribed labour-sponsored venture capital corporations" as defined in section 6701 of the *Income Tax Regulations*.[55]

This amendment applies to taxation years that begin after 2024, unless a corporation was controlled by or for the benefit of a real estate investment trust – as defined in section 122.1(1) of the ITA – on 16 April 2024, in which case this amendment applies to taxation years of the corporation that begin after 2025.

2.1.21 Extending the Period During Which Agricultural Cooperatives Can Distribute Tax-Deferred Patronage Dividends Paid in Shares to Their Members

Before 2005, patronage dividends paid in shares by an agricultural cooperative to its members were taxable in the year they were received and the agricultural cooperative paying the dividend had to withhold an amount from the dividend and remit it to the Canada Revenue Agency.[56]

In 2005, the tax rules were amended to allow for the temporary deferral of income taxes and withholding obligations on patronage dividends received as eligible shares until the disposition of the shares. This measure is set to expire at the end of 2025.[57]

Clause 63 of Bill C-15 amends the definition of a "tax-deferred cooperative share" in section 135.1(1) of the *Income Tax Act*[58] so that eligible shares can be issued up to the end of 2030.

2.1.22 Narrowing the Rules Related to Reporting by Trusts

Section 150 of the *Income Tax Act* (ITA)[59] sets out circumstances in which a trust is relieved from the trust reporting regime, including the obligation to provide prescribed beneficial ownership information under section 204.2 of the *Income Tax Regulations* (ITR)[60].

Clause 71(1) of Bill C-15 replaces sections 150(1.2)(a) and 150(1.2)(b) of the ITA:

- New section 150(1.2)(a) of the ITA clarifies that the exemption applies where the trust has been in existence for less than three months.
- New section 150(1.2)(b) of the ITA maintains the small-asset exemption for trusts whose total fair market value does not exceed $50,000 throughout the year, while removing the prior restriction that limited qualifying assets to a prescribed list. This broadens the availability of the exemption.

Clause 71(1) of the bill also adds section 150(1.2)(b.1) to the ITA, creating a new family-type relieving rule. Under section 150(1.2)(b.1) of the ITA, a trust is exempt from the enhanced reporting requirements where:

- each trustee is an individual;
- each beneficiary is an individual and is related to each trustee; and
- the total fair market value of the trust property does not exceed $250,000 throughout the year, and the trust holds only specified low-risk assets described in section 150(1.2)(b.1)(iii) of the ITA.

Additionally, clause 71(1) of the bill replaces section 150(1.2)(c) of the ITA to exempt a trust from the trust reporting requirements where the trust is required, under professional rules or federal or provincial law, to hold funds for a regulated activity, provided the trust is not maintained as a separate trust for particular clients or, alternatively, the only assets held throughout the year are money with a total fair market value not exceeding $250,000.

Clause 71(8) of the bill adds section 150(1.2)(q) to the ITA to exempt trusts established to comply with a federal or provincial statute where property is held for a specified statutory purpose.

Clause 71(9) adds section 150(1.2)(r) to the ITA to exempt employee ownership trusts from the enhanced reporting regime.

Clause 71(6) amends section 150(1.2)(j) of the ITA to clarify the exemption for a graduated rate estate, including estates that would qualify if a valid designation had been made.

Clause 71(7) amends section 150(1.2)(n) of the ITA to add a relieving exception for certain retirement compensation arrangements whose primary purpose is to provide supplemental retirement benefits.

2.1.22.1 Deemed Trust Rule and Exceptions

Clause 71(10) of Bill C-15 repeals section 150(1.3) of the ITA, while clause 71(11) of the bill adds new sections 150(1.3), 150(1.31) and 150(1.32) to the ITA.

New section 150(1.3) of the ITA deems certain express trust arrangements to be trusts for the purposes of section 150 of the ITA and section 204.2 of the ITR, where legal ownership and beneficial ownership are separated and the legal owner acts as an agent.

New section 150(1.31) of the ITA sets out enumerated exceptions under which the deemed-trust rule does not apply, including principal residence–type arrangements, certain partnership holdings, court-ordered holdings, and other specified circumstances.

New section 150(1.32) of the ITA specifies for the purposes of section 150 that a related person includes an aunt, uncle, niece and nephew, and that a person is related to himself or herself.

Clause 71(12) of the bill replaces section 150(1.4) of the ITA to confirm that the trust reporting rules do not require disclosure of information subject to solicitor–client privilege.

Clause 71(14) of the bill provides that the amendments enacted by clauses 71(1), 71(6), 71(8), 71(10) and 71(12) apply to taxation years that end after 30 December 2024 and before 31 December 2025.

Clause 71(15) of the bill provides that the amendments enacted by clauses 71(2) to 71(5), 71(7) and 71(9) apply to taxation years that end after 30 December 2025.

Clause 71(16) provides that the amendments enacted by clauses 71(11) and 71(13) apply to taxation years that end after 30 December 2026.

2.1.23 Providing the Minister of National Revenue with the Authority to Waive the Withholding Requirement for Payments to Certain Non-resident Service Providers

Clause 73(4) of Bill C-15 amends section 153 of the *Income Tax Act* (ITA)[61] to grant the Minister of National Revenue (the Minister) the authority to waive the requirement that a person paying fees, commissions or other amounts for services (with some exceptions) to a non-resident person – or to a class of non-residents specified by the Minister – deduct or withhold 15% of such amounts when certain conditions are met.[62]

In general, this measure targets non-resident service providers that have no Canadian tax liability because they either

- operate a treaty-protected business or do not carry on a business in Canada; or
- earn such income in Canada through international shipping or operating an aircraft in international traffic, which is exempt under section 81(1)(c) of the ITA.

Of note, the Minister determines if it is established in a manner acceptable to the Minister that the above conditions are met. The Minister may also establish other conditions.

This measure was announced in budget 2024. The government explained that, although measures are in place to ensure that these non-resident service providers do not ultimately pay Canadian tax, "many [of them] instead pass the cost of the withholding requirement on to the payors. This increases costs for Canadians."[63] The government also indicated that these changes are being made "[t]o improve efficiency."[64]

2.1.24 Allowing the Sharing of Information for the Purposes of Administering and Enforcing the *Canada Labour Code* as It Relates to the Misclassification of Employees

On 30 October 2025, the government announced its intention to propose in budget 2025, amendments to the *Income Tax Act* (ITA)[65] and the *Excise Tax Act* (ETA)[66] to allow the Canada Revenue Agency (CRA) to share taxpayer information and confidential information as it relates to the misclassification of workers with Employment and Social Development Canada (ESDC).[67]

According to the government, the misclassification of employees as independent contractors is of particular concern in the trucking industry and information-sharing restrictions in the ITA and ETA prevent the CRA from sharing with ESDC the required information to combat these practices that deprive workers of the benefits and pensions they are owed.[68]

Clause 92(3) of Bill C-15 amends section 241(4)(d)(x.2) of the ITA, while clause 97 of the bill adds new section 295(5)(d)(v.2) of the ETA to allow the sharing of taxpayer information and confidential information with ESDC for the purposes outlined in the budget proposal.

2.1.25 Reforming Canada's Transfer Pricing Rules

2.1.25.1 Transfer Pricing Rules

Clauses 93(7) and 93(8) of Bill C-15 amend the transfer pricing rules set out in section 247 of the *Income Tax Act* (ITA).[69]

The adjustment rule, previously found in section 247(2) of the ITA, is moved to new section 247(2.02) of the ITA. Furthermore, this rule now

- applies where a taxpayer does not deal at arm's length with a non-resident person and both are participants in a transaction[70] that includes "actual conditions" different from "arm's length conditions"[71] (section 247(2) of the ITA as amended by the bill);
- provides that any amounts that would be determined for the purposes of applying the provisions of the ITA in respect of the taxpayer are to be adjusted to the quantum or nature of the amounts that would have been determined if "arm's length conditions" in respect of the transaction had applied (new section 247(2.02) of the ITA).

The definitions of "actual conditions" and "arm's length conditions" are added to section 247(1) of the ITA.[72] Clause 93(1) of the bill consequentially repeals the definitions "arm's length allocation," "tax benefit," "transfer price" and "arm's length transfer price," which have become redundant, set out in the same section of the ITA.

Therefore,

- "actual conditions" are the conditions that actually apply between the participants to the transaction and are determined "not only by the contractual terms of the transaction, but also by other 'economically relevant characteristics' …, including the conduct of the participants."[73]
- "arm's length conditions" are the conditions that would have applied had the participants been dealing at arm's length in comparable circumstances, including the possibility that no transaction, or a different transaction, would have been concluded.

An interpretive rule is also added in order to accurately delineate the in-scope transaction, through new section 247(1.01) of the ITA and the new concept of

"economically relevant characteristics," the definition of which is added to section 247(1) of the ITA. As the government explained,

> [t]he new rules … require any in-scope transaction … to be analysed and determined with reference to the economically relevant characteristics of the transaction … . The economically relevant characteristics are used … to establish: (i) the starting point for the object to be compared by accurately analysing and determining the in-scope transaction or series; and (ii) the hypothetical comparator.[74]

In addition, new section 247(2.03) of the ITA specifically provides that for the purposes of determining the effect of the transfer pricing provisions in relation to a taxpayer, consistency with the "Transfer Pricing Guidelines"[75] (the Guidelines) is required. Furthermore, new section 247(2.04) of the ITA provides that in determining whether the conditions of a transaction are consistent with the arm's length principle, the most appropriate method is selected and applied in accordance with the Guidelines.

Finally, clauses 93(17) and 93(18) of the bill amend the rules set out in section 247(12) of the ITA, in order to "ensure that a deemed dividend applies on the full capital gain and not only its taxable portion."[76]

The government notes that these changes seek, among other things, to harmonize "Canada's transfer pricing rules … with the international consensus on the application of the arm's length principle."[77]

2.1.25.2 Administrative Rules

Clause 93(12) of the bill doubles the threshold used for determining the transfer pricing penalty provided in section 247(3) of the ITA. The government explains that "the initial $5,000,000 amount had not been updated since 1997."[78]

Clause 93(13) of the bill makes two key amendments to section 247(4) of the ITA on contemporaneous documentation, namely:

- harmonizing information requirements with the new definition "economically relevant characteristics";[79]
- reducing the time period to provide the records or documents to the Minister of Revenue from three months to 30 days.

As the government explains,

> [these] new rules … are intended to balance the need for the Canada Revenue Agency to have timely, accurate, and relevant information to

> conduct transfer pricing risk assessments and efficient audits, while not imposing excessive or unnecessary compliance burdens on taxpayers.[80]

Finally, consequential amendments are made to various provisions of the ITA through clauses 65(1), 93(2) to 93(6), 93(9) to 93(11) and 93(14) to 93(16).

These changes apply to the taxation years and the fiscal years that begin after the budget is tabled, that is, 4 November 2025 (clauses 65(2) and 93(19)).

2.1.26 Reinstating the Accelerated Investment Incentive and Immediate Expensing for Certain Qualifying Assets

The Accelerated Investment Incentive provides an enhanced first-year capital cost allowance (CCA) for most property that is subject to the CCA rules, was acquired after 20 November 2018 and is available for use before 2028. The incentive phase-out began in 2024 and is set to be completed in 2027. In addition, immediate expensing measures for manufacturing or processing machinery and equipment (Class 53), clean energy generation and energy conservation equipment (Class 43.1), and zero-emission vehicles (Classes 54, 55 and 56), which were introduced at the same time, are also being phased out.[81] Bill C-15 amends the *Income Tax Regulations* (ITR)[82] and the *Income Tax Act* (ITA)[83] to reinstate these measures for a period of five years, followed by a four-year phase-out timeline from 2030 to 2033.

Clause 106(3) adds new section 1104(4.01) to the ITR to define the term "reaccelerated investment incentive property" (RIIP). This definition matches the existing definition of the term "accelerated investment incentive property" (AIIP), except that a RIIP must have been acquired by the taxpayer after 2024 and become available for use before 2034. Clause 106(4) of the bill also adds new section 1104(4.11) regarding properties deemed separate for the purposes of the definition of RIIP, which reflects the existing provisions on this subject for AIIP.

Section 1100(2) of the ITR sets out the CCA calculation rules for property that becomes available for use by the taxpayer in the current taxation year, including property covered by the enhanced CCA deduction for AIIP. Clauses 103(7) to 103(15) of the bill amend this section to incorporate the concept of RIIP so that RIIP is covered by the enhanced CCA deduction and to extend immediate expensing for property included in Classes 43.1, 53, 54, 55 and 56. With regard to zero-emission vehicles in Classes 54 and 55, clauses 94(10) and 94(11) also amend the definition of "zero-emission vehicle" set out in section 248(1) of the ITA to implement the extension of immediate expensing for this property.

Clause 103(16) of the bill adds section 1100(2.011) to provide for a special rule for calculating the enhanced CCA for RIIP for taxation years that straddle calendar years.

Clause 103(17) adds section 1100(2.021) regarding the calculation of the enhanced CCA for RIIP covered by new section 1104(4.01)(b)(i).

The Accelerated Investment Incentive also provides enhanced first-year CCA deductions in respect of Canadian development expenses and Canadian oil and gas property expenses. Clauses 14 and 15 of the bill amend sections 66.2 and 66.4 of the ITA, respectively, to implement the extension of the enhanced CCA for these expenses.

Clauses 103(2) to 103(6), 105(2), 117, 120, 121, 122 and 123 of the bill amend the ITR consequential on the introduction of the concept of "reaccelerated investment incentive property." The provisions implementing the extension of the enhanced CCA and the immediate expensing for certain property are deemed to have come into force on 1 January 2025.

2.1.27 Providing an Accelerated Capital Cost Allowance of 10% for New Eligible Purpose-Built Rental Projects

Clause 103(1) of Bill C-15 amends the *Income Tax Regulations* (ITR)[84] by adding paragraph 1100(1)(a.4), which allows an additional 6% capital cost allowance (CCA) for property that qualifies as a "new purpose-built residential rental," as defined in subsection 1104(2) of the ITR, throughout the year. This increases the total CCA rate for such buildings to 10%.

Clause 104(1) of the bill adds subsection 1101(1ac.1) to the ITR, which prescribes each property of a taxpayer that is a new purpose-built residential rental to be a separate class of depreciable property for capital cost allowance purposes.

Clause 106(1) amends subsection 1104(2) of the ITR by adding the definitions "purpose-built residential rental," "new purpose-built residential rental" and "residential rental unit." These definitions support the application of the 6% additional capital cost allowance provided in new paragraph 1100(1)(a.4) of the ITR for new purpose-built residential rentals.

A purpose-built residential rental is defined as a building, or part of a building, situated in Canada that contains either at least four residential rental units with private kitchen, bathroom and living facilities, or 10 or more residential rental units. In addition, all or substantially all units must be rented, or offered for rent, for continuous periods of at least 28 consecutive days.

A new purpose-built residential rental is a purpose-built residential rental that was built for such use if construction began after 15 April 2024 and before 2031, or that was formerly a commercial building (or part of a building) that has been substantially

renovated for use as a purpose-built residential rental where the renovations began after 15 April 2024 and before 2031. In all cases, the property must become available for use before 2036.

A residential rental unit means a housing unit used or intended for use as rented residential premises, other than premises provided to the travelling or vacationing public.

Clauses 103(18), 104(3) and 106(9) of the bill are deemed to have come into force on 16 April 2024.

2.1.28 Providing Immediate Expensing for New Additions of Property in Respect of Productivity-Enhancing Assets

Section 1100(2) of the *Income Tax Regulations* (ITR)[85] sets out the rules for calculating the capital cost allowance for property that becomes available for use by a taxpayer in the current taxation year.

Clauses 103(10) and 103(11) of Bill C-15 amend the description of A in the first formula in section 1100(2) of the ITR, and clause 103(12) of the bill adds the description of A.1 to that formula, in order to introduce immediate expensing for accelerated and reaccelerated investment incentive property that was acquired and became available for use by the taxpayer after 15 April 2024 and before 2027 in Classes 44 (patents or rights to use patented information for a limited or unlimited period), 46 (data network infrastructure equipment and systems software for that equipment) and 50 (general purpose electronic data processing equipment and system software for that equipment).

Clause 103(16) of the bill also adds section 1100(2.011)(b) to the ITR to provide a special rule for calculating A.1 for these three classes where the taxation years do not align with calendar years.

2.1.29 Introducing a Temporary Non-refundable Tax Credit Applicable Where an Individual's Non-refundable Tax Credit Amounts Exceed the First Income Tax Bracket Threshold

On 14 May 2025, the federal government announced a plan to reduce the lowest federal personal income tax rate from 15% to 14%, effective 1 July 2025.[86] To reflect a one-percentage-point reduction in this rate coming into effect halfway through the year, the full-year tax rate for 2025 will be 14.5% and the full-year rate for 2026 and future tax years will be 14%. These legislative changes are found in Bill C-4, An Act respecting certain affordability measures for Canadians and another measure.[87]

The lowest federal personal income tax rate is applied in the calculation of most federal non-refundable tax credits. Non-refundable tax credits are deducted directly from the tax payable, rather than from income. While the rate reduction may reduce income taxes payable by the individual, it may also decrease the value of tax credits calculated using the lowest federal personal income tax rate. As a result of this rate reduction, individuals with total non-refundable tax credits exceeding the first income tax bracket threshold ($57,375 in 2025) may experience a net loss.

Clause 125 of Bill C-15 adds new section 118(11) to the *Income Tax Act* (ITA)[88] to introduce a "top-up tax credit" to address this loss. It is roughly calculated by determining the amount by which an individual's non-refundable tax credits claimed in a year exceed the upper threshold dollar amount for the lowest tax rate when that amount is multiplied by the lowest tax rate for the taxation year. This excess amount is multiplied by 3.45% in the 2025 taxation year and 7.14% in the 2026 to 2030 taxation years, which will offset the reduction in the lowest marginal tax rate.

Clause 125 of the bill also makes coordinating amendments to sections 118.61(1) and 118.61(2)(b) of the ITA.

These amendments are contingent on Bill C-4 receiving Royal Assent.

2.1.30 Implementing a Number of Technical Amendments to Correct Inconsistencies and to Better Align the Law with Its Intended Policy Objectives

Clauses 4(1), 4(2), 4(4), 4(5), 6, 9(1), 9(4), 11, 13, 17 to 19, 20(1), 20(2), 20(4), 21, 22, 23(1), 23(2), 23(4), 23(5), 25(3), 25(4), 28, 29(1), 29(2), 29(4) to 29(7), 31 to 33, 38(2), 38(3), 39, 41, 44, 46, 49, 53(3), 55(1) to 55(3), 55(5) to 55(17), 58(1), 58(3), 60, 64, 66 to 70, 72(1), 72(2), 72(8) to 72(10), 72(12), 72(13), 73(1) to 73(3), 75, 77, 78(3), 79 to 90, 95, 96, 98 to 100, 101(2), 101(3), 101(5), 102, 104(2), 105(1), 107 to 110, 112 to 116, 119 and 124 of Bill C-15 introduce technical amendments to the *Income Tax Act*[89] to correct drafting errors, clarify uncertainties, address situations where the law does not apply as intended, and improve the wording of the legislation.

2.2 PART 2: REPEALING THE *DIGITAL SERVICES TAX ACT* AND THE *DIGITAL SERVICES TAX REGULATIONS*

The *Digital Services Tax Act* (DSTA)[90] was enacted on 20 June 2024 and came into force by an order of the Governor in Council on 28 June 2024.[91] The digital services tax (DST) applies at a rate of 3% on revenue earned from certain digital services that rely on engagement, data, and content contributions of Canadian users, as well as certain sales or licensing of Canadian user data.[92] On 29 June 2025, the government announced its intention to rescind the DST to advance trade negotiations with the United States.[93]

Clauses 126 and 127 of Bill C-15 repeal the DSTA and the *Digital Services Tax Regulations*, effective 20 June 2024.[94]

Clause 128 of the bill allows the government to provide refunds for the DST payments that it received plus interest payable from the day the payment was received to the day that the refund is paid.

