



eNews – January 6, 2026

STEP Canada Tax Technical Committee

RE: Technical Amendment Request - Part IV Determination for Assessable Dividends Distributed by a Trust

The STEP Canada Tax Technical Committee has submitted a request to the Department of Finance for a technical amendment to the *Income Tax Act* following the Federal Court of Appeal's decision in *Canada v. Vefghi Holding Corporation* (2025 FCA 143). The submission outlines an unintended inconsistency in the application of Part IV tax to dividends flowing through trusts and proposes a targeted legislative correction intended to promote fairness and internal consistency, without altering the policy framework of the Act.

Many thanks to the members of the committee, Kenneth Keung (Chair), Joan Jung, Michael Goldberg, and Sathees Ratnam for their thoughtful review and contributions.

The STEP Canada Tax Technical Committee is pleased to share this submission with its members [here](#) and in the "Resources" Section in your MY STEP profile on [step.ca](#).

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 4,000 members with branches in the following cities and regions: Atlantic, Montreal, Ottawa, Toronto, Winnipeg, Saskatchewan, Calgary, Edmonton, and Vancouver, with chapters in Okanagan Valley, 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.

Click to [edit Email Preferences](#) or [Unsubscribe](#) from this list.

STEP Canada
45 Sheppard Avenue East
Suite 510
Toronto, ON M2N 5W9 - Canada
Telephone: 416-491-4949