

Federal Court



Cour fédérale

Date: 20251113

Docket: T-1560-24

Citation: 2025 FC 1819

Ottawa, Ontario, November 13, 2025

PRESENT: Madam Justice Sadrehashemi

BETWEEN:

SAMEER EBADI

Applicant

and

ATTORNEY GENERAL OF CANADA

Respondent

JUDGMENT AND REASONS

[1] The Applicant, Mr. Sameer Ebadi, failed to file “T1135 Foreign Income Verification Statement” forms (“T1135”) for his 2021 and 2022 taxation years. By the time he filed the forms in July 2023, it was past the deadline, and he was subject to late filing penalties and arrears interest.

[2] Mr. Ebadi asked the Canada Revenue Agency (“CRA”) for relief from these penalties under section 220 (3.1) of the *Income Tax Act* on the basis that: i) he attempted to file the required form in each year but had technical difficulties; and ii) the penalties cause financial

hardship given his current circumstances. Mr. Ebadi's request was denied. He challenged that decision, but a second reviewer at the CRA ("Second Reviewer") refused his request. Mr. Ebadi now challenges the Second Reviewer's denial of his relief request on judicial review.

[3] The CRA requires those who hold foreign investment property costing no more than \$100,000 to file a T1135 form for each relevant taxation year. While Mr. Ebadi filed his T1 income tax returns on time for the 2021 and 2022 taxation years, he failed to file the T1135 forms for each of those years. This "failure to comply" (section 162(7) of the *Income Tax Act*) resulted in late filing penalties and arrears interest. On July 5, 2023, Mr. Ebadi filed the T1135 forms for the 2021 and 2022 taxation years. At the time of the judicial review hearing, the amount of the late filing penalties and arrears interest owed by Mr. Ebadi was approximately \$4500.

[4] Mr. Ebadi's challenge to the Second Reviewer's decision relates to the substance of the decision and not the procedure followed by the CRA on their review. He argues that the CRA failed to consider his submissions and evidence. I have to review the Second Reviewer's decision on a reasonableness standard. This means that the starting point of my analysis is the Second Reviewer's reasons for their decision. The Second Reviewer's reasons are contained in the refusal letter and the notes in the Taxpayer Relief Fact Sheet.

[5] The Supreme Court of Canada in *Canada (Minister of Citizenship and Immigration) v Vavilov*, 2019 SCC 65 [*Vavilov*] described a reasonable decision as "one that is based on an internally coherent and rational chain of analysis and that is justified in relation to the facts and

law that constrain the decision maker” (*Vavilov* at para 85). Administrative decision-makers must ensure that their exercise of public power is “justified, intelligible and transparent, not in the abstract, but to the individuals subject to it” (*Vavilov* at para 95).

[6] I have carefully considered Mr. Ebadi’s arguments. I am not persuaded that the CRA did not consider or was unresponsive to the central issues raised by Mr. Ebadi’s submissions and the evidence in the record before them.

[7] On the issue of the technical difficulties, the CRA considered that Mr. Ebadi had used the same software system to successfully file his income taxes for the two taxation years at issue. The Second Reviewer also noted Mr. Ebadi’s failure to act quickly to remedy the late filing, despite being warned that late penalties would be ordered if the T1135 forms had not been filed.

[8] With respect to financial hardship, the Second Reviewer noted that “we see financial hardship as the prolonged inability to afford basic necessities such as food, clothing and shelter and reasonable non-essentials.” The Second Reviewer considered Mr. Ebadi’s submissions and evidence about his debt and recent financial losses. They did not find this was a sufficient basis to find financial hardship. The Second Reviewer considered that in the relevant years Mr. Ebadi continued to invest in his RRSP and TFSA, had significant assets, income and in the 2023 year obtained a tax refund in amount greater than the penalties and interests owing.

[9] The Second Reviewer was alive to the concerns and the evidence raised by Mr. Ebadi and addressed these issues in their reasons. The Second Reviewer explained their reasons for not being persuaded by these arguments in an intelligible and transparent way.

[10] Mr. Ebadi's arguments are really asking this Court to engage in reweighing the factors considered by the CRA in deciding whether relief should be granted. This is not my role on judicial review (*Vavilov* at para 125).

[11] A decision can only be set aside where the reviewing court is "satisfied that there are sufficiently serious shortcomings in the decision such that it cannot be said to exhibit the requisite degree of justification, intelligibility and transparency" (*Vavilov* at para 100). I do not see any such shortcomings in the Second Reviewer's decision. Accordingly, the application for judicial review is dismissed.

[12] The Respondent asked for costs in their written submissions and again at the hearing. Though Mr. Ebadi was unsuccessful on the judicial review, I exercise my discretion under Rule 400 of the *Federal Court Rules* to not order costs against him given his personal circumstances and his conduct throughout the proceeding (*Lucas v Canada (Attorney General)*, 2025 FC 1111 at para 41; *Showers v Canada (Attorney General)*, 2022 FC 1183 at para 32).

JUDGMENT in T-1560-24

THIS COURT'S JUDGMENT is that

1. The style of cause is amended with immediate effect to name the Respondent as the Attorney General of Canada;
2. The application for judicial review is dismissed; and
3. No costs are awarded.

"Lobat Sadrehashemi"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1560-24

STYLE OF CAUSE: SAMEER EBADI v ATTORNEY GENERAL OF CANADA

PLACE OF HEARING: VANCOUVER, BRITISH COLUMBIA

DATE OF HEARING: SEPTEMBER 24, 2025

REASONS FOR JUDGMENT AND JUDGMENT: SADREHASHEMI J..

DATED: NOVEMBER 13, 2025

APPEARANCE:

Sameer Ebadi ON HIS OWN BEHALF

Jean Murray FOR THE RESPONDENT

SOLICITORS OF RECORD:

Jean Murray FOR THE RESPONDENT
Department of Justice Canada
Vancouver, British Columbia