Clauses 129 to 158 of the bill make consequential amendments to the following Acts to remove references to the DSTA:

- the *Access to Information Act*;[95]
- the *Bankruptcy and Insolvency Act*;[96]
- the *Criminal Code*;[97]
- the *Excise Tax Act*;[98]
- the *Export Development Act*;[99]
- the *Financial Administration Act*;[100]
- the *Tax Court of Canada Act*;[101]
- the *Income Tax Act*;[102]
- the *Canada Revenue Agency* Act;[103]
- the *Air Travellers Security Charge Act*;[104]
- the *Excise Act, 2001*;[105]
- the *Underused Housing Tax Act*;[106]
- the *Select Luxury Items Tax Act*;[107] and
- the *Global Minimum Tax Act*.[108]

2.3 PART 3: CLARIFYING THAT SUPPLIES OF OSTEOPATHIC SERVICES RENDERED BY NON-OSTEOPATHIC PHYSICIANS ARE TAXABLE UNDER THE GOODS AND SERVICES TAX/HARMONIZED SALES TAX, EXTENDING THE ENHANCED (100%) GOODS AND SERVICES TAX RENTAL REBATE TO QUALIFYING COOPERATIVE HOUSING CORPORATIONS AND STUDENT RESIDENCES, ALLOWING INPUT TAX CREDITS FOR REDEEMED COUPONS TO BE AVAILABLE FOR PAYMENTS MADE EXCLUSIVELY IN THE COURSE OF COMMERCIAL ACTIVITIES, ELIMINATING THE UNDERUSED HOUSING TAX AND THE LUXURY TAX FOR AIRCRAFT AND VESSELS

2.3.1 Division 1: Amendments to the *Excise Tax Act*

2.3.1.1 Division 1(a): Removing Osteopathic Services from Exempt Supply

Schedule V of the *Excise Tax Act* (ETA)[109] lists goods and services that are exempt from the goods and services tax/harmonized sales tax (GST/HST). Clause 162(1) of Bill C-15 amends the definition of "practitioner" in section 1 of Part II of Schedule V to the ETA to remove reference to osteopathic services and osteopathy. As well, clause 163(1) of the bill repeals section 7(f) of Part II of Schedule V of the ETA, which also refers to osteopathic services offered by a practitioner of the service. Consequently, health care practitioners that are not osteopathic physicians must now charge the GST/HST for osteopathic services.

Clause 162(1) of the bill is deemed to have come into force on 5 November 2025, while clause 163(1) applies to supplies made after 5 June 2025, but does not apply to a supply of osteopathic services made after 5 June 2025 but before 5 November 2025 if the supplier did not charge, collect or remit any amount as or on account of tax under Part IX of the ETA in respect of the supply.

2.3.1.2 Division 1(b): Expanding the Enhanced Goods and Services Tax Rental Rebate to Student Residences

Clauses 160, 161, 164 and 165 of Bill C-15 introduce amendments to the ETA to expand the enhanced GST rental rebate for new purpose-built rental housing to student residences built by universities, public colleges and school authorities and to qualifying cooperative housing corporations. The enhanced GST rental rebate for new purpose-built rental housing is a temporary rebate for 100% of the GST or the federal portion of the HST that applies to rental housing projects that begin construction between 14 September 2023 and 31 December 2030, and complete construction by 31 December 2035.

Clause 160 of the bill amends section 191(9) of the ETA, which sets out the rules for when a residential complex is considered substantially complete, to include reference

to section 256.2(3.1) of the ETA and the *Real Property (GST/HST) Regulations*,[110] both of which set out the conditions for the enhanced GST rental rebate.

Clause 161 of the bill makes several amendments to section 256.2 of the ETA:

- Clause 161(1) adds section 256.2(2.01) to the ETA, which states, for the purposes of applying the enhanced GST rental rebate, if a property that is a residential complex meets the conditions for the enhanced GST rental rebate set out in section 256.2(3.1), the definition for a "qualifying residential unit" will be read in a special way so as to be applicable to a university, a public college or a school authority that operates otherwise than for profit that builds a place of residence for its students.
- Clauses 161(2) and 161(3) amend sections 256.2(3) and 256.2(3.2) of the ETA, respectively, to add reference to new section 256.2(3.4) and to update the text.
- Clause 161(4) adds section 256.2(3.3) to the ETA, which sets out the parameters for a builder to claim a rebate in respect of a student residence that is generally equivalent to the enhanced GST rental rebate. These parameters include the builder being a university, public college or a school authority, the construction is being carried out to provide a place of residence for students attending the university, public college or school authority, as well as other relevant requirements that are set out for the enhanced GST rental rebate.
- Clause 161(4) also adds section 256.2(3.4) the ETA, which states that if all the conditions in new section 256.2(3.3) are met, then certain deeming rules apply that allow the builder to claim a rebate equivalent to the enhanced GST rental rebate, with the amount determined by the formula in new section 256.2(3.4)(d).
- Clause 161(5) amends section 256.2(7)(a) of the ETA, which sets out the process and timelines for a builder to apply for the GST rental rebates, to include an alternate application timeline for the rebate introduced in new section 256.2(3.4). Furthermore, clauses 161(7) and 161(8) provide special transitional rules for section 256.2(7)(a) of the ETA that take into account the date when a student residence is substantially completed versus the date when the bill receives Royal Assent.

Regarding qualifying cooperative housing corporations, clause 164(1) of the bill adds section 3.1 to the *Real Property (GST/HST) Regulations* to include interpretive rules and to indicate that "excluded equity housing supply" is not eligible for the enhanced GST rental rebate. "Excluded equity housing supply" refers to cooperative housing where the occupants have an ownership or equity interest. This type of cooperative housing is excluded because the enhanced GST rental rebate is intended to incentivize the construction of new, long-term purpose-built rental housing, not owner-occupied housing.

Clause 165(1) of the bill amends section 4(1) of the *Real Property (GST/HST) Regulations*, which set out the prescribed conditions for the GST rental rebates, to add that a taxable supply must not be an excluded equity housing supply. Similarly, clause 166(1) adds section 4.1 to the *Real Property (GST/HST) Regulations*, which states that for a cooperative housing corporation to be eligible for the enhanced GST rental rebate, it must not be an excluded equity housing supply.

Clauses 160(1), 161(1) to 161(5), 164(1), 165(1) and 166(1) of the bill are deemed to have come into force on 14 September 2023.

2.3.1.3 Division 1(c): Clarifying Input Tax Credits and Redeemed Coupons

As the GST/HST is designed to be paid by the end consumer, a business can claim input tax credits to recover the GST/HST it paid on expenses it incurred as part of its commercial activities. Clause 159 introduces amendments in response to a 2024 Federal Court of Appeal decision regarding the redemption of loyalty points at a retailer that were offered through a financial institution's credit card.[111] The use of the loyalty points creates two buyers for the good or service: the customer and the financial institution, the latter of which could potentially claim input tax credits for its portion of the GST/HST. The Federal Court of Appeal found that paying for the redemption of the loyalty points was in the course of commercial activity and the financial institution could claim input tax credits, despite the fact that, in general, financial institutions are not entitled to claim input tax credits as financial services are exempt from GST/HST.

Clause 159(1) of Bill C-15 amends section 181(5) of the ETA, which sets out the rules pertaining to persons that offer coupons to lower a price that includes the GST/HST, to clarify that the person who is entitled to claim the input tax credit must have paid for the redemption of the coupon exclusively in the course of commercial activities of the person. Furthermore, clause 159(2) of the bill adds section 181(6) to the ETA to clarify that a payment made by a person exclusively in the course of commercial activities means:

- For a person that is not a financial institution, all or substantially all of the activities in the course of which the payment is made are commercial activities.
- For a person that is a financial institution, all of the activities in the course of which the payment is made are commercial activities.

Clause 159(3) of the bill states that clauses 159(1) and 159(2) are deemed to have come into force on 16 August 2025. They also apply in respect of any payment made by a person before 16 August 2025 to a supplier for the redemption of a coupon if the person has not claimed an input tax credit in respect of the payment in a return under Division V of Part IX of the ETA that is filed before 16 August 2025.

2.3.2 Division 2: Elimination of the Underused Housing Tax

The Underused Housing Tax (UHT) is an annual 1% tax on the value of vacant and underused housing whose owners are generally foreign nationals. The UHT took effect in January 2022.

Clause 167 of Bill C-15 adds new section 1.1 to the *Underused Housing Tax Act* (UHTA)[112], stipulating that the UHT will no longer be payable by a person in respect of residential property for 2025 and subsequent calendar years.

Clause 168 of the bill adds new section 6.1 to the UHTA, stipulating that a person is not required to file a return for a residential property for 2025 and subsequent calendar years.

Lastly, clauses 169 and 170 of the bill provide respectively that the UHTA and the *Underused Housing Tax Regulations*[113] will be repealed as of 1 January 2035.

2.3.3 Division 3: Elimination of the Luxury Tax in Respect of Aircraft and Vessels

The *Select Luxury Items Tax Act* (SLITA)[114] was enacted in 2022 to impose a tax – commonly referred to as the luxury tax – on the retail sale, lease or importation of certain luxury cars and personal aircraft priced over $100,000 and boats priced over $250,000. When the item is purchased from a registered dealer or imported, the tax is calculated as the lesser of 10% of the total price of the item, and 20% of the amount by which the taxable amount of the item exceeds $100,000 for vehicles and aircraft, or $250,000 for vessels. In relation to importations into Canada, the tax applies to the value of the item as determined for the purposes of calculating the goods and services tax/harmonized sales tax on imported goods at the time of importation.

Clause 171 of Bill C-15 adds new section 1.1 to the SLITA to remove previously subjected aircraft and vessels from the luxury tax base. This measure applies to any instance of the tax on subjected aircraft and vessels that would have become payable after 4 November 2025.

Clause 172 of the bill amends section 50(6) of the SLITA to provide that the vendors of these subjected items no longer need to register with the Canada Revenue Agency after 4 November 2025. Consequentially, clause 173 of the bill adds new section 52.1 to the SLITA to cancel all such registrations after 1 February 2028. Similarly, clause 174 adds new section 55(3.1) to the SLITA to no longer require these vendors to file a return for reporting periods that begin after 4 November 2025.

New clause 55(3.1) will be repealed effective 1 February 2028.

Clause 175 of the bill creates the Select Luxury Items Tax Regulations, which generally remove otherwise subjected aircraft and vessels from the luxury tax base if the purchaser entered into the sale agreement before 2022. In addition, it addresses certain prescribed circumstances in sections 18(7) and 33 of the SLITA, addressing the tax applicable to the sale of a partial ownership of a subjected item, and when the exportation of an aircraft does not trigger the application of the tax, respectively.

The regulations with respect to the disapplication of the tax on sale agreements before 2022 and those related to exportation are deemed to have come into force on 1 September 2022, while those related to the sale of a partial ownership of a subjected item are deemed to have come into force on 5 August 2023.

2.4 PART 4: ESTABLISHING AN OPT-IN FRAMEWORK UNDER THE *FIRST NATIONS GOODS AND SERVICES TAX ACT*

Clause 186 of Bill C-15 adds Part 3 entitled "First Nations Tax – Specified Products" to the *First Nations Goods and Services Tax Act* (FNGSTA).[115] This is an opt-in framework that was originally announced in budget 2021,[116] and reiterated in budget 2022[117] and budget 2024. It is aimed at:

> supporting an Indigenous tax jurisdiction that advances self-determination and builds strong fiscal relationships while generating important revenues for community priorities. This is an important part of reconciliation.[118]

The wording of the new Part 3 of the FNGSTA is based largely on Part 1. The main difference is that pursuant to the new section 33(1) of the FNGSTA, the new authority to impose tax applies only in respect to "specified products," namely "alcoholic beverages," "fuel," "cannabis products," "vaping products" and "tobacco products"[119] when they are brought, transferred or imported on the lands of a First Nation.[120]

In order to qualify, a First Nation must first add its name to the new Schedule 3.[121] Pursuant to new section 44 of the FNGSTA, the Minister of Finance may, by order, amend Schedule 3.[122]

The governing body of the First Nation must subsequently enact a law, and the law must provide which specified products are subject to the law (new section 34 of the FNGSTA), and only those products included in Schedule 3 are subject to the tax (new section 35(3) of the FNGSTA). The amount of tax in respect of these products is calculated using the rate of 5% or 0%, as the case may be, as provided respectively in sections 165(1) and 165(3) of the *Excise Tax Act* (ETA)[123] (new sections 33(7) and 33(9) of the FNGSTA).

Lastly, the new section 33(10) of the FNGSTA provides that a law enacted under the new section 33(1) of the FNGSTA is to be administered and the tax is to be collected, in accordance with an administration agreement. An administration agreement is entered into between the governing body and the Minister of Finance, with the approval of the Governor in Council (new sections 39(2) and 41(2) of the FNGSTA).

Such an agreement ensures the harmonization of the rules applicable under the new Part 3 of the FNGSTA and those applicable to the goods and services tax levied under Part IX of the ETA (new section 39(3) of the FNGSTA).[124] Generally speaking, this ensures that the provisions of Part IX of the ETA, other than those that create a criminal offence,[125] apply, with any necessary modifications, for the purposes of the First Nation law (new section 39(3) of the FNGSTA).[126]

This also means the goods and services tax – or the federal component of the harmonized sales tax, as the case may be – does not apply when an administration agreement is in effect and the tax under the new Part 3 applies (new section 32 of the FNGSTA).

Of note, the governing body of a First Nation that has the power to enact laws that has been recognized or granted under any other Act of Parliament or under an agreement that has been given effect by any other Act of Parliament may also enter into an administration agreement in respect of a law that imposes a tax on specified products to benefit from the harmonization with the rules in Part IX of the ETA, if the law and its application are consistent with a law enacted under the new section 33(1) of the FNGSTA (see new section 40 of the FNGSTA).

Lastly, new section 41 of the FNGSTA sets out the matters that the administration agreement covers or can cover, including:

- the payment, by the Government of Canada to the First Nation, of the estimated "tax attributable to the First Nation" and the method for estimating it;
- for the sharing, if any, between the First Nation and the Government of Canada of the tax attributable to the First Nation;
- the retention by the Government of Canada of certain amounts;
- the accounting of tax attributable to the First Nation; and
- the accounting for the payments made under new Part 3.

In budget 2025, the government also stated that it

> will explore other flexible, opt-in approaches for tax jurisdiction arrangements that continue to advance fiscal relationships and create more opportunities for Indigenous governments to grow their revenues and achieve the goals of their communities.[127]

2.5 PART 5: IMPLEMENTATION OF VARIOUS MEASURES

2.5.1 Division 1: Enactment of the High-Speed Rail Network Act

Part 5, Division 1 of Bill C-15 enacts the High-Speed Rail Network Act (HSRNA), which pertains to the construction of a high-speed passenger rail network (the HSR network) between the provinces of Ontario and Quebec.

2.5.1.1 Federal Jurisdiction

The HSRNA declares the railways that will constitute this network to be "works for the general advantage of Canada" (section 4). This use of Parliament's declaratory power under section 92(10)(c) of the *Constitution Act, 1867*[128] confirms the project to be under federal jurisdiction, regardless of whether a particular railway line may fall entirely within the borders of a single province.

2.5.1.2 Project Approval

2.5.1.2.1 Canadian Transportation Agency Approval

Under normal circumstances, the construction of a railway must be approved by the Canadian Transportation Agency (the Agency) under section 98 of the *Canada Transportation Act*.[129] The HSRNA accelerates this process by declaring that the construction of any railroad that will be part of the HSR network is deemed to have already been approved by the Agency. It also removes, for the purposes of the HSR network, the Agency's existing power to reconsider its own decisions or approvals (section 5 of the HSRNA).

2.5.1.2.2 Impact Assessment

The *Impact Assessment Act* (IAA)[130] will apply to each individual *segment* of the HSR network, regardless of the usual 50 km minimum length, rather than to the network as a whole. Presumably, this would prevent work from being halted across the network in the event of issues with any particular segment. A note that *segment* is not defined.

Despite the IAA, decisions by the Agency will not be required to enact a prohibition on work, to exercise any powers, duties, or functions relating to expropriation, or for the acquisition of land by other means in accordance with an Act of Parliament other than the HSRNA.

2.5.1.3 Land Acquisition

The HSRNA allows Alto (formerly known as VIA HFR – VIA TGF Inc.), the Crown corporation responsible for the leading the development, implementation, and oversight of the HSR network project on behalf of the government of Canada,[131] to acquire land needed for the construction of the railways that will form the HSR network, either by establishing and exercising a right of first refusal, or through expropriation.

2.5.1.3.1 Right of First Refusal

Alto can establish a right of first refusal for itself, by way of a notice to the appropriate registrar. The owner of the land in question may not sell their land to a third party without advising Alto and allowing it to purchase the land itself, for the price offered by the third party (sections 8 and 9 of the HSRNA). Alto would also reimburse the third party for any reasonable expenses incurred to negotiate the initial offer (section 9(4) of the HSRNA).

A notice of right of first refusal would expire after not more than eight years (section 8(4)(e) of the HSRNA).

2.5.1.3.2 Expropriation

The HSRNA deems Alto to be a railway company, allowing it to exercise powers under the *Expropriation Act*[132] (section 17(1) of the HSRNA). It further exempts Alto from certain restrictions of that Act, to accelerate the process for expropriating land needed for the construction of the HSR network.

Alto is not required to attempt to purchase an interest in land before requesting expropriation. Nor is the agreement of the Minister of Public Works (or another minister explicitly designated in accordance with the *Expropriation Act*) required, if the Minister of Transport agrees with Alto's expropriation request (section 17 of the HSRNA).

The HSRNA establishes distinct, accelerated procedures for the publication of notices and the processing of objections for expropriations relating to the HSR network, which will be exempt from the standard procedures outlined in the *Expropriation Act* (sections 18 to 21 of the HSRNA). The calculation of the market value of an expropriated property must exclude any work that was done in contravention of a prohibition or work (section 23 of the HSRNA).

2.5.1.3.3 Prohibition of Work

Alto may also request a notice of prohibition of work to prevent any work from being done to land that it believes will be required for the construction of the HSR network. To do this, Alto may present a request to the Minister of Transport. If the Minister agrees with Alto's position, a request is made to the Minister of Public Works (or another minister explicitly designated in accordance with the *Expropriation Act*), who is required to register a notice of prohibition of work with the appropriate registrar's office. The notice will expire after not more than four years. Work that is required to maintain the normal functioning state of the land or to prevent its deterioration is not prohibited, and any work that had already begun at the time the notice was registered may be completed (sections 12 and 13 of the HSRNA).

If the land in question is not acquired and the notice of prohibition of work expires after four years, the owner of the land may request compensation from the Crown for actual losses sustained due to the prohibition while it was in effect (section 16 of the HSRNA).

2.5.1.4 Property of the Corporation

Alto may sell or lease property that it holds without regard to the restrictions contained in section 99(2) of the *Financial Administration Act*[133], which would normally require an agent Crown corporation to follow the *Crown Corporation General Regulations, 1995*[134] or seek the authorization of the Governor in Council (section 24 of the HSRNA).

2.5.1.5 Indigenous Knowledge

Any Indigenous knowledge provided in confidence to the Minister of Transport, the Minister of Public Works (or another minister explicitly designated in accordance with the *Expropriation Act*), or to Alto must be considered confidential. Disclosure may only be made through written consent following consultation. Exceptions are made for knowledge that is publicly available and if disclosure is required in legal proceedings or for the purposes of procedural fairness and natural justice (section 25 of the HSRNA).

A reference to the above is added to Schedule II of the *Access to Information Act*[135] (clause 193).

2.5.1.6 *Official Languages Act*

Clause 192 of Bill C-15 establishes that entities with whom Alto contracts for operating or maintaining the HSR network are considered federal institutions for the purposes of the *Official Languages Act* (OLA)[136]. Entities previously operated by

VIA Rail Canada Inc. to provide passenger rail services between Windsor and the city of Québec, as well as any other entity that operates a railway that is part of the HSR network, will be considered federal institutions for specified parts of the OLA.

While the remainder of the HSRNA comes into force on the date it receives Royal Assent, this clause comes into force on a date to be fixed by the Governor in Council.

2.5.2 Division 2: Amendments to the *Canada Post Corporation Act*

Clauses 195 to 199 of Bill C-15 amend the *Canada Post Corporation Act* (CPCA) to modernize and deregulate the process for setting postage rates.[137] Prior to these amendments, postage rate increases were subject to government approval. Moreover, library materials (as defined in the CPCA) benefited from lower, regulated rates.

Clause 195 of the bill repeals the definition of "library materials" in subsection 2(1) of the CPCA and, along with related repeals, removes the statutory framework for preferential library mail rates, leaving the Canada Post Corporation (Canada Post) with discretion over whether to offer such rates.

Clause 196 of the bill adds a new section 16.1 to the CPCA which:

- allows Canada Post to establish postage rates and related terms and conditions;
- requires Canada Post to consider whether postage rates are fair, reasonable and consistent with its self-financing mandate;
- requires Canada Post to publish its rates and related terms and conditions as soon as feasible;
- exempts Canada Post from the fairness, reasonableness, consistency and publication requirements in the case of experimental services or certain negotiated agreements with customers; and
- authorizes Canada Post to refund postage.

