Docket: 2025-768(IT)G

BETWEEN:

941624 ALBERTA LTD.,

Appellant,

and

HIS MAJESTY THE KING,

Respondent.

Motion heard on March 31, 2026, at Winnipeg, Manitoba

Before: The Honourable Gabrielle St-Hilaire, Chief Justice

Appearances:

Counsel for the Appellant:	Matthew D. Dalloo
Counsel for the Respondent:	Allanah Smith

JUDGMENT

UPON motion by the Respondent for:

1. an order quashing the appellant's purported appeal with respect to its 2020, 2021, and 2022 taxation years pursuant to subsection 12(1) of the *Tax Court of Canada Act*, and subsection 169(2.1) of the *Income Tax Act*;

2. costs of this motion, in any event of the cause, pursuant to section 147 of the *Tax Court of Canada Rules (General Procedure)*; and

3. such further and other relief as the Court deems just.

AND UPON hearing the submissions of the parties;

IN ACCORDANCE WITH THE ATTACHED REASONS FOR JUDGMENT:

1. The Respondent's motion is granted with costs against the Appellant.

2. The appeals from the reassessments made under the *Income Tax Act* for the 2020, 2021 and 2022 taxation years are quashed.

3. Parties shall have 30 days from the date of this Judgment to agree on costs and to so advise the Court, failing which the Respondent shall have a further 30 days to serve and file written submissions on costs and the Appellant shall have a further 30 days to serve and file a written response. Any such submissions shall not exceed 10 pages in length. If the parties do not advise the Court that they have reached an agreement and no submissions are received within the applicable time limits, costs shall be awarded to the Respondent in accordance with the appropriate Tariff.

Signed this 14th day of April 2026.

"Gabrielle St-Hilaire"

St-Hilaire C.J.

Citation: 2026 TCC 67
Date: 20260414
Docket: 2025-768(IT)G

BETWEEN:

941624 ALBERTA LTD.,

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Respondent.

REASONS FOR JUDGMENT

St-Hilaire C.J.

I. Introduction

[1] The Appellant, 941624 Alberta Ltd. (941), is appealing from reassessments made under the *Income Tax Act*, RSC 1985, c 1 (5th Supp) (Act) for its taxation years ending December 31, 2019, 2020, 2021 and 2022. This case is about unreported income and perhaps more significantly, about the denial of several expenses the Appellant claimed in filing its tax returns.

[2] It is undisputed that for its 2020, 2021 and 2022 taxation years, 941 was a large corporation as defined in subsection 225.1(8) of the Act.

[3] The Respondent filed a motion for an order quashing the appeals for the 2020, 2021 and 2022 taxation years (relevant taxation years) on the grounds that 941 did not comply with the requirements of subsection 165(1.11) of the Act applicable to large corporations such that there are no valid issues before the Court pursuant to subsection 169(2.1).

II. Issue

[4] The issue in this motion is whether 941's appeals for the relevant taxation years ought to be quashed for non-compliance with subsection 169(2.1) of the Act. Hence, more specifically, the issue is whether 941 has appealed to this Court with

respect to an issue in respect of which it has complied with the requirements of subsection 165(1.11) of the Act in its Notices of Objection. Put more simply, the issue is whether 941 has failed to comply with what are often referred to as the large corporation rules such that it cannot appeal to this Court for its 2020, 2021 and 2022 taxation years.

III. Legislative Framework

[5] Subsection 165(1) of the Act provides taxpayers with a right to object to an assessment which in turn requires the Minister to reconsider the assessment. In addition, subsection 169(1) provides taxpayers who have objected to an assessment with a right of appeal to this Court. Notwithstanding the general rules in those two provisions, the Act imposes further requirements on large corporations when objecting to and appealing assessments.

[6] These further requirements imposed on large corporations are composed of "the mandatory provision applicable to the notice of objection and the restrictive provision applicable to appeals to this Court" and they form "part of a single regime and should be read together" (*Ford Motor Company of Canada, Limited v R*, 2015 TCC 39 at para 52 [*Ford*]).

[7] Since 941 was a large corporation during the relevant taxation years, its right of appeal to this Court is restricted by paragraph 169(2.1)(a) which provides that a large corporation can appeal *only* with respect to an issue in respect of which it has complied with subsection 165(1.11) and further, may only appeal with respect to the relief sought with respect to that issue.

