

**CANADA REVENUE AGENCY DETAILED ACTION PLAN**  
to the recommendations of Report 3 (Taxation of E-commerce) of the Spring 2019 Reports of the Auditor General of Canada

Report Ref. No.	OAG Recommendation	Departmental Response	Description of Final Expected Outcome/Result	Expected Final Completion Date	Key Interim Milestones (Description/Dates)	Responsible Organization/ Point of Contact (Name, Position, Tel #)	<i>Indicator of Achievement</i> <b>(For Committee Use Only)</b>
3.54	Within its legislative authority, the Canada Revenue Agency should expand its compliance activities and leverage available third-party data to enhance its ability to detect and deter non-compliance for the GST/HST in e-commerce, including accommodation sharing.	Agreed. On the basis of the current legislation, the Canada Revenue Agency's compliance actions to date have been fully satisfactory. The Agency has already identified the e-commerce sector as a risk. Its efforts to address non-compliance in this sector, as supported by educating taxpayers on their GST/HST obligations and conducting test audits, is commensurate with the level of risk of non-compliance and the tax dollars at risk. These efforts allow the Agency to ensure that focus remains on files with the highest risk of non-compliance while promoting a fair tax system for all Canadians. The Office of the Auditor General of Canada estimated losses of \$169 million in the GST on foreign digital products and services sold in Canada in 2017. This represents a small fraction of the \$4.9 billion in the GST/HST gap that was estimated in 2014 (see the " <a href="#">Tax Gap: A Brief Overview</a> " page on the Agency's website). Since the Agency expects the scale of e-commerce to continue to grow, the Agency will develop a dedicated compliance strategy to better detect and address non-compliance for the GST/HST in e-commerce and will continue to expand its compliance actions, including the better leveraging of third-party data. The strategy will further support and complement existing compliance efforts undertaken by the Agency to address the non-compliance within the sector.	The CRA will develop a dedicated compliance strategy to better detect and address non-compliance for GST/HST in e-commerce. The strategy will include the Agency's plan to expand its compliance actions including better leveraging third party data to detect and address non-compliance within the sector.	December 2020	<p><b>By March 2020:</b> Complete review of current compliance results, including compliance risks within the sector</p> <p><b>By December 2020:</b> Prepare the final compliance strategy</p>	CPB  Tammy Myers Special Advisor to Director General of the GST/HST Directorate (613) 670-7875	

Report Ref. No.	OAG Recommendation	Departmental Response	Description of Final Expected Outcome/Result	Expected Final Completion Date	Key Interim Milestones (Description/Dates)	Responsible Organization/ Point of Contact (Name, Position, Tel #)	<i>Indicator of Achievement</i> <b>(For Committee Use Only)</b>
3.55	The Canada Revenue Agency should implement mechanisms to track, monitor, and report the number of compliance activities it conducts to manage the risk of non-compliance in e-commerce.	Agreed. The Canada Revenue Agency will analyze its tracking and monitoring methodology with respect to the compliance activities it conducts to manage the risk of non-compliance in e-commerce. As similar recommendations were made in the <a href="#">2018 Fall Reports of the Auditor General of Canada, Report 7—Compliance Activities—Canada Revenue Agency</a> , initiatives being implemented as part of the Agency's response to those recommendations will align with this current recommendation.	The CRA will analyze its tracking and monitoring methodology, and will implement feasible changes to improve the CRA's ability to monitor and track e-commerce activities.	June 2021	<p><b>By December 2019:</b> Complete analysis of current tracking and monitoring methodology and prepare recommendations for improvements and related system changes.</p> <p><b>By June 2021:</b> Implement system changes to improve tracking and monitoring of e-commerce activities.</p>	CPB  Tammy Myers Special Advisor to Director General of the GST/HST Directorate (613) 670-7875	