Clause 197 repeals paragraphs 19(1)(d) to 19(1)(g.1) of the CPCA, which required Governor in Council approval for changes to postage rates, rate-related terms and conditions, reduced postage rates on regulated mailable matter, postage refunds, free postage of certain materials for the use of people who are blind, free postage of material sent to or from Canada Post related to its business, and reduced postage rates for library materials. It also repeals subsection 19(2), made redundant by clause 196, and subsection 19(3), which authorized the Governor in Council to make regulations to compensate the Corporation for the free mailing of certain materials for the use of people who are blind.

Clause 198 repeals section 21, which concerns postage rates for certain customers of experimental services and negotiated agreements (made redundant by clause 196), and section 21.1, related to the library book rate.

Clause 199 provides that these amendments come into force on a date fixed by Order in Council.

2.5.3 Division 3: Authorizing Payments to Fund the Operations and Activities of Build Canada Homes and Allow It to Participate in the Capital of Canada Lands Company Limited

Division 3 of Bill C-15 authorizes the Minister of Housing to spend up to $13.15 billion from the Consolidated Revenue Fund on federal housing initiatives.

Clause 200 of the bill authorizes the Minister of Housing, in agreement with the Minister of Finance, to use up to $11.5 billion to support the operations and activities of Build Canada Homes.

Clause 201(1)(a) authorizes the Minister of Housing to use up to $1.515 billion for capital contributions or share purchases in Canada Lands Company Limited, which clause 201(2) deems to be not considered a Crown corporation for this purpose.

In anticipation of future legislation regarding Build Canada Homes, clauses 200 and 201 provide flexibility for the Minister of Housing to allocate funds to other entities, as necessary.[138]

2.5.4 Division 4: Amendment to the *Canada Infrastructure Bank Act*

The Canada Infrastructure Bank (CIB) was established in 2017 as a federal Crown corporation with the aim "to ensure Canadians benefit from modern and sustainable infrastructure that is built through strategic partnerships between governments and the private sector."[139]

Clause 23 of Bill C-15 amends section 23 of the *Canada Infrastructure Bank Act*[140] to increase the CIB's statutory capital envelope from $35 billion to $45 billion.

2.5.5 Division 5: Amendments to the *Red Tape Reduction Act*

2.5.5.1 Implementation of a New Regulatory Exemption Regime

In budget 2024, the federal government proposed amending the *Red Tape Reduction Act* (RTRA)[141] to give all ministers the authority to grant exemptions so new regulatory approaches that would support innovation and competition could be tested. These exemptions are often referred to as regulatory sandboxes.[142] Division 5 of Part 5 of

Bill C-15 amends the RTRA to implement the federal government's proposal announced in budget 2024.

2.5.5.1.1 Amendment to the Preamble

Clause 203 of Bill C-15 amends the preamble to the RTRA to clarify that the Government of Canada recognizes the importance of transparency when implementing temporary exemptions that establish regulatory sandboxes.

2.5.5.1.2 Exemption Authority

Clause 208 of Bill C-15 adds a Part 2 to the RTRA with new sections 11 to 15, creating a new regulatory exemption regime to establish regulatory sandboxes.

New section 12 of the RTRA grants a minister the authority to make an order exempting an individual, an association or an organization, for a period of not more than three years, from the application of a provision of an Act of Parliament under their responsibility or an instrument made under an Act under their responsibility (with the exception of the *Criminal Code*). New section 12(3) of the RTRA provides that an exemption may be granted if it is in the public interest, it promotes innovation or economic growth, its benefits outweigh the risks, it includes adequate oversight and protection measures, and it has a feasible implementation plan. Sections 12(4) to 12(9) of the RTRA provide clarifications about the implementation of these exemptions.

2.5.5.1.3 Accountability

New sections 14 and 15 of the RTRA will strengthen transparency and parliamentary oversight regarding the implementation of exemptions by requiring that ministers publish the exemption order and the reasons for the order and collect comments from the public. Furthermore, the President of the Treasury Board must prepare and make public each year a report on the orders in effect during the previous 12 months, which will then be studied by a parliamentary committee.

2.5.6 Division 6: Amendments to the *Public Service Superannuation Act* Regarding the Expansion of the Eligibility for Early Retirement

Division 6 of Part 5 of Bill C-15 amends the *Public Service Superannuation Act* (PSSA).[143] Among other things, as explained in budget 2025, this measure expands the eligibility for early retirement available to Correctional Service of Canada employees working in federal correctional institutions to additional frontline employee groups in the Public Service Pension Plan, such as border services officers and parliamentary protection officers.[144]

Notably, clause 210 of the bill renames the heading "Correctional Service of Canada" as "Operational Service." It also amends the definition for "operational service," which is a service of a kind designated in the regulations, expanding its application to all the provisions under the above-noted heading and renumbering it as section 24.1(1). Further, it adds new section 24.1(2) to the PSSA to allow the President of the Treasury Board, through an order, to narrow the scope of a kind of service designated in the regulations.

Clause 210 of the bill also amends section 24.2 of the PSSA. This provision sets out the entitlement to a special pension plan for persons employed in operational service, allowing them to choose an immediate annuity or annual allowance upon ceasing employment in the public service. Among other things, clause 210 renumbers the provision as section 24.2(1) and provides that:

- the special pension plan provision applies to persons employed in operational service by the Correctional Service of Canada on or after 18 March 1994, and to persons employed in other kinds of operational service on or after the date prescribed by regulation (new sections 24.2(2)(a) and 24.2(2)(b) of the PSSA);
- persons employed in operational service to whom the special pension plan provision applies may, subject to the regulations, elect to not count pensionable service to their credit as operational service, while also having the ability to revoke or amend their election (new sections 24.2(3) and 24.2(4) of the PSSA);
- section 8 of the PSSA, which sets out parameters regarding elections under Part I (Superannuation) of the Act, does not apply in connection with the election to not count pensionable service as operational service (new section 24.2(5) of the PSSA).

Clauses 211 to 215 of the bill amend various provisions under Part I (Superannuation) and Part III (Supplementary Benefits) of the PSSA to, among other things, remove references to the "Correctional Service of Canada," thereby expanding the application of certain pension provisions, and to include updated references to renumbered sections 24.1(1) and 24.2(1) of the PSSA.

Clause 213(1) of the bill amends section 42.1(1) of the PSSA to, among other things, add new regulation-making powers for the Governor in Council. These include regulations prescribing various aspects related to the election to not count pensionable service as operational service, as well as to any related amendment or revocation, under new sections 42.1(1)(r.1) and 42.1(1)(r.2) respectively.

Clause 216 of the bill provides that Division 6 of Part 5 comes into force on a day to be fixed by order of the Governor in Council.

2.5.7 Division 7: Amendments to the *Public Service Superannuation Act* Regarding a Temporary Early Retirement Option During a Workforce Reduction Initiative

Clauses 217 to 222 of Bill C-15 amend the *Public Service Superannuation Act* and the *Income Tax Regulations.* These amendments allow public servants with at least 10 years of employment, including two years of pensionable service, to retire early without the usual 5% reduction in pension per year of early retirement, when a workforce reduction initiative is in effect. Public servants who have reached 50 years of age (or 55 years if they joined the public service after 31 December 2012) may apply for this initiative within a window of 120 days after coming into force, and may choose to continue working for another 180 days.

Clauses 217, 218 and 220 of the bill clarify that Treasury Board must adjudicate applications within a 120-day "transitional period" after coming into force for public servants who applied to retire immediately upon approval, and within 300 days for those who exercised their early retirement option but continued working.

The initiative will be paid out of the assets of the Public Sector Pension Investment Board. All clauses come into force on 15 January 2026 or Royal Assent of the bill, whichever is later, except clause 220 which comes into force 120 days later.

2.5.8 Division 8: Amendment to the *Farm Credit Canada Act*

Farm Credit Canada is a Canadian Crown corporation and the country's largest agricultural lender, dedicated to supporting the agriculture and agri-food sector. Farm Credit Canda is governed by the *Farm Credit Canada Act*, which defines its mandate and governance.[145]

Clause 223 of Bill C-15 amends the *Farm Credit Canada Act* by adding new section 16.1, requiring the Minister of Agriculture and Agri-Food to conduct regular legislative reviews of the *Farm Credit Canada Act*. The purpose of these reviews is to ensure alignment with the evolving needs of the agriculture and agri-food sector, which continues to be impacted by climate change, labour shortages, trade disruptions and demographic shifts in farming.

New section 16.1 of the *Farm Credit Canada Act* provides that the Minister of Agriculture and Agri-Food, in consultation with the Minister of Finance, be authorized to conduct a review of the *Farm Credit Canada Act*, within five years of the section coming into force and every 10 years thereafter. The Minister of Agriculture and Agri-Food is required to table a report of the review of the *Farm Credit Canada Act*, in each House of Parliament, within one year after the review is undertaken, and the report must be reviewed by any parliamentary committee to which it is referred.

2.5.9 Division 9: Repealing the *Consumer-Driven Banking Act* and Enacting a New One

Consumer-driven banking, sometimes referred to as open banking, allows individuals to share their financial data securely with approved service providers through an application programming interface (API) to approve service providers, such as financial services companies, when they choose to do so.

Budget 2024 set out a two-phase implementation plan of a consumer-driven banking framework (the framework). The Phase 1 focuses on "read access," and covers six core elements: governance, scope, accreditation, common rules, national security and a technical standard. The initial elements of Phase 1 were enacted through the *Budget Implementation Act, 2024, No. 1,* which established the *Consumer-Driven Banking Act*. Division 9 of Part 5 of the bill completes the remaining Phase 1 components and transfers the administration and oversight of the framework from the Financial Consumer Agency of Canada to the Bank of Canada (the Bank). Related data-mobility measures are addressed in Division 23 of Part 5 of the bill. Phase 2, which will address "write access," is contingent upon the completion of the Real-Time Rail payments system, anticipated in 2027.

Clause 224 of Bill C-15 enacts a new *Consumer-Driven Banking Act* (CDBA). The purpose of the CDBA is expanded to include "consumers, including businesses" rather than "small businesses" and to add fostering competition as a purpose.

The CDBA further sets out the objects of the Bank of Canada in respect of consumer-driven banking, including:

- supervising participating entities, accredited third-party service providers, the external complaints body, and the technical standards body;
- fostering participation in the framework; and
- fostering competition in the interests of consumers. The Bank is also required to maintain a public registry containing prescribed information.

The CDBA creates three accreditation pathways:

- federal and provincial financial institutions;
- registered payment service providers; and
- other entities, including fintechs.

Some banks, determined by their retail size, will be required to participate in the framework. The CDBA also provides an accreditation procedure for third-party providers to handle consent management, authentication, and data transfer activities.

The Act also empowers the Bank of Canada to refuse, suspend or revoke accreditation. The Act includes an appeals process in situations where applicants have been refused accreditation. The Act also requires the Bank to keep a public registry of participating entities with specified information.

For national security purposes, the Minister of Finance may review any accreditation application, extend the review period, refuse the application, or revoke an accreditation. Refusals or revocations based on national security must be reported to the National Security and Intelligence Committee of Parliamentarians and the National Security and Intelligence Review Agency.

Under the CDBA, participating entities must:

- transfer consumer data to other participating entities in accordance with a consumer's direction;
- establish and maintain security safeguards, report breaches, and notify consumers of real risks of significant harm;
- obtain a consumer's express consent in the prescribed manner;
- verify consumer authentication information prior to data transfer;
- display prescribed information regarding their status as participating entities and refrain from making false or misleading representations;
- maintain internal complaints-handling procedures and be members of a designated external complaints body; and
- submit annual reports in accordance with the regulations.

The CDBA provides that consumers are not liable for financial losses arising from unauthorized access to, or unauthorized use or loss of, their data unless the consumer has been grossly negligent in safeguarding their information. Participating entities are strictly liable for any financial loss directly attributable to a breach of their security safeguards, including losses arising when third-party providers are engaged.

The CDBA includes whistleblower protections for employees of participating entities and the technical standards body. It also authorizes the Minister, upon a province's application, to designate a provincial authority to supervise certain participating entities within its jurisdiction for specific provisions of the Act. The CDBA also empowers the Minister to revoke such a designation.

With respect to technical standards, the CDBA authorizes the Minister to designate a technical standards body responsible for the development and maintenance of the data-sharing standard. In designating the body, the Minister must consider factors

including the safety, security, and efficiency of data sharing; fairness, accessibility, transparency, and good governance; Canadian incorporation or organization; independence; consistency with the purposes of the Act; and any additional relevant or regulatory considerations. The designation must be reviewed every three years. The Minister may revoke the designation where statutory criteria are no longer met or where the designation poses risks to national security or to the integrity or security of the Canadian financial system. The technical standards body must file annual reports with the Bank and notify the Bank of any significant changes affecting its operations or the standard.

With respect to information obtained by the Bank, the CDBA specifies that the Bank must keep information confidential and disclose it only in specific situations.

The CDBA establishes a federal-provincial-territorial advisory committee and authorizes the establishment of other committees to advise the Bank on matters relating to consumer-driven banking. The CDBA also establishes a cost-recovery regime requiring the Bank to assess its expenses under the Act and apportion them among participating entities, accredited third-party service providers, and the external complaints body.

The CDBA confers a range of supervisory and enforcement powers on the Bank, including the authority to impose conditions, require undertakings, enter into compliance agreements, issue binding directions, impose administrative monetary penalties, and recommend that the Minister refuse or revoke registrations. The Governor may apply to the court to enforce compliance with the Act.

Clauses 225 to 245 make related amendments to other acts including the *Financial Consumer Agency Act*[146] to remove its previously established role as the administrator for the framework, including repealing the position of senior deputy commissioner.

Clause 246 repeals the previous *Consumer-Driven Banking Act*.[147]

2.5.10 Division 10: Amendments to the *Trust and Loan Companies Act*, the *Bank Act* and the *Insurance Companies Act* Regarding the Period During Which Financial Institutions May Carry on Business

The *Bank Act*,[148] the *Insurance Companies Act* (ICA)[149], and the *Trust and Loan Companies Act* (TLCA)[150], contain a statutory sunset date, after which these statutes are no longer in effect. As such, the federal government typically reviews the legislation governing federally regulated financial institutions every five years. The latest consultation was launched in the fall of 2023, which included both a consultation on "Upholding the Integrity of Canada's Financial Sector" as well as a

more targeted consultation on "Strengthening Competition in the Financial Sector." However, the sunset date has been moved by acts of Parliament, such as with *Budget Implementation Act, 2021, No. 1*,[151] which received Royal Assent in 2021 and extended the sunset date for the *Bank Act* to 30 June 2025.

Division 10 of Part 5 of the bill amends the *Bank Act*, the *Insurance Companies Act*, and the *Trust and Loan Companies Act*, to extend their sunset date from 30 June 2026 to 20 June 2033.

Clauses 247 to 250 amend section 20 of the TLCA, sections 21 and 670 of the *Bank Act*, and sections 21 and 707 of the ICA, respectively, to extend the sunset date provisions to 20 June 2033.

2.5.11 Division 11: Amendments to the *Trust and Loan Companies Act*, the *Bank Act* and the *Insurance Companies Act* Regarding Prudential Limits

Clauses 252 to 256 of Bill C-15 amend the *Trust and Loan Companies Act*[152], clauses 257 to 262 of the bill amend the *Bank Act*[153], and clauses 263 to 285 of the bill amend the *Insurance Companies Act*[154] to repeal limits on borrowing and portfolio investments in consumer and commercial loans, real property and equity, as applicable. In general, the borrowing limits are intended to restrain credit risk while the limits on investment and commercial loans are intended to promote sound risk management. It is expected that these limits will be captured by guidelines to be issued by the Office of the Superintendent of Financial Institutions prior to the coming into force of this division.

Clause 286 of the bill provides for the coming into force of these amendments on a day or days to be fixed by order of the Governor in Council.

2.5.12 Division 12: Amendments to the *Bank Act*, the *Trust and Loan Companies Act* and the *Insurance Companies Act* Regarding the Electronic Delivery of Certain Documents

Previously, the *Bank Act*[155], the *Insurance Companies Act* (ICA)[156], and the *Trust and Loan Companies Act* (TLCA)[157] required federally regulated financial institutions to deliver paper copies of meeting-related governance documents such as voting forms, proxy forms, financial statements, and proxy circulars unless they met the statutory requirements for electronic delivery, including obtaining consent.

Clauses 287 to 290 of Bill C-15 amend the *Bank Act*, clauses 291 to 292 of the bill amend the TLCA, and clauses 293 and 294 of the bill amend the ICA to allow federally regulated financial institutions to electronically provide governance documents to shareholders, credit union members, and voting insurance company policyholders by making them available online and providing a notice containing

information on how to access the electronic documents. This method is otherwise known as a "notice-and-access" method of delivery. Clauses 289(6), 292(6) and 294(6) allow a shareholder or a member to request paper copies of the documents in question.

The provisions also allow governance documents used in connection with a meeting, including voting forms, proxy circulars and financial statements, electronically to be shared electronically without prior consent from shareholders, members and voting policyholders or an exemption from the Office of the Superintendent of Financial Institutions.

2.5.13 Division 13: Amendments to the *Trust and Loans Companies Act*, the *Bank Act* and the *Insurance Companies Act* Regarding the Equity Threshold Related to the Public Holding Requirement

The *Trust and Loan Companies Act* (TLCA)[158], the *Bank Act*[159] and the *Insurance Companies Act* (ICA)[160] contain a public holding requirement that specifies the equity threshold a federally regulated financial institution may hold before it must have 35% of its voting equity floated on a recognized exchange and be widely held.

Clause 295 of Bill C-15 amends the TLCA, the *Bank Act* and the ICA to increase this equity threshold from $2 billion to $4 billion and to make changes to other provisions that include that threshold.

2.5.14 Division 14: Amendments to the *Trust and Loan Companies Act*, the *Bank Act*, the *Insurance Companies Act* and the *Office of the Superintendent of Financial Institutions Act* Regarding the Powers of the Superintendent of Financial Institutions

Division 14 of Bill C-15 introduces the same or similar amendments to the *Trust and Loan Companies Act*,[161] the *Bank Act*,[162] the *Insurance Companies Act*[163] and the *Office of the Superintendent of Financial Institutions Act*[164] to expand the supervisory powers of the Office of the Superintendent of Financial Institutions, particularly in relation to threats related to national security. The amendments are as follows:

- Clause amends section 502(1)(b) of the *Trust and Loan Companies Act*, clauses 306 and 311 amend sections 635(1)(b) and 954(1)(c) of the *Bank Act*, respectively, and clauses 317 and 322 amend sections 671(1)(b) and 997(1)(c) of the *Insurance Companies Act*, respectively, all of which address financial institutions being required to produce information and documents to the Superintendent of Financial Institutions (the Superintendent), to include the objective of ensuring the financial institution adheres to its policies and procedures regarding threats to its integrity or security.
- Clause 297 amends section 503(2) of the *Trust and Loan Companies Act*, clauses 302, 307 and 312 amend sections 606(2), 636(2) and 955(2) of the *Bank Act*, respectively, clauses 318 and 323 amend sections 672(2) and 998(2) of

the *Insurance Companies Act*, respectively, and clause 329 amends section 22(2) of the *Office of the Superintendent of Financial Institutions Act*, all of which regulate the disclosure of confidential information by the Superintendent, to add a new provision that allows for the disclosure of information to any federal government agency or body for purposes related to the regulation of financial institutions, including threats to the integrity or security of financial institutions or risks to national security.

