

February 15, 2024

Dear Valued Clients

Tax season is upon us again! It is time to start pulling together all those various pieces of paper and information that we need to prepare your 2023 personal income tax and trust information returns.

Trust (T3)

The rules governing which trusts must file an annual T3 Trust Income Tax and Information Return ("T3 Return") have been changed for trusts with a taxation year ending after December 30, 2023. Specifically, all trusts, unless specific conditions are met, must now provide a T3 Return including additional beneficial ownership information on an annual basis. Additionally, bare trusts may now be required to file an annual T3 Return. As a result, many trusts that did not previously have to file are now required to file an annual T3 Return.

These changes were made as part of Canada's continuous efforts to ensure the effectiveness and integrity of the Canadian tax system. The changes will help the CRA verify that trusts, their fiduciaries, beneficiaries, and related parties have met their tax and filing obligations under the Income Tax Act.

Trusts with a December 31, 2023 tax year end will need to file their T3 Return and Schedule 15 by March 30, 2024. Since March 30, 2024 falls on Saturday, your return will be considered filed on time if the CRA receives it, or it is postmarked, on or before April 2, 2024 (the next business day).

"Bare trust" - These arrangements may include in-trust account set up by parent for a child; joint named banking/investment accounts and joint named properties ownership with non-beneficiaries owners. Please see further information on CRA website as the below:

<https://www.canada.ca/en/revenue-agency/services/tax/trust-administrators/t3-return/new-trust-reporting-requirements-t3-filed-tax-years-ending-december-2023.html>

Personal tax (T1)

To help you get organized, we have prepared the 2023 Personal Income Tax Questionnaire. You can find this questionnaire on our website – www.cawley.ca as a link on our welcome page. After you have gathered everything together, please either send it in, drop it off or call and make an appointment to come in and meet with us.

We now have a secure document upload facility to enable our clients, if you wish, to upload your tax documents to our secure server without sending them by email. Please let us know by emailing Colette (colette@ccwcpa.ca) and will send detailed instructions on how to use it.

As we try to go paperless, if you wish to receive your prepared Tax Package including tax return, client letter, invoice and other attachments in a PDF file, please indicate it on our checklist and include your email address.

Please bring in your tax material as early as possible – the last day you have to pay your tax bill is April 30, no matter when your tax return is completed and e-filed.

IF YOUR TAX RETURN INFORMATION IS NOT IN OUR OFFICE BY APRIL 8, 2024, WE WILL NOT BE ABLE TO GUARANTEE COMPLETION OF YOUR RETURN BY THE APRIL 30, 2024 DEADLINE.

Please be aware of the following issues:

(a) Engagement letter:

This letter needs to be signed and dated by all clients and confirms the services we will perform to assist you in filing your return. This letter needs to be signed by you before your return is electronically or manually filed. If you want to review this letter prior to signing, please let us know and we will get a copy to you (mail, fax or e-mail). This letter is required to be in our files per a request from the Chartered Professional Accountants of BC.

(b) Payment policy:

Invoices for tax returns are due when rendered and payment can be made by cash, cheque, debit, VISA and M/Card. Payments by credit card may be made by phoning Colette (604-731-1191 Ext. 5) or in person.

(c) Sole proprietorships:

Although you do not have to file your return until June 15, please be aware that any taxes owing must be paid by April 30. Interest owing on late payment will commence May 1. You will also be charged interest on the GST balance owing starting May 1, even though your GST return does not need to be filed until June 15.

(d) Submitting documents electronically to CRA:

CRA continues to encourage all EFILE representatives to submit documents requested from the Processing Review Program electronically. As your representatives, we must be registered as **level 2 representatives** by you on the **Authorizing Request form**. A signature of your consent on form AUTH will be required.

e) Direct deposit:

The Government of Canada is switching to direct deposit for refunds and GST credits. In order to receive these amounts, please provide us with your banking information (e.g. void cheque) so that you may enjoy the benefits of direct deposit.

(f) CRA enquiries:

We have received over the last few years numerous requests from CRA regarding providing them with backup documentation to support the claims that have been reported on your personal income tax returns. We have not previously charged any clients for this additional work, but the time now taken to reply to CRA has significantly increased. Based on the work undertaken we may have to bill you an additional fee.

Yours sincerely

Cawley Curran Wong & Associates
Chartered Professional Accountants