



eNews – November 16, 2015 STEP Canada Tax Technical Committee

Finance Acknowledges Concerns About Unintended Results Arising from New Taxation Rules in Effect in 2016

STEP Canada, together with other organizations, has identified several concerns relating to amendments to the Income Tax Act which received Royal Assent on December 16, 2014 and which will come into effect on January 1, 2016. These concerns relate broadly to changes to the taxation of spousal, alter ego and joint partner trusts (referred to collectively as “life interest trusts”), and changes to the taxation of charitable gifts on death.

In response to these concerns, the Department of Finance has today sent to STEP Canada, the Joint Committee and CALU the attached letter acknowledging these concerns, agreeing to continue to engage with STEP Canada and the other addressees on these issues and seeking input on a possible solution, as discussed in the letter. It should be noted that the Department of Finance has not committed to recommend that or any other specific solution to the concerns raised and, as such, clients who may be adversely affected by this legislation should be advised to consult with their legal advisors as to what actions, if any should be taken at this time.

STEP Canada is committed to working constructively with the Department of Finance to develop solutions to these concerns. We are pleased to deliver this resource to our members. Please [click here](#) to access the PDF, or visit the STEP Canada online [Press Room](#) at your convenience.

About STEP Canada:

The Society of Trust and Estate Practitioners is the leading international organization for trust and estates professionals. Headquartered in London, England, it has more than 20,000 members worldwide in 95 countries.

STEP Canada, founded in 1998, has 2,200 members with branches in the following cities and regions: Atlantic, Montreal, Ottawa, Toronto, Winnipeg, Calgary, Edmonton, Vancouver and chapters in London & Southwestern Ontario, Okanagan Valley and Saskatchewan. STEP is a multi-disciplinary organization with the most experienced and senior practitioners in the field, including: lawyers, accountants, financial planners, insurance advisors and trust professionals. They provide domestic and international advice on trust and estates, including planning, administration and related taxes.

Suite 700, 1 Richmond Street West
Toronto, ON M5H 3W4
1-877-991-4949
www.step.ca