- Clause 298 amends section 505(1) of the *Trust and Loan Companies Act*, clauses 303, 308 and 313 amend sections 613(1), 643(1) and 957(1) of the *Bank Act*, respectively, and clauses 319 and 324 amend sections 674(1) and 1000(1) of the *Insurance Companies Act*, respectively, all of which describe the Superintendent's regular examination of financial institutions, to include as part of the examination determining whether the financial institution adheres to its policies and procedures to protect itself from threats to its integrity or security.
- Clause 299 amends section 506.1 of the *Trust and Loan Companies Act*, clauses 304, 309, and 314 amend sections 614.1, 644.1 and 959 of the *Bank Act*, respectively, and clause 320 amends sections 675.1(a) and 675.1 (b) and clause 325 amends section 1002 of the *Insurance Companies Act*, all of which set out the circumstances when the Superintendent can enter into a prudential agreement with a financial institution, to include for the purpose of maintaining or improving a financial institution's adherence to its policies and procedures regarding threats to its integrity or security.
- Clause 300 amends sections 507(1) and 507(1.1) of the *Trust and Loan Companies Act*, clause 305 amends sections 615(1) and 615(1.1), clause 310 amends sections 645(1) and 645(1.1) and clause 315 amends section 960(1.1) of the *Bank Act*, and clause 321 amends sections 676(1) and 676(1.1) and clause 326 amends section 1003(1.1) of the *Insurance Companies Act*, all of which address the circumstances where the Superintendent can issue directions to a financial institution to remedy unsafe practices, to clarify the language and add reference to not adhering to its policies and procedures regarding threats to its integrity or security.
- Clause 301 amends section 527.4(1) of the *Trust and Loan Companies Act*, clause 316 amends section 973.02(1) of the *Bank Act*, and clause 327 amends section 1016.2(1) of the *Insurance Companies Act*, all of which set out the Minister of Finance's power to impose terms and conditions with respect to an approval, to update the language and add reference to a financial institution adhering to its policies and procedures regarding threats to its integrity or security.

As well, clause 328 amends the heading before section 22 of the *Office of the Superintendent of Financial Institutions Act,* replacing "Confidentiality" with "Information" and clause 330 adds section 22.1 to the *Office of the Superintendent of*

Financial Institutions Act to clarify that the Superintendent can receive any information that is relevant to the exercise of its powers.

2.5.15 Division 15: Amendments to the *Bank Act* Regarding the Amount of Funds Deposited by Cheque That Can Be Withdrawn Immediately

Clause 331 of Bill C-15 amends section 627.22 of the *Bank Act* to increase the amount available for immediate withdrawal from a bank account after the deposit of a cheque or other instrument from $100 to $150. For deposits not made in person at a branch, clause 331 also removes the restriction that funds only be available on the following day.

Clause 331 of the bill comes into force on a day to be fixed by order of the Governor in Council.

2.5.16 Division 16: Amendments to the *Bank Act* Regarding the Prevention of Consumer-Targeted Fraud

Division 16 of Bill C-15 adds new provisions addressing customer-targeted fraud to Part XII.2 of the *Bank Act*, which governs a bank's interactions with customers and the public.

Clause 333 of the bill amends section 627.01(1) of the *Bank Act* to define "consumer-targeted fraud" as "in relation to a product or service in Canada that is offered, sold or provided by an institution to a natural person other than for business purposes, includes a transaction that is unauthorized or that is authorized as a result of coercion or deception." An institution is a bank or an authorized foreign bank.

Clause 334 of the bill adds sections 627.131 to 627.135 to the *Bank Act* to address the activation and deactivation of certain features of customer accounts:

- Section 627.131 of the *Bank Act* states that a bank cannot activate a prescribed capability for a deposit account without obtaining the express consent of the account holder. The section also states that a bank must allow the account holder to deactivate a prescribed capability.
- Section 627.132 of the *Bank Act* indicates that a bank must allow an account holder to adjust the limits on the amount and number of withdrawals or transfers of funds from an account, but these limits cannot exceed any limit set by the bank. The bank must also ensure that any change takes effect within the prescribed period.
- Section 627.133 of the *Bank Act* states that a bank must notify an account holder without delay and by electronic means if an account capability is activated or deactivated or a limit is changed, but the bank does not have to provide notice if

the account holder has opted out in writing from receiving notice or does not provide the bank with relevant contact information.

- Section 627.134 of the *Bank Act* requires a bank to establish and adhere to policies and procedures to detect and prevent consumer-targeted fraud and to mitigate its impacts. The policies and procedures should set out:
  - the criteria used for determining whether a transaction is suspicious;
  - the criteria used for deciding whether to suspend, cancel or take another measure to address a suspicious transaction;
  - how to communicate to affected persons the bank's actions with respect to the suspicious transaction;
  - the criteria used for deciding whether an account holder is a victim of consumer-targeted fraud and if there is a remedy available to the account holder; and
  - the criteria used for deciding the types of remedies that are available and how to communicate that information to the account holder.

  The bank is also required to:
  - provide training to its employees and other intermediaries who deal with customers located in Canada on the detection and prevention of consumer-targeted fraud and on the bank's policies and procedures; and
  - prepare an annual report on consumer-targeted fraud in Canada and provide it to the Commissioner of the Financial Consumer Agency of Canada.
- Section 627.135 of the *Bank Act* requires the Commissioner of the Financial Consumer Agency of Canada to prepare an annual report for the Minister of Finance on consumer-targeted fraud based on the reports provided by the banks. As well, any information in a report that could reveal the identity of a bank or a victim of consumer-targeted fraud is considered confidential.

Clause 355 of the bill amends section 627.998 of the *Bank Act* to allow the Governor in Council to make regulations with respect to consumer-targeted fraud.

Division 16 of the bill comes into force on a day to be fixed by order of the Governor in Council.

2.5.17 Division 17: Amendments to the *Canada Deposit Insurance Corporation Act*, the *Bank Act* and the *Financial Consumer Agency of Canada Act* for Supporting the Growth of Federal Credit Unions

Under the *Bank Act*, a provincially regulated credit union can become a federal credit union either by continuing its operations as a federal credit union or by amalgamating with an existing federal credit union after first continuing under the *Bank Act*. Due to

concerns that this process was too lengthy and only addressed certain types of mergers, Division 17 of Bill C-15 introduces amendments to the *Canada Deposit Insurance Corporation Act* (CDICA),[165] the *Bank Act* and the *Financial Consumer Agency of Canada Act* (FCACA)[166] to confirm deposit insurance coverage for pre-existing deposits, include asset purchase agreements and provide other types of relief for credit unions entering the federal framework.

2.5.17.1 Amendments to the *Canada Deposit Insurance Corporation Act*

Clause 337 of the bill updates the language of section 12.1(2) and repeals section 12.1(3) of CDICA, which governs the provision of deposit insurance for certain pre-existing deposits during the transition period of a provincial credit union continuing into the federal framework, to remove a provision related to certain deposits repayable on a fixed day.

Clause 338 of the bill adds section 12.2 to CDICA to provide deposit insurance during the period during which a provincial credit union is acquired by a federal credit union under an asset purchase agreement, which is permitted under new section 236.1 of the *Bank Act*.

Clause 339 of the bill amends section 13(1) of CDICA, which sets out the rules regarding holding deposits with financial institutions that are merging with each other, to include reference to section 12.1. It also adds section 13(6) to CDICA to indicate that when a federal credit union acquires all or substantially all the assets of a provincial credit union, the transaction is deemed to be an amalgamation for the purposes of section 13 of CDICA.

Clause 340 of the bill adds section 17.01 to CDICA to clarify that the Canada Deposit Insurance Corporation must insure the deposits held by a federal credit union that was a provincial credit union prior to the issuance of the letters patent in respect of its continuation for the purposes of amalgamation.

Clause 341 of the bill adds section 23.1 to CDICA to describe how a federal credit union that acquires all or substantially all of the assets of a provincially regulated credit union would calculate its first deposit insurance premiums.

2.5.17.2 Amendments to the *Bank Act*

Clause 344 of the bill adds section 39.01 to the *Bank Act*, which allows the Minister of Finance to temporarily exempt for up to three years from the date its letters patent is issued, a newly created federal credit union that was previously a provincially regulated credit union from the consumer protection provisions set out in Part XII.2 of the *Bank Act*. This exemption is dependent upon the federal credit union having a

plan to be in compliance with Part XII.2 within that period, which must be approved by the Minister of Finance. As well, clause 343 amends the definition of "consumer provision" in section 2 of the *Bank Act* to include reference to the amendment made to the FCACA in clause 351 with respect to this plan for temporary relief.

Clause 345 of the bill adds section 227.1 to the *Bank Act*, which set out the rules for a simplified amalgamation process for a federal credit union amalgamating with a provincially regulated credit union. Some of the requirements include the total assets of the provincially regulated credit union not exceeding 25% of the assets of the federal credit union and the amalgamation being approved by a resolution of the directors of the federal credit union and by special resolutions of the members and shareholders of the provincially regulated credit union. The amalgamation does not have to be approved by members of the federal credit union, unless a request is made that a meeting be held to vote on the amalgamation.

Clause 346 of the bill amends section 228(1) of the *Bank Act*, which sets out how to make a joint application for an amalgamation to the Minister of Finance, to include reference to new section 227.1 of the *Bank Act*.

Clause 347 of the bill adds section 236.1 to the *Bank Act*, which set out the process by which a federal credit union can acquire all or substantially all the assets of a provincially regulated credit union. The asset purchase agreement must be sent to the Office of the Superintendent of Financial Institutions along with an application for the Minister of Finance's approval. The Minister of Finance must decide on an application within 45 days of receipt, but this period can be extended an additional 45 days. As well, clause 350 amends section 482(2)(g) of the *Bank Act* to exclude an asset purchase agreement by a federal credit union from the restrictions on asset transactions.

Clause 348 of the bill adds section 417.1 to the *Bank Act*, to provide that despite the restriction on leasing set out in section 417 of the *Bank Act*, a federal credit union that was previously a provincially regulated credit union can continue to offer auto leasing with the Minister of Finance's approval. The Minister of the Finance can impose conditions on the leasing activity, including limitations on where the activity is conducted, and the type and number of motor vehicles being leased. As well, clause 349 amends section 468(2)(a) of the *Bank Act* to include auto leasing activities of a federal credit union as permitted financial service activities.

2.5.17.3 Amendments to the *Financial Consumer Agency of Canada Act*

Clause 351 of the bill amends the definition of "consumer provision" in section 2 of the *Financial Consumer Agency of Canada Act* to add reference to plans for temporary relief from the consumer protection provision set out under section 39.011(2) of the *Bank Act*.

2.5.17.4 Coming into Force

Clause 352 of the bill states that clauses 337, 339(1), 340, 343, 344, 348, 349 and 351 come into force on Royal Assent, while all other clauses in Division 17 come into force on a day or days to be fixed by the order of the Governor in Council.

2.5.18 Division 18: Amendments to the *Special Economic Measures Act* and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*

Division 18 of Part 5 of Bill C-15 amends the *Special Economic Measures Act* (SEMA)[167] and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA).[168] The purpose of the amendments is to enhance the Minister of Finance's role in assessing the impact of sanctions on Canada's financial sector and to create new reporting and remittance obligations on federal financial institutions regarding sanctioned property.

Clause 354 of the bill amends SEMA by adding new section 4(2.1) entitled "Consultation with Minister of Finance." This new section requires that the Minister of Finance be consulted before an order or regulation is made under section 4(1) of SEMA if any of the following are identified in that order or regulation: globally systemically important banks; foreign banks authorized to operate in Canada; foreign payment service providers operating in Canada; foreign central banks; and foreign entities operating as a stock exchange and/or clearing and settlement system. Budget 2025 indicates that this amendment is intended to mitigate the potential financial sector risks associated with Canadian sanctions.[169]

Clause 356 of the bill amends SEMA by adding a new Part 2 after section 12 of SEMA. Titled "Obligations Specific to Financial Institutions," Part 2 sets out seven new sections (sections 13 to 19) to SEMA which are the responsibility of the Minister of Finance. New section 13 provides a definition for "foreign property," which it defines as any property that is situated in Canada and that is owned – or is held or controlled, directly or indirectly – by a person, including a foreign state, that is identified in an order or regulation made under section 4(1) of SEMA. New section 14 specifies that the Governor in Council may make regulations requiring a federal financial institution to provide the Minister of Finance with information on foreign property in its possession or control and any profits it realizes from such foreign property.

New section 15 of SEMA allows the Minister of Finance to make an order directing a federal financial institution to pay to the Receiver General any profits realized from foreign property that is in its possession or control. This amendment is intended to ensure that Canadian financial institutions do not profit from holding the immobilized property of a sanctioned person (e.g., by generating interest on frozen assets).

Budget 2025 indicates that this "targeted windfall profit charge will benefit all Canadians by enabling profits from sanctioned property to serve public policy objectives."[170]

New section 17 of SEMA concerns the sharing of information between the Minister of Finance and other federal departments and agencies in the making, administration or enforcement of regulations and orders referred to in new sections 14 and 15 of SEMA. New sections 18 and 19 of SEMA relate to the disclosure of information among the Minister of Finance, the Royal Canadian Mounted Police (RCMP) and the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) regarding orders or regulations made under SEMA.

Clause 358 of the bill amends SEMA to allow a regulation or order to be made under Part 2 of SEMA regarding any profits realized before the day on which this section comes into force only if the profits are realized from property that is owned by Russia, or by a person who is identified in the *Special Economic Measures (Russia) Regulations.* Since February 2022, the RCMP reports that approximately $185 million in assets had been immobilized under SEMA's Russia regulations.[171]

Clauses 359 to 362 of the bill make related and consequential amendments to the PCMLTFA to align with the amendments made to SEMA in Bill C-15. Clauses 359 to 361 amend the PCMLTFA to update, respectively, the definition of "sanctions evasion offence," the language in section 7.1(1)(c), and the language in section 11.11(1)(b.1) to refer specifically to Part 1 of SEMA, rather than SEMA alone. Clause 362 amends the PCMLTFA to insert section 53.7 in the PCMLTFA, which allows the Director of FINTRAC to disclose to the Department of Finance any information received by FINTRAC from a financial institution pursuant to section 7.1(1)(c) of the PCMLTFA.

2.5.19 Division 19: Amendments to the *Pension Act*, the *Royal Canadian Mounted Police Superannuation Act*, the *Department of Veterans Affairs Act* and the *Veterans Health Care Regulations*

2.5.19.1 Indexation of Disability Benefits

Disability benefits under the *Pension Act* are paid to veterans of the Royal Canadian Mounted Police (RCMP) and the Canadian Armed Forces (CAF) whose applications were submitted prior to 1 April 2006. Under section 75(1) of the *Pension Act*, these benefits are indexed annually according to the most favourable of two calculations: the Consumer Price Index (CPI) or a comparison of a public service wage basket calculated on the net value of the most advantageous provincial tax regime.

Section 35(1) of the *Interpretation Act* stipulates that the definition of "province" in a Canadian statute includes the territories, unless an explicit provision defines them otherwise. In 2019, a class action[172] was brought against Veterans Affairs Canada (VAC) after the plaintiffs noted that the calculation of disability pension indexation did not take into account the tax regime of the territories. The court ruled in favour of the plaintiffs, and VAC was required to pay $817.3 million as part of the final settlement.

Clauses 363 to 370 of Bill C-15 maintain indexation according to the two calculation methods, but explicitly exclude the territories in the selection of the most advantageous tax regime. In addition, the bill retroactively sets the amount of the disability pension for each year from 1985 to 31 December 2026, reflecting the final settlement of the 2019 class action. The amount of other benefits provided for under the Act is deemed to have been calculated using the same indexation rate as that applied to the disability pension.

2.5.19.2 Indexation of Disability Benefits for Royal Canadian Mounted Police Veterans

Under section 32 of the *Royal Canadian Mounted Police Superannuation Act*, disability benefits paid to RCMP veterans must comply with the provisions of the *Pension Act*. Unlike CAF veterans, who have not been able to file claims under this Act since 1 April 2006, RCMP veterans continue to be compensated under the *Pension Act*. In the absence of a specific provision in the *RCMP Superannuation Act*, the indexation formula set out in the *Pension Act* applied.

Clause 371 of the bill provides that, as of 1 January 2027, only the CPI will be used to calculate the indexation of disability benefits paid to RCMP veterans.

2.5.19.3 Amendments to the *Veterans Health Care Regulations*

Under section 33.1 of the *Veterans Health Care Regulations*,[173] the accommodation and meal costs payable by a veteran receiving long-term care correspond to the more advantageous of:

- the lowest charge permitted by a province; or
- the amount from the previous year indexed to the CPI.

In a manner similar to its calculation of indexation on disability pensions, VAC does not calculate the lowest charge permitted by a province by taking into account the charges imposed by the territories. Clause 374 of the bill specifies that the term "province" excludes the territories, and that this change is retroactive to 15 July 1998, thereby precluding any challenge to fees charged by VAC since that date.

2.5.20 Division 20: Amendments to the *Veterans Well-being Regulations*

2.5.20.1 Retroactive Amendment to the Annual Adjustment Date for the Earnings Loss Benefit

Between 2006 and 2019, veterans participating in a rehabilitation program authorized by Veterans Affairs Canada were eligible for the Earnings Loss Benefit (ELB). Between April 2006 and October 2016, the ELB guaranteed eligible applicants 75% of "imputed income" during the month preceding their release from the Canadian Armed Forces. The imputed income corresponded to the higher of the monthly salary at the time of release or, as of October 2011, a minimum salary guaranteeing an income floor. Between October 2016 and April 2019, the ELB amount was increased to 90% of the imputed income. In April 2019, the ELB became the "Income Replacement Benefit" and continues to guarantee 90% of the imputed income.

Between April 2006 and October 2017, the amount of the annual salary and the minimum salary used to calculate the imputed income were indexed in accordance with the consumer price index, without exceeding an annual increase of 2%, and have been fully indexed since October 2017.

Clauses 376 to 379 of Bill C-15 retroactively specify that the amount of the monthly salary, or the minimum salary, used to calculate the imputed income for the first year in which an applicant became eligible for the ELB was prorated to the number of days remaining in the first year in which the ELB became payable.

2.5.21 Division 21: Amendments to the *Royal Canadian Mounted Police Superannuation Act* Regarding Claims for Awards Made Under Part II of the Act

Clause 380 of Bill C-15 amends the *Royal Canadian Mounted Police Superannuation Act* to clarify the authority responsible for disability benefits for members injured in the performance of their duties. The amendments identify the Minister of Public Safety and Emergency Preparedness as the overall authority for the program, while the Minister of Veterans Affairs is authorized to administer the program on behalf of the Royal Canadian Mounted Police (RCMP), including adjudication and payment of benefit awards. Clauses 381 and 384 authorize certain future and retroactive information sharing, including personal information, between the Minister of Veterans Affairs, the Minister of Public Safety and Emergency Preparedness, and the Commissioner of the RCMP.

2.5.22 Division 22: Enactment of the Canada Development Investment Corporation Act

The Canada Development Investment Corporation (CDEV)[174] is a federal agent Crown corporation incorporated under the *Canada Business Corporations Act* in 1982. Clause 386 of Bill C-15 enacts the new *Canada Development Investment Corporation Act* (CDICA) as a standalone statute. The CDICA continues CDEV, meaning that CDEV is now governed by the CDICA rather than the *Canada Business Corporations Act*.[175]

Pursuant to section 10(1) of the CDICA, CDEV's mandate is "to assist in the creation and development of businesses, resources, property and industries of Canada." Section 10(2) specifies that it "must conduct all of its activities in the best interests of Canada and must do so in a commercial manner."

CDEV's activities, set out in section 11 of the CDICA, include providing advice and support to the federal government concerning "financial, commercial, economic and strategic matters arising in Canada or relating to Canada's interests." It may invest in "entities owning property or carrying on business related to the economic interests of Canada, including by acquiring their shares or securities," and in "ventures or enterprises, including through the acquisition of property, likely to benefit Canada." It may also do "all things necessary for the management, control or disposal of its assets or those assigned to it by" the federal government.

Pursuant to section 7 of the CDICA, CDEV remains a federal agent Crown corporation. Nevertheless, section 8 of the CDICA specifies that neither CDEV nor its agent subsidiaries are considered agents for the purposes of contracting with the Crown, which permits them to contract with the government.[176] Section 8 applies retroactively – as of 16 December 2024 – to the Canada Indigenous Loan Guarantee Corporation (CILGC), a wholly-owned subsidiary of CDEV that was launched on that date.[177] This retroactively allows the CILGC to contract with the government.

Pursuant to sections 2 and 4 of the CDICA, the Minister of Finance (the Minister) is responsible for CDEV unless the Governor in Council (i.e., Cabinet) designates another minister. Sections 12 and 13 provide for the appointment of a board of directors (the Board), composed of a chairperson, a CEO and between two and 10 other directors (i.e., board members). Section 14 sets out compensation provisions in the event of CDEV directors' and employees' work-related injury, disability or death, including from flights.[178]

Section 15 of the CDICA exempts CDEV from section 91 of the *Financial Administration Act* (FAA), the latter of which prohibits certain Crown corporation transactions without Cabinet approval.[179] However, section 16 requires CDEV and

its wholly-owned subsidiaries to seek the Minister's approval to "procure the incorporation, dissolution or amalgamation of their subsidiaries, or acquire or dispose of any shares in their subsidiaries," unless so exempted from section 91 of the FAA. Section 18 allows CDEV and its wholly-owned agent subsidiaries to "sell or otherwise dispose of or lease any property they hold" and to use the proceeds.

