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Legislative Summary

BILL C-230: AN ACT TO AMEND THE FINANCIAL ADMINISTRATION ACT AND TO MAKE CONSEQUENTIAL AMENDMENTS TO OTHER ACTS (DEBT FORGIVENESS REGISTRY)

45-1-C230-E

3 September 2026

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Legislative Summary of Bill C-230
(Preliminary version)

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LEGISLATIVE SUMMARY OF BILL C-30: AN ACT TO AMEND THE FINANCIAL ADMINISTRATION ACT AND TO MAKE CONSEQUENTIAL AMENDMENTS TO OTHER ACTS (DEBT FORGIVENESS REGISTRY)

1 BACKGROUND

Bill C-230, An Act to amend the Financial Administration Act and to make consequential amendments to other Acts (debt forgiveness registry) (Bill C-230) was introduced in the House of Commons and first read on 19 September 2025 by Adam Chambers, Member for Simcoe North, Ontario.[1] It reached the third reading stage in the House of Commons on 7 May 2026 and the second reading stage in the Senate on 16 June 2026 before being referred to the Standing Senate Committee on Banking, Commerce and the Economy for consideration.[2]

1.1 PURPOSE OF THE BILL

Bill C-230 amends the *Financial Administration Act* (FAA)[3] to require that the President of the Treasury Board establish and maintain a public registry of debts and obligations owed by corporations, trust companies and partnerships to His Majesty that were subject to a deletion of $2,000,000 or more.

The registry must include the debtor's name (including the business name); the amount that was deleted; the type of debt deletion; the fiscal year in which the debt, obligation or claim was deleted; the instrument or act under which the debt, obligation or claim arose and the Act under which it was deleted.

According to the bill's sponsor, the purpose of the bill is for the government to demonstrate greater transparency toward taxpayers in terms of debts and obligations that corporations, trust companies and partnerships owed to the government and that have been deleted, at a time when the number and total amount of such debts and obligations are increasing significantly.[4]

1.2 DEBT DELETION TERMINOLOGY

As the Treasury Board of Canada Secretariat explains, debts owing to the Crown arise "from a wide variety of transactions between the government and external parties. Such transactions may include tax and non-tax accounts receivable as well as amounts due from loans, investments and advances that have been made by the government."[5]

Parts II and XI of the FAA deal with the remission, forgiveness, write-off and waiver of certain debts and obligations.

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1.2.1 Remission

Pursuant to sections 23(2) and 23(2.1) of the FAA, the Governor in Council may, on the recommendation of the appropriate minister or the Treasury Board, as the case may be, remit any taxes, penalties, or other debt, including any interest paid or payable thereon, where the Governor in Council considers that the collection or the enforcement, as the case may be, is unreasonable or unjust or that it is otherwise in the public interest to remit the tax, other debt or penalty. A remission "legally extinguishes the debt (including any related outstanding interest), waives the right of the Crown to reinstate the debt, and allows both the Crown and the debtor to permanently remove the debt from their accounts."[6]

Such remissions may be total or partial or conditional or unconditional (section 23(3) of the FAA). Remissions granted during a fiscal year must be reported in the Public Accounts for that year in such form as the Treasury Board may direct (section 24(2) of the FAA).[7]

When it comes to the Acts administered by the Canada Revenue Agency (CRA),

> [a]ll remission orders are published in Part II of the *Canada Gazette*. A remission order includes the taxpayer's name, the amount remitted, the tax years or reporting periods, and a brief explanation of the basis for remission.[8]

According to the CRA, "[v]ery few requests result in remission being granted."[9] The following situations, however, may give rise to a remission:

- extreme financial hardship;
- financial setback with an extenuating factor (including serious illness causing physical or mental limitations that made you not able to manage your affairs);
- mistake made by the CRA (wrong actions taken, or wrong information provided); or
- unintended results of legislation.[10]

1.2.2 Forgiveness

In accordance with sections 24.1(1) and 24.1(2) of the FAA, a debt or obligation included in the statement of assets and liabilities may be forgiven if the amount to be forgiven is included as a budgetary expenditure in an appropriation Act or any other Act of Parliament (i.e., parliamentary approval is required). Forgiveness "legally extinguishes the debt (and any related outstanding interest), waives the right of the Crown to reinstate the debt, and allows both the Crown and the debtor to permanently remove the debt from their accounts."[11]

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Such forgiveness may be total or partial or conditional or unconditional (section 24.1(1) and section 24.1(3)(a) of the FAA). Forgiveness granted during a fiscal year must be reported in the Public Accounts for that year in such form as the Treasury Board may direct (section 24.2 of the FAA).[12]

