



## eNews – July 7, 2021 STEP Canada Tax Technical Committee

### RE: Bill C-208

On June 29th, 2021, Bill C-208 received royal assent and became law. Bill C-208 is a non-government bill that amends sections 55 and 84.1 of the Income Tax Act to facilitate (i) business reorganizations involving siblings and (ii) the transfer of businesses to family members. While these amendments were well-intentioned, Finance has now expressed concern with the breadth and scope of the changes and has publicly and explicitly indicated its intention to modify the legislation by amendment effective January 1, 2022 with the current changes being (perhaps retroactively) rescinded prior to that date. Consequently, although Bill C-208 is duly enacted and in force, members relying on the legislative changes effected by Bill C-208 do so at their own risk.

The STEP Canada Tax Technical Committee will continue to monitor further developments from the Department of Finance and the government, and will update members accordingly.

STEP Canada Tax Technical Committee

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