Section 17(1) of the CDICA allows CDEV and its agent subsidiaries to give guarantees in line with any terms and conditions set by the Minister. Section 17(2) specifies that any guarantees that CDEV or its subsidiary "has insured or reinsured or with respect to which [CDEV or its] subsidiary has a right, by agreement, to be indemnified" do not count toward the limit on the guarantees it may provide. Section 28 applies section 17(2) retroactively, as of 16 December 2024, to the CILGC. This may reduce the CILGC's exposure when "stacking" loan guarantees with provincial partners.[180]

Pursuant to section 22(1) of the CDICA, the Minister determines CDEV's authorized capital, "divided into shares with a par value of $100 each." The Minister may "subscribe at par for the number of [unissued] shares that the … Minister considers desirable." The amount of each subscription may be paid to CDEV from the Consolidated Revenue Fund "at the times and in the amounts that the Board requires." Section 22(3) prevents the transfer of the shares of CDEV's capital stock, which are to be held in trust for the Crown.

Section 23 of the CDICA empowers the Minister to lend money to CDEV out of the Consolidated Revenue Fund according to terms and conditions that minister sets. Notably, section 101 of the FAA prevents agent Crown corporations from borrowing money externally unless empowered and specifically authorized to do so by an Act.[181]

Sections 19 to 21 of the CDICA contain miscellaneous provisions, and sections 24 to 28 of the CDICA set out transitional provisions. Pursuant to section 20, an entity that becomes a wholly-owned subsidiary of CDEV through specified means is deemed not to become one for 180 days or for a longer period fixed by Cabinet.[182]

Section 21(1) of the CDICA deems information obtained by CDEV or its subsidiaries about the entities (other than wholly-owned subsidiaries) in which they invest to be privileged. That information cannot be communicated, disclosed or made available, except as set out in section 21(2) of the CDICA with respect to administering or enforcing the CDICA, prosecuting an offence, or administering or enforcing tax laws, or if the written consent of the person to which the information relates is obtained.

Clause 387 of the bill makes consequential amendments to the *Access to Information Act* (ATIA) by adding CDEV to Schedule II of the ATIA with a corresponding reference to section 21 of the CDICA. Accordingly, the head of a government

institution must refuse to disclose records if so restricted by any Schedule II provision.[183] These amendments also subject CDEV to Part 2 of the ATIA, which provides for the proactive publication of information.[184]

Division 22 comes into force on a day to be fixed by Cabinet.

2.5.23 Division 23: Amendments to the *Personal Information Protection and Electronic Documents Act*

Clause 389 of Bill C-15 incorporates a right to mobility of personal information into the *Personal Information Protection and Electronic Documents Act* (PIPEDA). This right allows an individual to request that personal information collected from them by an organization be transmitted to another organization chosen by the individual (for example, see Division 9 of Part 5 of the bill). However, the disclosure of personal information is only permitted when both organizations are subject to a data mobility framework.

The right to mobility of personal information is incorporated into PIPEDA by adding a new Division 1.2 and a new section 10.4. Details of the application of this right, namely with respect to the security safeguards to be put in place to enable the secure disclosure of personal information between two organizations and the identification of organizations subject to a data mobility framework, will be set out by regulation (new section 10.5 of PIPEDA). The regulations adopted may distinguish among different classes of activities, information or organizations (new section 10.6 of PIPEDA).

Clauses 390 to 397 of the bill amend certain other provisions of PIPEDA to take the new Division 1.2 into account. For example, any individual will now be able to file with the Privacy Commissioner a written complaint against an organization for contravening a provision of Division 1, 1.1 or 1.2.

Division 23 of Part 5 of the bill comes into force on a day to be fixed by order of the Governor in Council.

2.5.24 Division 24: Amendments to the *Broadcasting Act*

Division 24 of Part 5 of Bill C-15 replaces sections 2(3)(b) and 2(3)(c) of the *Broadcasting Act*[185] to provide that it be construed and applied in a manner consistent with the right to privacy of individuals. In so doing, it reinstates[186] an interpretive clause that was originally added to it by section 2(3) of the *Online Streaming Act*[187] but inadvertently repealed as the result of a coordinating amendment in *An Act for the Substantive Equality of Canada's Official Languages* (section 70(2)).[188] Division 24 also removes a duplication in the same interpretive section relating to the

government's commitment to enhance the vitality of official language minority communities.

2.5.25 Division 25: Amendments to the *Human Pathogens and Toxins Act*

Division 25 of Part 5 of Bill C-15 amends the *Human Pathogens and Toxins Act* (HPTA),[189] which seeks "to establish a safety and security regime to protect the health and safety of the public against the risks posed by human pathogens and toxins."[190]

In budget 2025, the government proposed amending the HPTA to modernize this statute and "strengthen oversight of human pathogens and toxins,"[191] in particular to address biosecurity risks and prevent the release of potentially harmful pathogens.[192]

2.5.25.1 Security and Monitoring Measures, Modernization and Removal of Duplication

Several clauses (e.g., clauses 400(1), 401, 405, 415(1), 432 and 435) of the bill add "security" to the English version of various provisions of the HPTA, as a key concern alongside "health" and "safety."

Clause 421 of the bill amends provisions relating to access to facilities and security clearances by adding restrictions, including some to be prescribed by regulations. Clause 423 adds the role of the licence holder representative (new section 36.1). Clause 426 adds section 40.2, empowering inspectors to order a person to provide any document, information or material specified by the inspector, for the purpose of enforcing the HPTA, and imposing a corresponding duty on that person to comply with the order.

Other clauses (e.g., clauses 420, 427 and 442(3)) of the bill modernize provisions of the HPTA through the addition of "means of telecommunication" or "remote access by a means of telecommunication."

Clause 403 of the bill excludes from the scope of the HPTA a device already authorized under the *Food and Drugs Act*[193] or a human pathogen or toxin contained in such a device.

2.5.25.2 Registry

Currently, the HPTA contains five schedules listing various human pathogens and toxins. Under section 9 of the HPTA, the Minister of Health (the Minister) may, by regulation, update schedules 1 to 4. Under section 10, the Governor in Council may, by regulation and on the Minister's recommendation, update Schedule 5.

Clause 406 of the bill replaces section 9 of the HPTA with new provisions requiring the Minister to establish and update a registry that will take the place of schedules 1 to 4. The registry must list any substance that is produced by, or derived from, a micro-organism and that poses a moderate to high risk to the health, safety or security of the public because of a reasonable risk that it may be used as a biological weapon. In addition, the registry may list any micro-organism, nucleic acid or protein that falls into a defined risk group; or any substance that is produced by, or derived from, a micro-organism and that poses a moderate to high risk to the health of individuals.

New section 9 of the HPTA imposes further obligations on the Minister respecting the information that must be in the registry and the updating of the registry. It requires the Minister to make the registry publicly accessible. Clause 406 adds new section 9.1, stating that an advisory committee must provide the Minister with advice on the registry and make such advice publicly available.

Clause 407 of the bill amends section 10 of the HPTA to account for the replacement of schedules 1 to 4 by the registry and establish the Governor in Council's authorities with respect to the remaining schedule. New section 10 also incorporates a risk-based approach to the updating of the schedule.

2.5.25.3 Requirements for Persons Carrying Out Controlled Activities

Section 18 of the HPTA empowers the Minister to issue a licence authorizing the conducting of a controlled activity in a facility if this poses no undue risk to the health or safety of the public. Clause 415(2) of the bill adds to section 18 the condition that the applicant and designated biological safety officer must be ordinarily resident in Canada; if the applicant is an organization, the applicant must be organized in Canada, and its representative and the designated biological safety officer must be ordinarily resident in Canada. Clause 415(3) adds the requirement that certain licence applications must refer to any funding originating from outside Canada, as well as any person or foreign entity that has or is seeking to have ownership or influence over the organization, or influence over the applicant's HPTA-governed activities. Clause 402(3) adds the definition of "foreign entity" to section 3(1) of the HPTA. Clause 415(9) further adds to section 18 the obligation imposed on certain licence holders to inform the Minister of any such foreign funding, ownership, control or influence. Under clause 417(1), the Minister may suspend or revoke a licence if the licence holder fails to meet the ordinary residence conditions.

Clauses 410(1), 411, 412 and 413 of the bill amend sections 12(1), 13, 14 and 15 of the HPTA, which set out the obligation to report certain incidents to the Minister. In particular, the threshold triggering the obligation to report – i.e., that the licence

holder has "reason to believe" that the incident has occurred – is replaced with "reasonable grounds to suspect."

2.5.25.4 Administrative Monetary Penalty Scheme

Clause 431 of the bill adds an administrative monetary penalty scheme to the HPTA. New section 52.1(12) of the HPTA authorizes the Governor in Council to make regulations respecting such a scheme, including regulations designating the relevant violations and associated proceedings and penalties. New section 52.1(1) of the HPTA establishes the maximum penalty amounts, new section 52.1(2) of the HPTA specifies that the purpose of the penalty is to promote compliance rather than to punish, and new section 52.1(11) of the HPTA clarifies that a violation is not an offence. Clause 431 also adds provisions referring to the Minister's powers with respect to notices of violations and the publication of information about violations committed. Other provisions added by clause 431 refer to, for instance:

- the limitation period for proceedings (new section 52.1(6) of the HPTA);
- the role of directors, officers, employees, agents or mandataries (new sections 52.1(8) and 52.1(9) of the HPTA);
- the right of a person named in a notice of violation to request a review (new section 52.1(13) of the HPTA);
- payment of penalties and alternatives – notably, compliance agreements (new sections 52.2 to 52.4 of the HPTA); and
- rules about violations, such as the exercise of due diligence as a defence against liability (new section 52.5 of the HPTA).

Consequential amendments related to this new scheme include the addition, effected by clause 441, of administrative monetary penalties to the debts due to His Majesty in right of Canada that may be recovered in court (new sections 65(d) to 65(g) of the HPTA).

2.5.25.5 Increased Maximum Penalties for Offences and New Offence

Clauses 432, 434 and 435 of the bill amend sections 53 to 55, 57 and 58 of the HPTA to increase the maximum penalties for offences under the HPTA.

Clause 433 of the bill amends section 56 of the HPTA to provide that every person who knowingly and without lawful authority communicates sensitive information as prescribed by regulation to a foreign entity or terrorist group is guilty of an indictable offence and liable to imprisonment for life. Clause 436(1) adds this offence to the list, at section 59 of the HPTA, of offences for which the due diligence defence is not

available. Clause 402(3) adds the definition of "terrorist group" to section 3(1) of the HPTA.

2.5.25.6 Coming into Force

Certain clauses come into force on a day or days to be fixed by order of the Governor in Council – notably, those that concern regulations, the administrative monetary penalty scheme and the offence of communicating sensitive information.

2.5.26 Division 26: Amendments to the *Customs Tariff*

Division 26 of Part 5 of Bill C-15 amends the *Customs Tariff* to expand the goods eligible for duty drawback. Clause 457 of the bill amends sections 109(c) and 109(d) of the *Customs Tariff* to add "obsolete or surplus goods"[194] donated to a "registered charity" – as that term is defined in section 248(1) of the *Income Tax Act*[195] – to the existing eligibility for obsolete or surplus goods that have been destroyed. Consequently, importers that have paid duties on obsolete or surplus goods can claim a duty drawback when such goods are either destroyed or donated to a registered charity.

The Minister of Public Safety and Emergency Preparedness decides the manner in which obsolete or surplus goods must be destroyed or donated. Moreover, the Minister decides or specifies the purpose for which such goods can be donated. In either case, the goods must not be damaged prior to their destruction or donation.

Clause 458 of the bill adds new section 109.1 to the *Customs Tariff* to authorize the Governor in Council, on the recommendation of the Minister of Finance, to make regulations identifying the goods or classes of goods that may be donated and eligible for a duty drawback.

Clause 459 of the bill states that these amendments will come into force on a day fixed by order of the Governor in Council.

2.5.27 Division 27: Amendments to the *Export and Import Permits Act*

Under the *Export and Import Permits Act* (EIPA),[196] the Governor in Council establishes the Export Control List and the Import Control List, and updates the goods and technologies listed on each of them, to achieve specific objectives in relation to Canada's trade in those goods and technologies. The objectives include: meeting Canada's international obligations; ensuring national security; managing the processing of domestic natural resources; and facilitating the collection of information with respect to trade disputes.

Clause 460 of Bill C-15 amends section 3(1) of the EIPA to allow the Governor in Council to update the goods and technologies listed on the Export Control List in order to control the exportation of those items with the objective of:

- ensuring that the domestic or international supply and distribution of specific goods and technologies are consistent with Canada's economic security interests; or
- responding to foreign jurisdictions' actions that negatively affect Canada's economic security interests.

Clause 461 of the bill amends section 5(1) of the EIPA to allow the Governor in Council to update the goods and technologies listed on the Import Control List in order to control the importation of those items with the objective of:

- ensuring that the domestic or international supply and distribution of specific goods and technologies are consistent with Canada's economic security interests.

These amendments enter into force on a day to be fixed by order of the Governor in Council.

2.5.28 Division 28: Amendments to the *Aeronautics Act*, the *Access to Information Act* and the *Budget Implementation Act, 2019, No. 1*

Clause 463 of Bill C-15 clarifies that ministerial delegation authorizations are not considered a "Canadian aviation document" and adds a definition of "goods."

Currently, section 4(1) of the *Aeronautics Act* explains which entities are subject to Part I of this Act. Clause 464 adds that "all persons and goods on board aircraft bound for Canada" are subject to this part of the *Aeronautics Act*.

Clause 465 of the bill adds new sections 4.11(1) to 4.11(3) to the *Aeronautics Act*. For any provision under Part I of the *Aeronautics Act* that requires a notice or other document to be served personally or by registered or certified mail, new section 4.11(1) allows the electronic service of documents. New sections 4.11(2) and 4.11(3) explain, respectively, how proof of service and the effective date are handled when documents are served electronically.

Section 4.2(1) of the *Aeronautics Act* lists the things that the Minister of Transport (the Minister) may do in the discharge of their responsibilities related to all matters connected with aeronautics. To that list, clause 466 adds that the Minister may "manage the use of remotely piloted aircraft systems and equipment or systems that can cause interference with the operation of remotely piloted aircraft systems." Later in Bill C-15, clause 478(1) adds paragraph 7.3(1)(d.1) to the *Aeronautics Act* to, unless otherwise authorized by the Minister, prohibit the intentional interference with

the operation of a remotely piloted aircraft system. Clause 479 adds new section 7.42(1) to the *Aeronautics Act* to allow the Minister to, if they believe it is in the public interest or necessary for aviation safety or security, authorize a person (or class of persons) to interfere with the operation of a remotely piloted aircraft system. Together, these clauses have the effect of creating a regime to regulate the use of counter-drone technology.

Currently, section 4.71(2)(k) of the *Aeronautics Act* allows the Governor in Council to make regulations related to the security management systems (SMS) to be established by the Canadian Air Transport Security Authority (CATSA) and by air carriers and operators of aerodromes and other aviation facilities. Clause 468 replaces this section, so that it applies more generally to "a person or class of persons having aviation security responsibilities." The new section also specifies that they must "develop and document" – rather than "establish" – the SMS. New sections 4.71(2)(k.1) to 4.71(2)(k.4) of the *Aeronautics Act* detail the various things that may need to be developed and documented, such as procedures and manuals related to aviation security, if the Governor in Council uses this regulation making authority. Clause 471 adds new section 4.901 to the Act, allowing the Governor in Council to make regulations related to new sections 4.71(2)(k)1 to 4.71(2)(k.4) of the *Aeronautics Act*.

Section 4.87 of the *Aeronautics Act* currently includes an exception for compliance officers who may do something that would otherwise be considered an offence under the *Aeronautics Act* or its regulations. Clause 469 adds that this exception applies to something that would otherwise be considered an offence "or violation."

Clause 474 of the bill adds new sections 5.11, 5.12 and 5.13 to the *Aeronautics Act*. These new sections allow the Minister to give notice of deficiencies or a notice of operations, if the Minister is of the opinion that a procedure, program, plan or document – or an operation referred to in one of those things – has problems that risk compromising aviation safety or security. This clause also adds new section 5.14 to the *Aeronautics Act* to specify that the *Statutory Instruments Act* does not apply to documents developed under a regulatory requirement or to a notice of deficiencies or operations.

Officials from Transport Canada explained to the Standing Senate Committee on Transport and Communications that the aviation industry has information that they are not required to share with the Minister under existing legislation, but could otherwise be used to inform regulations, oversight activities and the promotion of aviation security and safety.[197] Clause 475 of the bill adds new sections 5.31 to 5.33 to the *Aeronautics Act*, regarding the voluntary provision of information. These sections allow the Minister to, for the purpose of promoting aviation safety and security, develop and administer programs related to the voluntary provision of

information. In particular, the Governor in Council is given regulation making powers under new section 5.31(2) of the *Aeronautics Act*. New sections 5.32 and 5.33 of the *Aeronautics Act* include requirements relating to the non-disclosure and protection of information gathered under any voluntary provision of information program that the Minister establishes under this new power. Clause 497 of the bill makes a consequential amendment to Schedule II of the *Access to Information Act* (ATIP). As a result, any record gathered under this voluntary provision of information is not subject to disclosure under the ATIP regime.

Section 6.41(1) of the *Aeronautics Act* has a list of subjects for which the Minister may issue interim orders. Clause 476 of the bill adds to that list, allowing the Minister to issue interim orders to give effect to an international standard or agreement to which Canada is a party. It also changes the duration of the interim order from 14 days to one year unless it is approved by the Governor in Council within that period. For an interim order that has been approved by the Governor in Council, the duration of the interim order is changed from one year to three years in cases where no regulation is made to have the same effect as the interim order.

Currently, fines for not complying with the prohibitions contained in section 7.3(1) of the *Aeronautics Act* range from $5,000 to $50,000, depending on which prohibition is contravened and who is doing the contravention. Clause 478(3) of the bill changes this fines regime, so that individuals convicted of an offence are subject to a fine not exceeding $150,000, corporations are subject to a fine not exceeding $1.5 million and the ANS Corporation (i.e., NAV CANADA) is subject to a fine not exceeding $1.5 million per day the offence continues.

Clause 480 of the bill adds new sections 7.51 to 7.56 to the *Aeronautics Act*, creating a new system of "vicarious liability" – which refers to situations where an organization is held liable for the actions of their employees. As a result, these new sections allow the owners and operators of aircraft to be held liable for the actions of their employees, unless the aircraft was in the possession of a person without the owner or operator's consent. Similarly, pilots-in-command can be held liable for the actions of their employees unless the person was acting without the consent of the pilot-in-command. This new system of vicarious liability also applies to operators of aerodromes (or other aviation facilities), air traffic service providers and organizations that hold a Canadian aviation document authorizing the maintenance of an aeronautical product or service.

Clause 481 of the bill raises the administrative monetary penalties (AMP) from $5,000 to $150,000 in the case of an individual and $25,000 to $1.5 million in the case of a corporation.

Clauses 482 to 491 of the bill add further details regarding the AMP regime. Notably, a violation that continues on more than one flight or segment of a flight is considered a separate violation for each flight or segment. The vicarious liability system created under clause 480 also applies to the AMP. The Minister can also enter into compliance agreements with persons issued an AMP for non-compliance with regulatory requirements. At the conclusion of an AMP appeal to the Transportation Appeal Tribunal of Canada, the Tribunal must inform the Minister and the person alleged to have committed a violation of their decision "without delay."

Currently, section 17(2) of the *Aeronautics Act* lists the various people that can attend as an observer at an investigation of a military-civilian occurrence. Under section 17(2)(b), one of those people is a person who has observer status under an international agreement or convention to which Canada is a party. Clause 494 of the bill amends this section so that it also applies to a person who has observer status under an international "arrangement" to which Canada is a party.

2.5.29 Division 29: Amendment to the *Canada Transportation Act*

Clause 499 of Bill C-15 introduces section 49.1 to the *Canada Transportation Act*,[198] allowing the Minister of Transport to make an interim order for the purpose of modifying or removing requirements or conditions set out in an existing regulation. Such a change could only be made if it is considered in the public interest and if it either implements an international standard or ensures compliance with international obligations.