1.2.3 Write-Off

Pursuant to section 25(1) of the FAA, the Treasury Board may make regulations respecting the writing off, in whole or in part, of any debt or obligation due to His Majesty. Thus, sections 4(1) and 4(2) of the *Debt Write-off Regulations, 1994* (DWOR)[13] provides that the appropriate minister of a department may write off from the accounts of the department a debt that has been determined to be uncollectible, or a debt for which further administrative expense or other costs of collecting the debt are not justifiable in relation to the amount of the debt or the probability of collection. The criteria for write-offs are set out in section 6 of the DWOR.

However, with respect to "a debt, obligation or claim included in the Statement of financial position [that] is to be written off, and which would result in a charge to an appropriation, the amount to be written off must be authorized by Parliament as a budgetary expenditure in an Appropriation Act or some other Act"[14] (section 25(2) of the FAA).

In addition, it should be noted that such a write-off does not affect the right of His Majesty to collect or recover the debt, obligation or claim (section 25(3) of the FAA):

> [T]he Crown retains its rights to collect or recover the debt in the future and that the debt could be reinstated at any time, subject to applicable limitation periods. The only exceptions are compromise settlements, or when a present value payment has been accepted as full settlement of the debt. In these cases, the debtor is released from any obligation to pay the remaining balance (in other words, the debt is extinguished) by virtue of the arrangement entered into with the debtor.[15]

Such write-offs may be total or partial or conditional or unconditional (section 25(1) of the FAA, section 4(1) of the DWOR). Forgiveness granted during a fiscal year must be reported in the Public Accounts for that year in such form as the Treasury Board may direct (section 25(4) of the FAA).[16]

Finally, the appropriate minister of each department must establish a formal review process for the writing off of debts, including a review committee for amounts exceeding $25,000 or such lower amount as may be fixed by the appropriate minister (sections 8(1) and 8(2) of the DWOR).

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1.2.4 Waiver

Pursuant to sections 155.1(4) and 155.1(5) of the FAA, the appropriate minister may, pursuant to the *Interest and Administrative Charges Regulations* (IACR),[17] waive or reduce interest or administrative charges in the cases provided for in sections 9 and 12 of the IACR. Of note, certain amounts are exempt from the application of these provisions, including amounts owing to His Majesty pursuant to the *Income Tax Act* (ITA)[18] or any Act of Parliament that imposes a tax or duty (section 4(a) of the IACR).

1.2.5 Example of Authority Under a Specific Act

Other Acts allow for debt deletion. For example, pursuant to section 220(3.1) of the ITA, the Minister of National Revenue may, on or before the day that is ten calendar years after the end of a taxation year of a taxpayer or a fiscal period of a partnership, waive or cancel all or any portion of any penalty or interest otherwise payable by the taxpayer or partnership.

As explained by the CRA, common situations that could result in relief of penalties and interest include:

- extraordinary circumstances (including natural disasters or a serious illness or accident);
- financial hardship;
- actions of the CRA (including errors or processing delays); or
- other circumstances (reviewed on a case-by-case basis).[19]

Another example of the Minister of National Revenue exercising their authority under section 220(3.1) of the ITA is the Voluntary Disclosures Program.[20]

2 DESCRIPTION AND ANALYSIS

Clause 1 of the bill adds the new section 25.1 to the FAA to require that the President of the Treasury Board establish and maintain a publicly available online registry of debts and obligations that corporations, trust companies and partnerships owed to His Majesty that were subject to a deletion. New section 25.1(1) provides for the registry to contain information on debts, obligations and claims that have been remitted, forgiven, written off or waived in an amount of $2,000,000 or more. New section 25.1(6) clarifies that a debt or obligation owed to a Crown corporation is not a debt or obligation owed to His Majesty, and a claim by a Crown corporation is not a claim by His Majesty.

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Under new section 25.1(2), the registry must include the name of the debtor; the amount that was remitted, forgiven, written off or waived; the type of deletion; the fiscal year in which the debt, obligation or claim was deleted; the Act of Parliament, agreement, arrangement, contract, or other instrument or act under which the debt, obligation or claim arose; and the Act under which the debt deletion took place. The President of the Treasury Board may also add to the registry any other information they consider appropriate. As a result, the information required under these new provisions is more detailed than that currently published in the public accounts, which is presented in an aggregated or summarized form.

