



eNews – April 21, 2025

STEP Canada Tax Technical Committee

RE1: Technical Interpretation Request Relating to EIFEL and Cross-Border Trust Holding Foreign Personal Use Property

RE2: CRA's Clarification on Late-Filing Penalties Relief for Trusts and Individuals that had Capital Disposition(s) During 2024

RE1: On April 21, 2025, STEP Canada' Tax Technical Committee (TTC) submitted a technical interpretation request regarding whether the existence of a Canadian-resident trust holding a foreign personal-use property can in itself cause an affiliated group of Canadian entities to be exposed to the excessive interest and financing expenses limitation (EIFEL) rules contained in section 18.2.

Due to the significant impact this may have to Canadian corporation's corporate income tax return filings, the TTC respectfully requested that the CRA provide guidance on this matter before June of 2025 so that impacted corporations with December year-ends can file their T2 returns in compliance with the Act.

The STEP Canada TTC is pleased to share this submission with its members [here](#) and in the Member Resources Section of step.ca.

RE2: The CRA has recently clarified that the late-filing penalties relief for trusts and individuals that had capital disposition(s) during 2024 encompasses any forms and elections that are normally included with the impacted T1 and T3 returns, e.g. Form T1135, T3Sch 15, and T3Sch130. The relief for impacted T1 and related forms/elections will be in place until June 2, 2025, and the relief for impacted T3 and related forms/elections will be in place until May 1, 2025. See CRA's announcement here: <https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/important-dates-individuals/filing-dates-tax-return.html>.

Tax Technical Committee
STEP Canada

About STEP: 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 22,000 members worldwide in over 100 countries.

STEP Canada, founded in 1998, has nearly 3,900 members with branches in the following cities and regions: Atlantic, Montreal, Ottawa, Toronto, Winnipeg, Calgary, Edmonton, and Vancouver, with chapters in Okanagan Valley, Saskatchewan, and Southwestern Ontario. STEP is a multidisciplinary 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.

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