The new section of the *Canada Transportation Act* also contains administrative provisions regarding the making of these interim orders, including an exclusion from the *Statutory Instruments Act*.[199]

Although some minor changes have been made to the wording, these amendments to the *Canada Transportation Act* were previously proposed during the 44th Parliament through Bill S-6, An Act respecting regulatory modernization.[200] This bill had completed third reading in the Senate and second reading in the House of Commons at the time of prorogation in January 2025.

2.5.30 Division 30: Amendments to the *Judges Act*

Division 30 of Bill C-15 amends the *Judges Act*[201] to reallocate a total of 10 judicial positions or potential salaries in various courts.

Clause 500 of the bill amends section 12(b) of the *Judges Act* to add two additional judicial positions to the Ontario Court of Appeal, increasing the number of Justices of Appeal from 14 to 16.

Under section 24 of the *Judges Act*, the number of salaries authorized for additional judges of superior courts in the provinces, other than appeal courts, is capped at 79 salaries. A further 58 salaries are allocated for additional judges appointed to a unified family court.

Clause 501 of the bill amends section 24 of the *Judges Act* to remove 10 potential salaries for additional judges (totalling 69) and add eight potential salaries for additional judges of unified family courts (totalling 66).

2.5.31 Division 31: Amendments to the *Administrative Tribunals Support Service of Canada Act*

The Administrative Tribunals Support Service of Canada (ATSSC) was established in 2014 with the coming into force of the *Administrative Tribunals Support Service of Canada Act* (ATSSCA).[202] It provides support services to certain federal administrative tribunals so that they can exercise their powers in accordance with the rules that apply to their work.[203] Bill C-15 amends the ATSSCA so that territorial bodies, such as those serving a significant proportion of Indigenous populations living in Nunavut, the Northwest Territories and the Yukon, may be included on the list for receiving support.[204] This change appears to be intended to target labour tribunals in particular.[205]

Clause 502 of the bill expands the definition of "administrative tribunal" under section 2 of the ATSSCA. It includes federal administrative tribunals referred to in "Schedule 1" (formerly "the schedule") to the ATSSCA, as well as territorial bodies – established under an Act of the legislature of a territory – referred to in the new Schedule 2 to the ATSSCA, created by clause 507.

Clause 503 of the bill adds new section 15.1 of the ATSSCA, clarifying that the Minister of Justice has the authority, by order, to add, amend or delete the name of a territorial body referred to in Schedule 2 to the ATSSCA. According to new section 15.1(4), this order, which must be published in the *Canada Gazette*, is not considered a "statutory instrument" as defined in the *Statutory Instruments Act*.[206] Therefore, it would not be subject to the conditions of that Act, particularly the parliamentary oversight of statutory instruments.[207]

New sections 15.1(2) and 15.1(3) of the ATSSCA impose conditions that the Minister of Justice must meet before they can add a territorial body to the list of those receiving support from of the ATSSC:

- The Minister of Justice must be of the opinion that there is a "satisfactory" funding arrangement for the provision of support services in place. No clarifications are given on what a "satisfactory arrangement" entails.

- For a territorial body composed of members of a body established by an Act of Parliament, the Minister of Justice must consult the minister responsible for the body established by that Act before adding the name of the territorial body to Schedule 2.

2.5.32 Division 32: Amendments to the *Canadian Environmental Protection Act, 1999* and the *Administrative Tribunals Support Service of Canada Act*

Division 32 of Part 5 of Bill C-15 (clauses 508 to 552) concerns the Environmental Protection Tribunal of Canada (EPTC), an existing independent body that reviews administrative monetary penalties and compliance orders issued by Environment and Climate Change Canada (ECCC) enforcement officers for certain violations of environmental and wildlife statutes.[208]

While the EPTC is not itself defined in legislation, it is made up of a Chief Review Officer and review officers whose powers, duties and functions are laid out in sections 243 to 271 of the *Canadian Environmental Protection Act, 1999* (CEPA)[209] and who are referred to in other environmental and wildlife legislation.[210]

Budget 2025 indicates that these amendments are intended to "enable the provision of more efficient tribunal support services to the Environmental Protection Tribunal of Canada."[211] Currently, administrative support to the EPTC is provided by the Administrative Tribunals Support Service of Canada (ATSSC), in accordance with a memorandum of understanding with ECCC.[212] To formalize and make permanent this administrative support, the EPTC must be included on Schedule 1 of the *Administrative Tribunals Support Service of Canada Act* (ATSSCA).[213] To do so, the EPTC must be defined in legislation.[214]

Clauses 508 to 521 of the bill amend CEPA to refer to the EPTC and to replace references to "review officers" and "Chief Review Officer" with "members of the Tribunal" and "Chairperson of the Tribunal." Clause 522 adds the EPTC to Schedule 1 of the ATSSCA.

Clauses 523 to 548 of the bill make consequential amendments to the *International River Improvements Act*, the *Canada Wildlife Act*, the *Migratory Birds Convention Act, 1994*, the *Antarctic Environmental Protection Act*, the *Environmental Violations Administrative Monetary Penalties Act* and the *Greenhouse Gas Pollution Pricing Act*, to refer to the EPTC, its members and Chairperson.

Clause 526 of the bill adds full-time members of the EPTC to Part 1 of Schedule 1 to the *Public Service Superannuation Act*. Currently, all EPTC review officers are part-time.[215]

Clauses 549 to 552 of the bill provide transitional provisions to ensure the continuity of the review officers and ongoing reviews before and after the amendments come into force.

2.5.33 Division 33: Amendments to the *Freshwater Fish Marketing Act*

Established in 1969, the Freshwater Fish Marketing Corporation (FFMC) is a Crown corporation listed in Schedule III of the *Financial Administration Act*[216] created to buy, market, store and export Canadian freshwater fish through agreements with relevant provinces and territories.[217] Over the years, provinces have withdrawn from the FFMC for various reasons, including Ontario (2011), Saskatchewan (2012) and Manitoba (2017).[218] Alberta – although still a member – closed its commercial freshwater fisheries in 2014, leaving the Northwest Territories as the only participating jurisdiction pursuant to the *Freshwater Fish Marketing Act*.[219]

In 2024 and 2025, the FFMC reported losses of $7.2 million and $7.6 million, respectively.[220] Open market competition was a reason outlined by the FFMC for those financial losses. In December 2024, Fisheries and Oceans Canada initiated a request for proposals process to solicit interest for the acquisition of the FFMC.[221]

Division 33 of Bill C-15 provides the Minister of Fisheries (Minister) and the Governor in Council with the authority to make substantial changes to the structure, assets, properties, liabilities and securities of the FFMC, and to divest and dissolve it. Clauses 555(3) and 555(4) provide the Minister with the discretion to appoint a liquidator to administer the divestiture and dissolution of the FFMC, although the appointment of a liquidator is not required.

Clause 564 of the bill clarifies that, upon dissolution, no person appointed to the FFMC to hold office (i.e., members of the board of directors) have a right to claim "compensation, damages, indemnity or other form of relief" from the Government of Canada. Clause 570 allows the Governor in Council to, by order, determine the date of dissolution of the FFMC, which is also the date on which the consequential amendments to various other Acts are made (pursuant to clauses 565 to 568) and the *Freshwater Fish Marketing Act* is repealed (clause 569).

2.5.34 Division 34: Amendment to the *Government Annuities Improvement Act*

Clause 571 of Bill C-15 repeals section 16 of the *Government Annuities Improvement Act*,[222] which requires the Auditor General of Canada to conduct an annual audit of the accounts and financial transactions associated with the *Government Annuities Improvement Act* and the *Government Annuities Act*[223] and provide a report to the Minister of Employment and Social Development.

The heading before section 16 of the *Government Annuities Improvement Act* is also repealed.

2.5.35 Division 35: Amendments to the *Naskapi and the Cree-Naskapi Commission Act*

The *Northeastern Quebec Agreement* is a treaty between the Naskapi Nation of Quebec, Canada and Quebec. Among other matters, the treaty includes provisions on policing and sets up a system of land management for different categories of lands.[224] The *Naskapi and the Cree-Naskapi Commission Act* (NCNCA) implements the treaty at the federal level.[225] Policing is covered in Part XVI of the NCNCA. Quebec's *Police Act*, at Division V, sections 94 to 102, implements the treaty's policing provisions at the provincial level.[226]

Section 13 of the *Northeastern Quebec Agreement* is related to the establishment of the Naskapi Police Force; the chapter defines policing jurisdiction and outlines the funding framework between the three parties.[227] There is an inconsistency between the contents of the revised section 13 and sections 195 and 196 of the NCNCA regarding the territorial authority of the Naskapi police force. The new section 13 of the *Northeastern Quebec Agreement*, at section 13.1.5, now provides for Naskapi policing on Category IA-N lands and Category III lands surrounded by IA-N lands, while the NCNCA provides for policing only on Category IA-N lands.[228]

Division 35 of Part 5 of Bill C-15 repeals sections 195 and 196 of the NCNCA. Section 195 set out the territorial jurisdiction of the Naskapi village municipality under Quebec's *Police Act*, which included only Category IA-N lands. Category IA-N lands are defined in section 2(1) of the NCNCA. Section 195(2) provided that the police force of the Naskapi village municipality had jurisdiction over Category IA-N lands for the purpose of enforcing Canadian and provincial laws, and the applicable by-laws of the band. Section 196 of the NCNCA allowed the band to enter into agreements to receive external policing services.

2.5.36 Division 36: Amendments to the *Canada Student Financial Assistance Act*

Clause 573 of Bill C-15 adds section 6.31 to the *Canada Student Financial Assistance Act* (CSFAA)[229], requiring that the Minister of Employment and Social Development deny financial assistance to students attending private, for-profit educational institutions outside Canada. Clause 575(1) delays the application of this measure to 1 August 2029 for certain students.

Clause 574 of the bill adds section 6.5 to the CSFAA, authorizing the Minister to suspend or deny the provision of financial assistance to a class of students,

institutions or programs in order to align with a provincial decision to do so, subject to certain requirements.

2.5.37 Division 37: Amendments to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and the *Access to Information Act*

First, Bill C-15 clarifies that all regulations made under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA)[230] are to be made on the recommendation of the Minister of Finance.

Ministerial responsibility for the PCMLTFA is split. The Minister of Public Safety and Emergency Preparedness is responsible for sections 24.1 to 39 and sections 39.13 to 39.39 of the Act, and the Minister of Finance is responsible for the Act's remaining provisions.

Clause 578 of the bill adds section 2.1 to the PCMLTFA to specify that all regulations made under the PCMLTFA are made on the recommendation of the Minister of Finance.

Clauses 577, 580, 582 and 583 of the bill make consequential amendments to sections 2.1, 11.49, 39.38 and 73 of the PCMLTFA, respectively.

Second, the bill clarifies that section 36(3.01)(b) of the PCMLTFA applies to donations that are not charitable donations.

Section 36(3.01)(b) of the PCMLTFA allows a Canadian border agent and any member of the Royal Canadian Mounted Police to disclose, to the Canada Revenue Agency (CRA), information specified in section 36(1) related to the seizure of cash or monetary instruments at Canada's border if there is a reasonable suspicion that the funds are the proceeds of crime or are for the use of financing terrorism, and those funds relate to a charity or charitable donation.

Clause 581 of the bill amends section 36(3.01)(b) of the PCMLTFA to specify that such disclosures apply to all such financial donations, regardless of whether the donation is charitable.

Clause 585 of the bill amends makes consequential amendments to regulation 138(5)(b) of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations* (PCMLTFR).[231]

Third, the bill prohibits the disclosure of reports, or the information contained in them, related to discrepancies in information discovered in the course of verifying the identity of persons having beneficial ownership or control of an entity.

Businesses incorporated under the *Canada Business Corporations Act*[232] are required to file information about their "individuals with significant control," more generally referred to as "beneficial owners." The PCMLTFA and its regulations require reporting entities – such as banks, casinos and accountants – to: verify the beneficial ownership information provided by a corporate client; compare that information against the government registry; and report any material discrepancy to the Registrar or the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC).

Clause 579 of the bill adds section 9.11 to the PCMLTFA to prohibit government institutions or agencies from disclosing this beneficial ownership information to any person or entity, except FINTRAC, police forces, the CRA, the Agence du revenu du Québec, an agency or body that administers legislation governing incorporation, or a prescribed entity.

Clause 586 of the bill makes consequential amendments to Schedule II of the *Access to Information Act*.[233]

Fourth, the bill amends PCMLTFA to clarify the application of those regulations to mortgage administrators, brokers and lenders.

In 2024, regulatory changes expanded the PCMLTFA's scope to include mortgage administrators, brokers and lenders as entities subject to FINTRAC's reporting requirements.

Clause 584 of the bill amends regulation 4.1 of the PCMLTFR to clarify that mortgage administrators, brokers and lenders "enter into a business relationship" with a client the first time that the person or entity is required to verify the client's identity pursuant to the regulations. Entering such a business relationship triggers a number of regulatory requirements, such as determining if the client is a politically exposed person or a head of an international organization, which may lead to various reporting obligations.

This regulatory amendment comes into force on 1 October 2025.

2.5.38 Division 38: Amendment to the *Borrowing Authority Act*

Parliament sets the maximum amount of money that the government may borrow through the *Borrowing Authority Act* (BAA).[234]

Clause 588 of Bill C-15 amends section 4 of the BAA to increase the maximum borrowing amount from $2,126 billion to $2,541 billion.

2.5.39 Division 39: Amendments to the *Canada Business Corporations Act*, the *Canada Cooperatives Act* and the *Canada Not-for-profit Corporations Act*

Clauses 589 to 591 of Bill C-15 amend the *Canada Business Corporations Act*, the *Canada Cooperatives Act* and the *Canada Not-for-profit Corporations Act*, respectively, to allow for a federally incorporated corporation, cooperative or not-for-profit to be dissolved by the Director if it is determined to be a "listed entity" under section 83.01(1) of the *Criminal Code*.[235] A "listed entity" is one that has knowingly carried out, attempted to carry out, participated in or facilitated a terrorist activity (or acted on behalf of an entity engaged in such activities).

In this instance, a Director is a government official with statutory authority to enforce corporate compliance, including dissolving entities under certain grounds. Normally, the Director would issue a certificate of dissolution after an entity completes all required filings and obligations. For listed entities, the amendments in clauses 589 to 591 of the bill exempt the Director from having to issue this certificate, allowing for expedited dissolution without the usual administrative procedures (which may be inappropriate in the case of a listed entity).

2.5.40 Division 40: Amendments to the *Building Canada Act*

The *Building Canada Act* (BCA),[236] which came into force on 26 June 2025, outlines a process for advancing infrastructure projects deemed to be in the national interest. Section 5(6) of the BCA provides a list of five factors that the government may consider in designating a national interest project, namely the extent to which a project can:

(a) strengthen Canada's autonomy, resilience and security;
(b) provide economic or other benefits to Canada;
(c) have a high likelihood of successful execution;
(d) advance the interests of Indigenous peoples; and
(e) contribute to clean growth and to meeting Canada's objectives with respect to climate change.

Section 5.1 of the BCA requires that the Minister designated by an order of the Governor in Council create and maintain a public registry of national interest projects. Among the information that must be included in the registry, section 5.1(2)(b) specifies the information to be posted on the extent to which a project meets the outcomes associated with the factors a) to d) set out in section 5(6) of the BCA, reflecting only four of the five factors.

Clause 592 of Bill C-15 amends section 5.1(2)(b) of the BCA to require that information be posted on the extent to which a project meets the outcomes set out in

sections 5(6)a) to 5(6)e) of the BCA, thereby including all five factors that are considered under the BCA.

2.5.41 Division 41: Amendments to the *Canadian Energy Regulator Act*

"Natural gas" is a commonly used term referring to a mix of hydrocarbon gases, consisting primarily of methane, but also containing other hydrocarbon gases (often called natural gas liquids) such as ethane, propane and butane, as well as small amounts of impurities and rare gases.[237] Liquefied natural gas (LNG) is natural gas that has been cooled and compressed, so that it is in a liquid state and can be shipped by boat.

The *Canadian Energy Regulator Act* (CERA) authorizes the Canada Energy Regulator to issue export licences for oil, gas and natural gas subject to several conditions. The maximum duration of export licences issued is 25 years for oil and gas and 40 years for natural gas – a distinction first established in 2015 to "support the development of a [LNG] export industry."[238] The rationale in 2015 for distinguishing natural gas exports from other hydrocarbons was to incentivize LNG exports, while ensuring that valuable natural gas liquids used in Canada for manufacturing petrochemicals and refined petroleum products would continue to only be exported under shorter terms.[239]

Clauses 593, 594(1) and 594(2) of Bill C-15 amend CERA to add a technical definition of natural gas to CERA, establish LNG as a distinct category apart from natural gas and extend the maximum term for LNG export licences to 50 years. The maximum durations for oil and gas and natural gas export licences respectively remain unchanged at 25 years and 40 years.

2.5.42 Division 42: Amendments to the *Canadian Environmental Protection Act, 1999*

Clauses 595 and 596 of Bill C-15 amend sections 9 and 10 of the *Canadian Environmental Protection Act, 1999* (CEPA).[240]

Section 9 of CEPA gives the Minister of the Environment the authority to negotiate administration agreements with provincial, territorial or Indigenous governments or an Indigenous people.[241] Administration agreements are "work-sharing" agreements which can cover any aspect relating to the administration of CEPA.

Section 10 of CEPA allows the Minister of the Environment to enter into an equivalency agreement with a provincial, territorial or Indigenous government where that jurisdiction has laws in force that are equivalent to certain CEPA regulations.

Both types of agreements terminate after five years of coming into force but can be terminated early by either party if at least three months' notice is given (sections 9(7) and 10(8) of CEPA).

Clauses 595 and 596(2) of the bill delete the automatic termination of administration agreements and equivalency agreements after five years. This means that the agreements continue unless a party provides notice of termination.

In addition, clause 596(1) of the bill changes the wording of section 10(3)(a) of CEPA. Section 10(3)(a) allows the Governor in Council to make an order declaring provisions of a CEPA regulation not applicable if the Minister of the Environment and a provincial, territorial or Indigenous government agree in writing that the regulations of the government in question contain "provisions that are equivalent" to the CEPA regulation. Clause 596(1) broadens "provisions that are equivalent" to "provisions that are equivalent in effect."[242]

2.5.43 Division 43: Amendments to the *Competition Act*

Bill C-15 makes two targeted changes to the *Competition Act*[243] concerning environmental claims.

First, the bill amends section 74.01(1)(b.2) of the *Competition Act* by replacing the requirement that a business use an "internationally recognized methodology" to support claims about itself or its activities with a more flexible standard requiring "adequate and proper substantiation."

Second, the bill removes the ability of private parties to bring applications to the Competition Tribunal under this section, allowing only the Commissioner of Competition to do so. These changes follow amendments implemented on 20 June 2024 that broadened private access to the Tribunal.[244]

Other provisions on environmental claims within the *Competition Act* remain unchanged, and private parties may still bring applications to the Tribunal under the general false or misleading advertising provisions or product-specific environmental claims provisions.

2.5.44 Division 44: Enactment of the National School Food Program Act

Clause 599 of Bill C-15 enacts the National School Food Program Act.

Section 4 of the National School Food Program Act defines its purpose as establishing the federal government's long-term vision and commitment to funding the National School Food Program (the Program), as well as guiding principles

for these ongoing investments. These priorities are fulfilled through sections 5(a), 7(1) and 5(b) of the National School Food Program Act, respectively.

Section 5 of the National School Food Program Act declares the government's intentions for the implementation of the Program. Section 5(a) sets out the vision that all children and youth should have equitable access to nutritious, inclusive, local, and culturally appropriate school food programming, and section 5(b) establishes the six guiding principles: accessibility, health promotion, inclusivity, flexibility, sustainability, and accountability. Section 5(c) emphasizes the positive financial and health impacts of school food programs. The Act also recognizes the importance of delivering this programming in partnership with provincial, territorial, and Indigenous governing bodies (section 5(d)); and highlights the importance of culturally appropriate programming for First Nations, Métis and Inuit community members (section 5(e)).

Section 6 of the National School Food Program Act requires that the implementation of the Program and the negotiation of agreements with provinces, territories, and Indigenous governing bodies be guided by the six principles established in section 5(b); and by the requirements of the *Official Languages Act*.

Section 7 of the National School Food Program Act commits the Government of Canada to long-term funding for the Program, disbursed through agreements with provinces, territories, or Indigenous governing bodies.

Section 8 of the National School Food Program Act establishes annual reporting requirements that will oblige the designated minister to disclose information regarding federal investments in the Program and progress made, including towards the six guiding principles set out in section 5(b).