New section 25.1(3) grants the President of the Treasury Board the power to exclude any information from the registry for reasons related to the protection of confidential, personal or sensitive information. In such cases, new section 25.1(3.1) provides that the registry must state on which of these grounds the information has been excluded.

Those provisions were added by the House of Commons Standing Committee on Public Accounts (the committee) during its consideration of the bill. During the debate in the House at second reading, Ryan Turnbull, Parliamentary Secretary to the Minister of Finance and National Revenue and to the Secretary of State (Canada Revenue Agency and Financial Institutions), had raised concerns over disclosing the names of individuals involved in partnerships.[21] According to the government, disclosing individuals' personal information could result in the application of the *Privacy Act*.[22]

The committee asked the Office of the Privacy Commissioner of Canada for advice on the matter. In its response, the office notably stated that since "[t]he information collected and disclosed would be primarily related to the financial circumstances of corporations, trust companies, or partnerships" rather than personal information, "any potential impacts to privacy, if any at all, would be minor."[23]

Under new section 25.1(4), the registry must be established within 18 months after the day on which new section 25.1 comes into force. From the start, the registry must include information on the debts, obligations or claims referred to in the new section 25.1 that were deleted during the fiscal year of the most recent public accounts but after the day on which the new section 25.1 comes into force. For subsequent fiscal years, new section 25.1(5) states that the registry must be updated within 90 days after the day on which the public accounts are tabled.

Finally, clauses 2 to 7 amend six other Acts, including the ITA, to allow the disclosure of confidential information for the purposes of the registry. Clause 8 contains coordinating amendments.

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NOTES

1. Bill C-230, An Act to amend the Financial Administration Act and to make consequential amendments to other Acts (debt forgiveness registry), 45th Parliament, 1st Session.
2. The House of Commons Standing Committee on Public Accounts made some amendments as part of its consideration of the bill. In particular, the committee increased the threshold above which a debt deletion must be included in the registry from $1,000,000 to $2,000,000, amended the provisions on the registry's content, granted the President of the Treasury Board the power to exclude certain information and added provisions on establishing and maintaining the registry.
3. *Financial Administration Act*, R.S.C. 1985, c. F-11.
4. House of Commons, *Debates*, 27 November 2025, 1730 (Adam Chambers).
5. Government of Canada, "3. Context," *Guide to Debt Deletion*, 31 March 2021.
6. Government of Canada, "5.2 Debt remission," *Guide to Debt Deletion*, 31 March 2021.
7. See, for example, Government of Canada, "Section 2: Supplementary information required by the Financial Administration Act – Remissions of taxes, fees, penalties and other debts," *Public Accounts of Canada 2025: Volume III – Additional information and analyses*.
8. Canada Revenue Agency, "When to request a remission review," *Remission*. For examples of remission, see the following: *Bridgestone Remission Order*, SI/89-51 (remission of customs duties and a portion of the federal sales tax on tires); and *Lazarus Family Trust Remission Order*, SI/2019-18 (remission of tax paid or payable under Part I of the *Income Tax Act* and all relevant interest on that tax).
9. Canada Revenue Agency, "When to request a remission review," *Remission*.
10. Ibid.
11. Government of Canada, "5.3 Debt forgiveness," *Guide to Debt Deletion*, 31 March 2021.
12. See, for example, Government of Canada, "Section 2: Supplementary information required by the Financial Administration Act – Debts, obligations and claims written off or forgiven," *Public Accounts of Canada 2025: Volume III – Additional information and analyses*.
13. *Debt Write-off Regulations, 1994*, SOR/94-602.
14. See, for example, Government of Canada, "Section 2: Supplementary information required by the Financial Administration Act – Debts, obligations and claims written off or forgiven," *Public Accounts of Canada 2025: Volume III – Additional information and analyses*.
15. Government of Canada, "5.1 Debt write-off," *Guide to Debt Deletion*, 31 March 2021.
16. Ibid.
17. *Interest and Administrative Charges Regulations*, SOR/96-188.
18. *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).
19. Canada Revenue Agency, "Situations when relief may be possible," *Cancel or waive penalties and interest at the CRA*.
20. Canada Revenue Agency, *Voluntary Disclosures Program (VDP)*.
21. House of Commons, *Debates*, 27 November 2025, 1750 (Ryan Turnbull).
22. *Privacy Act*, R.S.C. 1985, c. P-21.
23. Philippe Dufresne, Privacy Commissioner of Canada, *Letter to the Standing Committee on Public Accounts on Bill C-230*, 19 March 2026.