2.5.45 Division 45: Enactment of the Stablecoin Act and Amendments to the *Access to Information Act*, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and the *Retail Payment Activities Act*

2.5.45.1 Enactment of the Stablecoin Act

Clause 600 of Bill C-15 enacts the Stablecoin Act to establish a regulatory framework for stablecoin issuers, with the Bank of Canada (the Bank) designated as the main federal regulator.

2.5.45.2 Definitions and Interpretive Provisions

Section 2 of the Stablecoin Act sets out definitions, including the following:

- "stablecoin" means a digital asset that is intended or designed to maintain a stable value relative to the value of one fiat currency and that has the characteristics – if any – stipulated in regulations;
- "digital asset" means a digital representation of value that is recorded on a distributed ledger or a similar technology;
- "fiat currency" means a currency that is issued by a country and that is designated as legal tender in that country; and
- "issue," in respect of a stablecoin, means to create a stablecoin and to make it available for purchase – directly or indirectly – by a person in Canada.

Sections 3 and 4 of the Stablecoin Act indicate that issuing a stablecoin does not constitute dealing in securities or engaging in the business of accepting deposit liabilities under certain provisions of the *Bank Act*, the *Insurance Companies Act* and the *Trust and Loan Companies Act*. Section 5 of the Stablecoin Act states that a stablecoin issuer (an issuer) is considered a person engaged in the business of dealing in virtual currencies under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*; therefore, an issuer is subject to obligations regarding anti-money laundering and anti-terrorist financing.

2.5.45.3 Duties of the Bank of Canada

Section 6 of the Stablecoin Act specifies the Bank's role in relation to stablecoins: supervise stablecoin issuers to ensure compliance with the Stablecoin Act; promote stablecoin issuers' adoption of the regulatory framework's policies and procedures; and monitor and evaluate trends and issues related to stablecoins. For the purposes of exercising its powers under the Stablecoin Act, section 7 of the Stablecoin Act allows the Bank to enter into agreements with any government authority or regulatory body. Sections 8 and 9 indicate that both the Bank and the Minister of Finance (the Minister) can issue guidelines under the Act.

2.5.45.4 Scope and Application

Section 10 of the Stablecoin Act provides that the Stablecoin Act applies only in respect of a stablecoin that is expected to have interprovincial or international applications. Furthermore, sections 11 to 13 state that the Stablecoin Act does not apply to closed-loop stablecoins (i.e., stablecoins that are used only on a specific network) or to issuers that are a financial institution or a central bank. Section 14 of the Stablecoin Act gives the Governor of the Bank of Canada (the Governor) the power to exempt – by order – an issuer or a class of issuers from the Act or from certain of its provisions if the Governor believes that a provincial or foreign law applies to the issuer(s) and is substantially similar to the Act.

2.5.45.5 Registry of Issuers

Section 15 of the Stablecoin Act states that a person cannot issue a stablecoin unless the person is compliant with the Stablecoin Act and is listed on the Bank's registry of issuers. Section 16 of the Stablecoin Act indicates that the Bank must maintain a public registry that identifies issuers and provides any other required information.

According to section 17 of the Stablecoin Act, an application to be an issuer must include: information about the ownership of the applicant; a description of how the applicant is structured and the technological systems it plans to use in relation to the stablecoin; details concerning the applicant's redemption policy for the stablecoins it has issued; and information related to the applicant's reserve of assets and finances. Under section 20 of the Stablecoin Act, once the Bank determines that an application is complete, the Bank must notify the applicant and provide a copy of the application to the Minister and the Financial Transactions and Reports Analysis Centre of Canada.

Sections 21 to 29 of the Stablecoin Act specify the procedure that the Minster follows if it is determined that the application should undergo a national security review. Section 27 allows the Minister to issue a directive to the Bank to refuse an application for national security reasons.

2.5.45.6 Duties of Issuers

Sections 30 to 34 of the Stablecoin Act state that an issuer must not do the following:

- communicate false or misleading information to the public;
- use terms, expressions, logos, symbols or illustrations provided for in the regulations or use them in a way that is contrary to the regulations;
- grant or pay to a stablecoin holder – directly or indirectly – any form of interest or yield in respect of that stablecoin; and
- issue a stablecoin if the stablecoin is – in Canada or in a foreign jurisdiction – legal tender, a deposit or proof of a deposit, or either insured under a public deposit insurance system or guaranteed or backstopped by a government.

Sections 35 and 36 of the Stablecoin Act indicate that – in accordance with any relevant regulations – an issuer must redeem outstanding stablecoins at par value in the reference currency, which is the fiat currency in relation to which the stablecoin is designed to maintain a stable value. The issuer must also develop and make publicly available a redemption policy for the stablecoins; the policy must set out relevant conditions, such as the timing for redemption, the fees that may be payable to redeem the stablecoins and the role of any third parties in the redemption process.

Sections 37 to 39 of the Stablecoin Act set out an issuer's duty to maintain a reserve of assets that has a value that is at least equal to the par value of "outstanding stablecoins," which are stablecoins that have been issued and purchased, but not redeemed or cancelled. Furthermore, the issuer must not use these reserve assets for any purpose other than to redeem outstanding stablecoins. The reserve must be composed exclusively of the reference currency or high-quality liquid assets that are denominated in the reference currency; acceptable high-quality liquid assets are specified in the regulations or are approved by the Bank. As well, the reserve assets cannot be pledged as collateral or as security, and they must be placed with one or more qualified custodians; the custodian will hold the reserve assets separate from the custodian's or the issuer's other assets so that the reserve assets cannot be used to satisfy the creditors of the custodian or the issuer under domestic or foreign insolvency laws.

Sections 40 to 44 of the Stablecoin Act require an issuer to establish and maintain the following:

- a governance policy that sets out the roles and responsibilities of the issuer's governing body and its senior management;
- a risk management policy that addresses operational resilience, cybersecurity safeguards, and risks related to money laundering and terrorist financing;
- a data security policy that focuses on measures to protect personal information and other data; and
- a recovery and resolution policy for the orderly winding down of stablecoin activities.

These policies must be provided to the Bank and made publicly available.

Section 46 of the Stablecoin Act indicates that an issuer must also provide the Bank with a report that contains a statement from a certified accountant indicating the issuer's financial condition, the number of outstanding stablecoins, the value and composition of the reserve assets, and an opinion concerning whether the reserves satisfy the requirements set out in the Stablecoin Act. As well, the report must contain a statement from a lawyer confirming that the reserve assets have no encumbrances and are held by one or more qualified custodians. The information regarding the issuer's financial condition, the number of outstanding stablecoins and the reserve assets must be provided to the Bank at least monthly.

2.5.45.7 Assessment of Fees and the Disclosure of Information

Like some other federal regulators, the Bank – in its role as regulator – will be funded through assessments on issuers. Sections 53 and 54 of the Stablecoin Act set out the process that the Bank will use to determine the amount of fees it will assess on each issuer on its registry.

Sections 55 to 57 of the Stablecoin Act indicate the circumstances under which: the Bank and the Minister can disclose confidential information that they obtain under the Stablecoin Act; and information related to the supervision of issuers can be used as evidence in civil proceedings.

2.5.45.8 Administration and Enforcement

To ensure compliance with the Stablecoin Act, sections 59 to 63 of the Stablecoin Act state that the Bank can: request information from a person; require an applicant or issuer to provide an undertaking; enter into a compliance agreement with an issuer to implement any measure designed to further compliance by the issuer; or direct an applicant or issuer to comply and take any other measures that, in the Bank's opinion, are necessary for the issuer to comply. As well, under section 64 of the Stablecoin Act, the Bank can recommend that the Minister make an order prohibiting an issuer from issuing a stablecoin if the Bank has found that the issuer either has contravened the Stablecoin Act or is pursuing a course of conduct that is unsafe or unsound.

Regarding prudential measures, section 65 of the Stablecoin Act provides that the Governor in Council can make regulations, and the Bank can make guidelines, with respect to issuers engaging in sound operational, governance and risk management practices. If the Bank is of the opinion that an issuer is engaged in unsafe or unsound practices, section 66 allows the Bank to direct the issuer to cease or refrain from committing the action and to perform any action needed to remedy the situation.

Sections 70 to 75 of the Stablecoin Act indicate that the Minister can make orders imposing undertakings, conditions and directives, as well as prohibiting the issuance of stablecoins, for reasons related to national security or the public interest. Furthermore, section 76 states that, if the Minister is of the opinion that disclosing information about an order, undertaking, condition or directive could pose a threat to national security, then the Minister can specify that the information is to be confidential. Section 77 of the Stablecoin Act allows the Governor or the Minister to apply to a superior court for an order requiring a person to cease contravening, or to ensure compliance with, the Stablecoin Act.

Under section 78 of the Stablecoin Act, an appeal can be made to the Federal Court in two situations: an application to become an issuer has been refused; or an issuer has been ordered to stop issuing stablecoins for reasons related to national security.

Under sections 79 to 92 of the Stablecoin Act, the Bank can impose administrative monetary penalties for violations of the Stablecoin Act; details regarding these penalties are set out in the regulations.

2.5.45.9 Regulations and Coming into Force

Sections 93 to 95 of the Stablecoin Act state that the Governor in Council may make regulations generally for carrying out the purposes and provisions of the Stablecoin Act, and for transitional matters. The regulations may identify different classes of issuers or stablecoins.

Section 97 of the Stablecoin Act indicates that the provisions of the Stablecoin Act come into force on a day or days to be fixed by order of the Governor in Council.

2.5.45.10 Consequential and Related Amendments

To include a reference to the Stablecoin Act, clause 601 of Bill C-15 amends Schedule II of the *Access to Information Act*. Similarly, clause 602 amends section 53.32(1), and clause 603 amends sections 65.03(1) and 65.03(2), of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.

Clause 604 of the bill amends the definition of "payment function" in section 2 of the *Retail Payment Activities Act*[245] to add the "transmission or maintenance of an end user's encrypted or tokenized payment instrument" or "an end user's private key, whether or not the private key is encrypted or tokenized." This amendment likely refers to the activities of digital wallet providers, which could include stablecoins. As well, concerning a payment service provider's need to provide notification of an operational incident, clause 605 amends section 18(1) of the *Retail Payment Activities Act* to add any prescribed individual or entity for purposes of such a notification.

Clauses 601 to 605 of the bill come into force on a day or days to be fixed by order of the Governor in Council.

NOTES

* This Legislative Summary was prepared by the following authors:

- Abu Taleb, Bashar, section 2.5.26;
- Ambrozas, Diana, sections 2.5.7 and 2.5.21;
- Blackmore, Laura, sections 2.5.3 and 2.5.44;
- Capwell, Brett, sections 2.1.7–2.1.8, 2.1.12, 2.1.18, 2.1.20, 2.1.29, 2.3.3 and 2.5.37;
- Chénier, Isabelle, section 2.5.31;
- Chong, Jed, section 2.5.28;
- Fan, Dana, section 2.5.43;
- Fleury, Sylvain, sections 2.1.1, 2.1.5–2.1.6, 2.1.11, 2.1.22 and 2.1.27;
- Good, Jesse, section 2.5.41;
- Hermon, Brian, section 2.5.18;
- Howard, Brett, sections 2.5.9–2.5.13;
- Kachulis, Eleni, section 2.5.36;
- Keenan-Pelletier, Michaela, section 2.5.30;
- Kiarsi, Mehrab, sections 2.1.13, 2.1.21, 2.1.24, 2.2 and 2.5.4;
- Lafrance, Daniele, section 2.5.33;
- Lafrenière, Alexandre, sections 2.5.1 and 2.5.29;
- Lambert-Racine, Michaël, sections 2.1.9–2.1.10, 2.1.26 and 2.1.28;
- Leblanc-Laurendeau, Olivier, section 2.5.2;
- Lemelin-Bellerose, Sarah, section 2.5.5;
- Léonard, André, sections 2.1.15–2.1.17 and 2.3.2;
- Lowenger, Allison and Fryer, Sara, section 2.5.35;
- Malo, Joëlle, sections 2.1.2–2.1.4, 2.1.14, 2.1.19, 2.1.23, 2.1.25 and 2.4;
- Markle LaMontagne, Joanne, section 2.5.8;
- Obale, Offah, section 2.5.27;
- Paré, Jean-Rodrigue, sections 2.5.19–2.5.20;
- Perez-Leclerc, Mayra, sections 2.5.6 and 2.5.34;
- Pu, Shaowei, sections 2.5.38 and 2.5.40;
- Roy-César, Édison, section "Background";
- Savoie, Alexandra, section 2.5.23;
- Tanguay, Liane, section 2.5.24;
- Tiedemann, Marlisa, section 2.5.42;
- Trinh, Tu-Quynh, section 2.5.25;
- van den Berg, Ryan, sections 2.5.22 and 2.5.39;
- Yakobowski, Sarah and Clegg, Alison, section 2.5.32;
- Yong, Adriane, sections 2.3.1, 2.5.14–2.5.17, 2.1.30 and 2.5.45.

1. Bill C-15, An Act to implement certain provisions of the budget tabled in Parliament on November 4, 2025, 45th Parliament, 1st Session.
2. *Income Tax Act* (ITA), R.S.C. 1985, c. 1 (5th Supp.).
3. *Digital Services Tax Act*, S.C. 2024, c. 15, s. 96.
4. *Digital Services Tax Regulations*, 2024, c. 15, s. 97.
5. *First Nations Goods and Services Tax Act*, S.C. 2003, c. 15, s. 67.
6. *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.).
7. *Income Tax Act*, R.S.C. (1985), c. 1 (5th Supp.).
8. Department of Finance Canada, *Fairness For Every Generation*, Budget 2024, p. 107.

9. Government of Canada, "Appendix 2 – Recommendations," *2019 First Annual Report of the Disability Advisory Committee: Enabling access to disability tax measures*, Recommendation 42. Note that in its second report, the Disability Advisory Committee added that "[i]deally, there would be no list. Persons with disabilities would be able to deduct any essential items they require for education, training and work.": Government of Canada, "Part 1: Review of Recommendations," *2020 Second Annual Report of the Disability Advisory Committee*, Recommendation 42.
10. *Income Tax Regulations*, C.R.C., c. 945.
11. *Income Tax Act*, R.S.C. (1985), c. 1 (5th Supp.).
12. *Canada Disability Benefit Act*, S.C. 2023, c. 17.
13. Government of Canada, *2024 Fall Economic Statement: Reducing Everyday Costs and Raising Wages*, p. 244.
14. Government of Canada, *2024 Fall Economic Statement: Reducing Everyday Costs and Raising Wages*, p. 244.
15. *Income Tax Act*, R.S.C. (1985), c. 1 (5th Supp.).
16. By a "controlled foreign affiliate," as defined in section 95(1) of the ITA.
17. Department of Finance Canada, "Tax Measures: Supplementary Information," *A Plan to Grow Our Economy and Make Life More Affordable*, Budget 2022, p. 38. This addition is provided in section 91(1) of the ITA.
18. This deduction is provided in section 91(4) of the ITA.
19. This deduction is provided in section 113(1) of the ITA.
20. Each of these terms is defined in section 129(4) of the ITA.
21. Department of Finance Canada, "Tax Measures: Supplementary Information," *A Plan to Grow Our Economy and Make Life More Affordable*, Budget 2022, p. 38.
22. This deduction is provided in section 125 of the ITA.
23. This term is defined in section 125(7) of the ITA.
24. Government of Canada, "Article 27," *Explanatory Notes Relating to the* Income Tax Act *and Other Legislation.*
25. Note that an adjustment is made in the later case, in the application of sections 113(1)(b) and 113(1)(c) of the ITA to reflect the new "FABI [foreign accrual business income] surplus" account, as defined in new section 93.4(1) of the ITA, which is generally a portion of the taxable surplus of the corporation that is related to its FABI.
26. Government of Canada, "Article 25," *Explanatory Notes Relating to the* Income Tax Act *and Other Legislation.*
27. Government of Canada, "Article 25," *Explanatory Notes Relating to the* Income Tax Act *and Other Legislation.*
28. Government of Canada, "Article 25," *Explanatory Notes Relating to the* Income Tax Act *and Other Legislation.*
29. *Income Tax Regulations*, C.R.C., c 945.
30. *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.).
31. *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.).
32. *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).
33. *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).
34. *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).
35. *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).
36. *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).

37. *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.).
38. Government of Canada, "Tax measures: Supplementary information," *Canada Strong*, Budget 2025.
39. Government of Canada, "Tax measures: Supplementary information," *Canada Strong*, Budget 2025.
40. *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.).
41. *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).
42. See Government of Canada, *Draft legislative proposals and explanatory notes related to the* Income Tax Act *(Canada Carbon Rebate for Small Businesses)*; and Department of Finance Canada, *Government confirms non-taxability of Canada Carbon Rebates for Small Businesses*, News release, 30 June 2025.
43. *Budget Implementation Act, 2024, No. 1*, S.C. 2024, c. 17.
44. *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.).
45. *Income Tax Regulations*, C.R.C., c. 945.
46. *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.).
47. *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.).
48. *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).
49. *Income Tax Regulations*, C.R.C., c. 945.
50. *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).
51. *Canadian Charter of Rights and Freedoms*, Part II of the *Constitution Act, 1982*, being Schedule B to the *Canada Act 1982*, 1982, c. 11 (U.K.).
52. Government of Canada, *Consultation on Exempting Indigenous Settlement and Community Trusts from Alternative Minimum Tax*.
53. Department of Finance Canada, "Tax Measures: Supplementary Information," *Fairness for Every Generation*, Budget 2024, pp. 9–10.
54. *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).
55. *Income Tax Regulations*, C.R.C., c. 945.
56. Government of Canada, "Tax measures: Supplementary information," *Canada Strong*, Budget 2025.
57. Government of Canada, "Tax measures: Supplementary information," *Canada Strong*, Budget 2025.
58. *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).
59. *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).
60. *Income Tax Regulations*, C.R.C., c. 945.
61. *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).
62. Section 105 of the *Income Tax Regulations*, C.R.C., c. 945.
63. Department of Finance Canada, "Tax Measures: Supplementary Information," *Fairness for Every Generation*, Budget 2024, pp. 39–40.
64. Government of Canada, "Clause 73," *Explanatory Notes Relating to the* Income Tax Act *and Other Legislation*.
65. *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).
66. *Excise Tax Act*, R.S.C. 1985, c. E-15.
67. Department of Finance Canada, *Minister Champagne clamps down on Driver Inc. scheme in Budget 2025*, News release, 30 October 2025.
68. Department of Finance Canada, *Minister Champagne clamps down on Driver Inc. scheme in Budget 2025*, News release, 30 October 2025.
69. *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).

70. It may also be a series of transactions. Only the term "transaction" is used in this Part for simplicity.

71. Note that new section 247(2.01) of the ITA introduces a deeming provision with respect to the existence of "actual conditions," which are different from "arm's length conditions" in cases where a condition does not exist in respect of a transaction, but would have existed had the participants to the transaction been dealing at arm's length in comparable circumstances.

72. Note that new section 247(1.2) of the ITA adds an interpretative provision, which provides that the word "conditions" is to be interpreted broadly. Examples of factors to take into consideration are also provided.

73. Government of Canada, *Explanatory Notes Relating to the* Income Tax Act *and Other Legislation*.

74. Government of Canada, "Tax measures: Supplementary information," *Canada Strong,* Budget 2025.

75. The definition "Transfer Pricing Guidelines" is added to section 247(1) of the ITA and, for the time being, refers to the *OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations*, as adopted by the Committee on Fiscal Affairs on 7 January 2022.

76. Government of Canada, *Explanatory Notes Relating to the* Income Tax Act *and Other Legislation*.

77. Government of Canada, "Tax measures: Supplementary information," *Canada Strong,* Budget 2025. These changes also appear to address the government's concerns regarding the application of Canadian transfer pricing rules following the Federal Court of Appeal ruling in *Canada v. Cameco Corporation*, 2020 FCA 112 (CanLII): see Government of Canada, "Chapter 10: Responsible Government," *A Recovery Plan for Jobs, Growth, and Resilience*, Budget 2021.

78. Government of Canada, *Explanatory Notes Relating to the* Income Tax Act *and Other Legislation*.

79. Government of Canada, *Explanatory Notes Relating to the* Income Tax Act *and Other Legislation*.

80. Government of Canada, "Tax measures: Supplementary information," *Canada Strong*, Budget 2025.

81. Department of Finance Canada, "Tax Measures: Supplementary Information – Extension of the Accelerated Investment Incentive and Immediate Expensing Measures," *2024 Fall Economic Statement*, 2024.

82. *Income Tax Regulations*, C.R.C., c. 945.

83. *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.).

84. *Income Tax Regulations*, C.R.C., c. 945.

85. *Income Tax Regulations*, C.R.C., c. 945.

86. Department of Finance Canada, *Government of Canada delivering middle-class tax cut*, News release, 14 May 2025.

87. Bill C-4, An Act respecting certain affordability measures for Canadians and another measure, 45th Parliament, 1st session.

88. *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).

89. *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.).

90. *Digital Services Tax Act*, S.C. 2024, c. 15, s. 96.

91. Frank Mathieu, Stikeman Elliott, *Understanding Canada's New Digital Services Tax*, 11 July 2024.

92. Government of Canada, "About the tax," *Digital services tax*.

93. Department of Finance Canada, *Canada rescinds digital services tax to advance broader trade negotiations with the United States*, News release, 29 June 2025.

94. *Digital Services Tax Regulations*, 2024, c. 15, s. 97.

95. *Access to Information Act*, R.S.C. 1985, c. A-1.

96. *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.

97. *Criminal Code*, R.S.C. 1985, c. C-46.

98. *Excise Tax Act*, R.S.C. 1985, c. E-15.

99. *Export Development Act*, R.S.C. 1985, c. E-20.

100. *Financial Administration Act*, R.S.C. 1985, c. F-11.

101. *Tax Court of Canada Act*, R.S.C. 1985, c. T-2.

102. *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).

103. *Canada Revenue Agency Act*, S.C. 1999, c. 17.

104. *Air Travellers Security Charge Act*, S.C. 2002, c. 9, s. 5.

105. *Excise Ac1, 2001*, S.C. 2002, c. 22.

106. *Underused Housing Tax Act*, S.C. 2022, c. 5, s. 10.

107. *Select Luxury Items Tax Act*, S.C. 2022, c. 10, s. 135.

108. *Global Minimum Tax Act*, S.C. 2024, c. 17, s. 81.

109. *Excise Tax Act*, R.S.C. 1985, c. E-15.

110. *Real Property (GST/HST) Regulations*, SOR/2024-157.

111. *President's Choice Bank v. Canada*, 2024 FCA 135.

112. *Underused Housing Tax Act*, S.C. 2022, c. 5, s. 10.

113. *Underused Housing Tax Regulations*, 2022, c. 19, s. 116.

114. *Select Luxury Items Tax Act*, S.C. 2022, c. 10, s. 135.

115. *First Nations Goods and Services Tax Act* (FNGSTA), S.C. 2003, c. 15, s. 67.

116. Department of Finance Canada, *A Recovery Plan for Jobs, Growth, and Resilience*, Budget 2021, p. 265.

117. Government of Canada, *A Plan to Grow Our Economy and Make Life More Affordable*, Budget 2022.

118. Department of Finance Canada, *Fairness For Every Generation*, Budget 2024, p. 283.

119. Each of these terms has been defined in section 30 of the FNGSTA.

120. Clauses 33(2) to 33(6) specify the rules that determine whether a specified product has been brought, transferred or imported on the lands of a First Nation.

121. Clause 187 adds Schedule 3 to the FNGSTA, which lists the names of participating First Nations and their governing bodies, as well as the lands and specified products for each of these participating First Nations. The template for the new Schedule 3 of the FNGSTA is provided in Schedule 1 of Bill C-15. Clause 177(1) also consequentially amends the definitions of "administration agreement," "governing body" and "lands" set out in section 2(1) of the FNGSTA so that these terms apply to the new Part 3.

122. Note that clauses 184 and 185 respectively amend sections 15 and 29 of the FNGSTA to provide the Minister of Finance with the same authority in respect of schedules 1 and 2. This authority was previously exercised by the Governor in Council.

123. *Excise Tax Act* (ETA), R.S.C. (1985), c. E-15.

124. Note that other provisions specifically ensure the application of certain provisions of Part IX of the ETA to the FNGSTA. The bill extends their application to the new Part 3: see clauses 177(2) and 177(4).

125. When an administration agreement is in effect, the Attorney General of Canada retains the authority to prosecute a person who commits an act that would be an offence under a provision of Part IX of the ETA or regulations made under that Part; nothing in new Part 3 is to be construed as conferring on a governing body the power to make an enactment in respect of criminal law (new section 43, new section 39(3)(e)(viii) and new section 40(1) of the FNGSTA).

126. Note that clauses 177(2) and 177(3) amend sections 2(2) and 2(4) of the FNGSTA, which provide for the application of certain provisions of the ETA to the FNGSTA, so that they also apply in the context of new Part 3 of the FNGSTA.

127. Government of Canada, "5.4 Advancing Indigenous Tax Jurisdiction Frameworks," *Canada Strong*, Budget 2025.

128. *Constitution Act, 1867*, 30 & 31 Victoria, c. 3 (U.K.).
129. *Canada Transportation Act*, S.C. 1996, c. 10.
130. *Impact Assessment Act*, S.C. 2019, c. 28, s. 1.
131. Alto, "Who's Involved," Alto (VIA HFR – VIA TGF Inc.), 2025.
132. *Expropriation Act*, R.S.C., 1985, c. E-21.
133. *Financial Administration Act*, R.S.C., 1985, c. F-11.
134. *Crown Corporation General Regulations, 1995*, SOR/95-226.
135. *Access to Information Act*, R.S.C., 1985, c. A-1.
136. *Official Languages Act*, R.S.C., 1985, c. 31 (4th Supp.).
137. *Canada Post Corporation Act*, R.S.C. 1985, c. C-10.
138. Government of Canada, "Annex 5: Legislative Measures," *Canada Strong*, Budget 2025.
139. Infrastructure Canada, *Legislative Review of the Canada Infrastructure Bank Act 2017–2022: Report*, June 2023, p. 7.
140. *Canada Infrastructure Bank Act*, S.C. 2017, c. 20, s. 403.
141. *Red Tape Reduction Act*, S.C. 2015, c. 12.
142. Government of Canada, "Annex 3: Legislative Measures," *Fairness for Every Generation*, Budget 2024.
143. *Public Service Superannuation Act*, R.S.C. 1985, c. P-36.
144. Government of Canada, "Annex 5: Legislative measures," *Canada Strong*, Budget 2025.
145. *Farm Credit Canada Act*, S.C. 1993, c. 14.
146. *Financial Consumer Agency of Canada Act*, S.C. 2001, c. 9.
147. *Consumer-Driven Banking Act*, S.C. 2024, c. 17, s. 198.
148. *Bank Act*, S.C. 1991, c. 46.
149. *Insurance Companies Act*, S.C. 1991, c. 47.
150. *Trust and Loan Companies Act*, S.C. 1991, c. 45.
151. *Budget Implementation Act, 2021, No. 1*, S.C. 2021, c. 23.
152. *Trust and Loan Companies Act*, S.C. 1991, c. 45.
153. *Bank Act*, S.C. 1991, c. 46.
154. *Insurance Companies Act*, S.C. 1991, c. 47.
155. *Bank Act*, S.C. 1991, c. 46.
156. *Insurance Companies Act*, S.C. 1991, c. 47.
157. *Trust and Loan Companies Act*, S.C. 1991, c. 45.
158. *Trust and Loan Companies Act*, S.C. 1991, c. 45.
159. *Bank Act*, S.C. 1991, c. 46.
160. *Insurance Companies Act*, S.C. 1991, c. 47.
161. *Trust and Loan Companies Act*, S.C. 1991, c. 45.
162. *Bank Act*, S.C. 1991, c. 46.
163. *Insurance Companies Act*, S.C. 1991, c. 47.
164. *Office of the Superintendent of Financial Institutions Act*, R.S.C., 1985, c. 18 (3rd Supp.), Part I.
165. *Canada Deposit Insurance Corporation Act*, R.S.C., 1985, c. C-3.

166. *Financial Consumer Agency of Canada Act*, S.C. 2001, c. 9.

167. *Special Economic Measures Act*, S.C. 1992, c. 17.

168. *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, S.C. 2000, c. 17.

169. Government of Canada, *Canada Strong*, Budget 2025.

170. Government of Canada, *Canada Strong*, Budget 2025.

171. Royal Canadian Mounted Police (RCMP), *Reporting of frozen assets under the Special Economic Measures Act*. The RCMP indicates that this is the most recent figure available effective 12 June 2025.

172. *Manuge et al. v. Her Majesty the Queen*, 2020, Federal Court, T-119-19.

173. *Veterans Health Care Regulations*, SOR/90-594.

174. Canada Development Investment Corporation (CDEV), *Overview*; and *Canada Business Corporations Act*, R.S.C. 1985, c. C-44.

175. Pursuant to section 27 of the *Canada Development Investment Corporation Act*, CDEV continues with the same property, rights, obligations and bylaws, and is subject to the same contracts, causes of action, claims, liabilities, convictions, rulings, orders and judgments as the "former Corporation" (when it was incorporated under the *Canada Business Corporations Act*). Directors of the former Corporation, including the chair and CEO, hold office for the duration of their appointed terms through the continuation of CDEV. CDEV's mandate and structure were previously set out in its articles of incorporation. Government of Canada, *Policy on continuance (import) of a body corporate into the* Canada Business Corporations Act (CBCA)*;* Government of Canada, "Annex 5: Legislative Measures – Canada Development Investment Corporation (CDEV) Enabling Legislation," *Canada Strong*, Budget 2025; and Government of Canada, "Federal corporation information: Canada Development Investment Corporation," Database, accessed 25 November 2025.

176. In addition to enjoying Crown privileges and immunities, agent corporations are subject to additional controls under Part X of the *Financial Administration Act*. To the extent that they are agents, federal Crown corporations cannot contract with the federal government. *Financial Administration Act*, R.S.C. 1985, c. F-11, Part X; and Government of Canada, *Agent status and Crown corporations*.

177. See CDEV, *Canada Indigenous Loan Guarantee Corporation*; and *Budget Implementation Act, 2024, No. 1*, S.C. 2024, c. 17, s. 261.

178. *Government Employees Compensation Act*, R.S.C. 1985, c. G-5; and *Aeronautics Act*, R.S.C. 1985, c. A-2, s. 9.

179. *Financial Administration Act*, R.S.C. 1985, c. F-11, s. 91.

180. CDEV, *2025 to 2029 Corporate Plan Summary*, October 2025, p. 14.

181. *Financial Administration Act*, R.S.C. 1985, c. F-11, s. 101.

182. Ibid., s. 83(1).

183. *Access to Information Act*, R.S.C. 1985, c. A-1, Schedule II.

184. The definition of "government entity" in section 81 of the *Access to Information Act* includes "a corporation named in Schedule II to that Act." Ibid., ss. 81–90.

185. *Broadcasting Act*, S.C. 1991, c. 11.

186. See Office of the Privacy Commissioner of Canada, *Letter to the Minister of Canadian Identity and Culture regarding an amendment to the* Broadcasting Act, 5 September 2025.

187. *Online Streaming Act*, S.C. 2023, c. 8.

188. *An Act for the Substantive Equality of Canada's Official Languages*, S.C. 2023, c. 15, s. 70(2).

189. *Human Pathogens and Toxins Act*, S.C. 2009, c. 24.

190. *Human Pathogens and Toxins Act*, S.C. 2009, c. 24, s. 2.

191. Government of Canada, "Annex 5: Legislative measures," *Canada Strong*, Budget 2025.

192. Government of Canada, "Annex 6: Impacts report," *Canada Strong*, Budget 2025.

193. *Food and Drugs Act*, R.S.C. 1985, c. F-27.

194. Section 109 of the *Customs Tariff* defines the term "obsolete or surplus goods" as goods that:

> (a) Are found to be obsolete or surplus (i) in the case of imported goods, by their importer or owner, or (ii) in any other case, by their manufacturer, producer, or owner; (b) Are not used in Canada; (c) Are destroyed in the manner directed by the Minister of Public Safety and Emergency Preparedness; and (d) Are not damaged before their destruction.

195. Section 248(1) of the *Income Tax Act* defines the term "registered charity" as:

> (a) a charitable organization, private foundation or public foundation, within the meanings assigned by subsection 149.1(1), that is resident in Canada and was either created or established in Canada, or (b) a branch, section, parish, congregation or other division of an organization or foundation described in paragraph (a), that is resident in Canada and was either created or established in Canada and that receives donations on its own behalf, that has applied to the Minister in prescribed form for registration and that is at that time registered as a charitable organization, private foundation or public foundation. (*organisme de bienfaisance enregistré*)

196. The *Export and Import Permits Act* generally requires Canadian individuals and organizations wishing to export or import controlled goods and technologies to obtain a permit issued by the Minister of Foreign Affairs.

197. Senate Standing Committee on Transport and Communications, *Evidence*, 1st Session, 45th Parliament, 3 December 2025.

198. *Canada Transportation Act*, S.C. 1996, c. 10.

199. *Statutory Instruments Act*, R.S.C. 1985, c. S-22.

200. Bill S-6, An Act respecting regulatory modernization, 44th Parliament, 1st Session.

201. *Judges Act*, R.S.C., 1985, c. J-1.

202. *Administrative Tribunals Support Service of Canada Act* (ATSSCA), S.C. 2014, c. 20, s. 376.

203. *Administrative Tribunals Support Service of Canada Act*, S.C. 2014, c. 20, s. 376, s. 10. The Administrative Tribunals Support Service of Canada currently provides support services to 11 federal administrative tribunals listed in the ATSSCA, to the Environmental Protection Tribunal of Canada through a memorandum of understanding with Environment and Climate Change Canada, and to the National Joint Council under section 11(2) of the *Federal Public Sector Labour Relations Act*. The Administrative Tribunals Support Service of Canada 2024–2025 Departmental Results Report provides information about the type of services that are offered to the administrative tribunals.

204. According to the most recent demographic data, people who self-identify as Indigenous represent 51% of the total population of the three territories. See: Government of Canada, *Economic Scan – Yukon, Northwest Territories and Nunavut: 2024*, 29 April 2025.

205. Government of Canada, *Canada Strong*, Budget 2025, p. 490.

206. *Statutory Instruments Act*, R.S.C. 1985, c. S-22, ss. 2(1) and 5.

207. *Statutory Instruments Act*, R.S.C. 1985, c. S-22, s. 19. See also ss. 3–5.

208. As explained by the Environmental Protection Tribunal of Canada, *About the Tribunal*:

> Environment and Climate Change Canada enforcement officers have the power to issue administrative monetary penalties under the *Environmental Violations Administrative Monetary Penalties Act* and the *Environmental Violations Administrative Monetary Penalties Regulations* pursuant to the following statues and their regulations: the *Antarctic Environmental Protection Act*, the *Canada Wildlife Act*, the *Canadian Environmental Protection Act, 1999*, the *Greenhouse Gas Pollution Pricing Act*, the *International River Improvements Act*, the *Migratory Birds Convention Act, 1994* and the *Wild Animal and Plant Protection and Regulation of International and Interprovincial Trade Act*.
>
> Environment and Climate Change Canada enforcement officers have the power to issue compliance orders under the *Antarctic Environmental Protection Act*, the *Canada Wildlife Act*, the *Canadian Environmental Protection Act, 1999*, the *Greenhouse Gas Pollution Pricing Act*, the *International River Improvements Act*, and the *Migratory Birds Convention Act, 1994*.

209. *Canadian Environmental Protection Act, 1999*, S.C. 1999, c. 33.

210. *Environmental Violations Administrative Monetary Penalties Act*, S.C. 2009, c. 14, s. 126; *International River Improvements Act*, R.S.C. 1985, c. I-20; *Canada Wildlife Act*, R.S.C. 1985, c. W-9; *Migratory Birds Convention Act, 1994*, S.C. 1994, c. 22; *Antarctic Environmental Protection Act*, S.C. 2003, c. 20; *Greenhouse Gas Pollution Pricing Act*, S.C. 2018, c. 12, s. 186.

211. Department of Finance Canada, "Annex 6," *Canada Strong*, Budget 2025, p. 46.

212. Government of Canada, "Footnotes," *Administrative Tribunals Support Service of Canada*.

213. *Administrative Tribunals Support Service of Canada Act*, S.C. 2014, c. 20, s. 376, Schedule 1, s. 2; and Senate, Standing Committee on Energy, the Environment and Natural Resources, *Evidence*, 2 December 2025 (Stephanie Lane, Executive Director, Legislative Governance, Environment and Climate Change Canada).

214. Senate, Standing Committee on Energy, the Environment and Natural Resources, *Evidence*, 2 December 2025 (Stephanie Lane, Executive Director, Legislative Governance, Environment and Climate Change Canada).

215. Environmental Protection Tribunal of Canada, *Who we are*.

216. *Financial Administration Act*, R.S.C. 1985, c. F-11.

217. Government of Canada, *Organization Profile – Freshwater Fish Marketing Corporation*.

218. Government of Canada, *Transformation of the Freshwater Fish Marketing Corporation (FFMC)*.

219. *Freshwater Fish Marketing Act*, R.S.C. 1985, c. F-13. Note: Fishers from all provinces and territories can choose to sell their freshwater fish to the Freshwater Fish Marketing Corporation under contract.

220. Freshwater Fish Marketing Corporation, *Annual Report 2025*, 2025.

221. Government of Canada, *Request for Proposals to transform the Freshwater Fish Marketing Corporation (FFMC)*.

222. *Government Annuities Improvement Act*, S.C. 1974-75-76, c. 83.

223. *Government Annuities Act*, R.S.C. 1970, c. G-6.

224. The *Northeastern Quebec Agreement* also established different categories of land for the Naskapi on pp. 1-2. According to the Land Claims Agreement Coalition: "The total area of Category IN lands is 41 km² for Category IA-N lands, where the community of Kawawachikamach is established and where a majority of Naskapis live."

225. *Naskapi and the Cree-Naskapi Commission Act*, S.C. 1984, c. 18.

226. *Police Act*, chapter P-13.1.

227. Correspondence to the Standing Senate Committee on Indigenous Peoples from Chief Louise Nattawappio, Naskapi Nation of Kawawachikamach, 10 December 2025.

228. Government of Quebec et al., *Complementary Agreement No. 4 to the Northeastern Québec Agreement*, 2024.

229. *Canada Student Financial Assistance Act*, S.C. 1994, c. 28.

230. *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, S.C. 2000, c. 17.

231. *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations*, SOR/2002-184.

232. *Canada Business Corporations Act*, R.S.C., 1985, c. C-44.

233. *Access to Information Act*, R.S.C., 1985, c. A-1.

234. *Borrowing Authority Act*, S.C. 2017, c. 20, s. 103.

235. *Regulations Establishing a List of Entities*, SOR/2002-284.

236. *Building Canada Act*, S.C. 2025, c. 2, s. 4.

237. Canada Energy Regulator, *Energy Information Program – Glossary*.

238. "Regulations Amending the National Energy Board Act Part VI (Oil and Gas) Regulations," *Canada Gazette*, Part II, Vol. 149, No. 16, 31 July 2015.

239. "Regulations Amending the National Energy Board Act Part VI (Oil and Gas) Regulations," *Canada Gazette*, Part II, Vol. 149, No. 16, 31 July 2015.

240. *Canadian Environmental Protection Act, 1999*, S.C. 1999, c. 33.

241. The Government of Canada's *A Guide to the Canadian Environmental Protection Act, 1999 – March 2000* explains that certain Indigenous organizations, for example a Band Council under the *Indian Act,* do not meet the criteria of an Indigenous government but can still enter into an administration agreement with the Minister.

242. In its 2017 *Healthy Environment, Healthy Canadians, Healthy Economy: Strengthening the* Canadian Environmental Protection Act, 1999 (the CEPA statutory review) report, the House of Commons Standing Committee on Environment and Sustainable Development included a reference to this issue:

> In a Discussion Paper provided to the Committee, Environment and Climate Change Canada suggested that section 10 of CEPA could be amended to:
>
> - mirror language in the *Fisheries Act*, and replace the requirement that provisions be equivalent with a requirement that they be "equivalent in effect";
>
> …
>
> Mr. Moffet [Director General of Legislative and Regulatory Affairs Directorate] of Environment and Climate Change Canada testified that the department has been implementing the "equivalent in effect" test for the past 15 years; however, the related wording in CEPA is ambiguous and could be clarified through an amendment.

243 *Competition Act*, R.S.C. 1985, c. C-34.

244 Bill C-59, An Act to implement certain provisions of the fall economic statement tabled in Parliament on November 21, 2023 and certain provisions of the budget tabled in Parliament on March 28, 2023, 44th Parliament, 1st Session.

245. *Retail Payment Activities Act*, S.C. 2021, c. 23, s. 177.