[8] The relevant provisions of the Act read as follows:

165 (1) A taxpayer who objects to an assessment under this Part may serve on the Minister a notice of objection, in writing, setting out the reasons for the objection and all relevant facts,	**165 (1)** Le contribuable qui s'oppose à une cotisation prévue par la présente partie peut signifier au ministre, par écrit, un avis d'opposition exposant les motifs de son opposition et tous les faits pertinents, dans les délais suivants:
(a) if the assessment is in respect of the taxpayer for a taxation year and the taxpayer is an individual (other than a trust) or	a) s'il s'agit d'une cotisation, pour une année d'imposition, relative à un contribuable qui est un particulier (sauf une fiducie) ou une succession

a graduated rate estate for the year, on or before the later of

(i) the day that is one year after the taxpayer's filing-due date for the year, and

(ii) the day that is 90 days after the day of sending of the notice of assessment; and

(b) in any other case, on or before the day that is 90 days after the day of sending of the notice of assessment.

assujettie à l'imposition à taux progressifs pour l'année, au plus tard au dernier en date des jours suivants :

(i) le jour qui tombe un an après la date d'échéance de production qui est applicable au contribuable pour l'année,

(ii) le quatre-vingt-dixième jour suivant la date d'envoi de l'avis de cotisation;

b) dans les autres cas, au plus tard le quatre-vingt-dixième jour suivant la date d'envoi de l'avis de cotisation.

(1.11) Where a corporation that was a large corporation in a taxation year (within the meaning assigned by subsection 225.1(8)) objects to an assessment under this Part for the year, the notice of objection shall

(a) reasonably describe each issue to be decided;

(b) specify in respect of each issue, the relief sought, expressed as the amount of a change in a balance (within the meaning assigned by subsection 152(4.4)) or a balance of undeducted outlays, expenses or other amounts of the corporation; and

(c) provide facts and reasons relied on by the corporation in respect of each issue.

(1.11) Dans le cas où une société qui était une grande société au cours d'une année d'imposition, au sens du paragraphe 225.1(8), s'oppose à une cotisation établie en vertu de la présente partie pour l'année, l'avis d'opposition doit, à la fois :

a) donner une description suffisante de chaque question à trancher;

b) préciser, pour chaque question, le redressement demandé, sous la forme du montant qui représente la modification d'un solde, au sens du paragraphe 152(4.4), ou d'un solde de dépenses ou autres montants non déduits applicable à la société;

c) fournir, pour chaque question, les motifs et les faits sur lesquels se fonde la société.

(1.12) Notwithstanding subsection 165(1.11), where a notice of objection served by a corporation to which that subsection applies does not include the information required by paragraph 165(1.11)(b) or 165(1.11)(c) in respect of an issue to be decided that is described in the notice, the Minister may in writing request the corporation to provide the information, and those paragraphs shall be deemed to be complied with in respect of the issue if, within 60 days after the request is made, the corporation submits the information in writing to a Chief of Appeals referred to in subsection 165(2).

169 (1) Where a taxpayer has served notice of objection to an assessment under section 165, the taxpayer may appeal to the Tax Court of Canada to have the assessment vacated or varied after either

(a) the Minister has confirmed the assessment or reassessed, or

(b) 90 days have elapsed after service of the notice of objection and the Minister has not notified the taxpayer that the Minister has vacated or confirmed the assessment or reassessed,

but no appeal under this section may be instituted after the expiration of 90 days from the day notice has been sent to the taxpayer under section 165 that the Minister

(1.12) Malgré le paragraphe (1.11), dans le cas où un avis d'opposition signifié par une société à laquelle ce paragraphe s'applique ne contient pas les renseignements requis selon les alinéas (1.11)b) ou c) relativement à une question à trancher qui est décrite dans l'avis, le ministre peut demander par écrit à la société de fournir ces renseignements. La société est réputée s'être conformée à ces alinéas relativement à la question à trancher si, dans les 60 jours suivant la date de la demande par le ministre, elle communique par écrit les renseignements requis au chef des Appels visé au paragraphe (2).

169 (1) Lorsqu'un contribuable a signifié un avis d'opposition à une cotisation, prévu à l'article 165, il peut interjeter appel auprès de la Cour canadienne de l'impôt pour faire annuler ou modifier la cotisation :

a) après que le ministre a ratifié la cotisation ou procédé à une nouvelle cotisation;

b) après l'expiration des 90 jours qui suivent la signification de l'avis d'opposition sans que le ministre ait notifié au contribuable le fait qu'il a annulé ou ratifié la cotisation ou procédé à une nouvelle cotisation;

toutefois, nul appel prévu au présent article ne peut être interjeté après l'expiration des 90 jours qui suivent la date où avis a été envoyé au contribuable, en vertu de

has confirmed the assessment or reassessed.

(2.1) Notwithstanding subsections 169(1) and 169(2), where a corporation that was a large corporation in a taxation year (within the meaning assigned by subsection 225.1(8)) served a notice of objection to an assessment under this Part for the year, the corporation may appeal to the Tax Court of Canada to have the assessment vacated or varied only with respect to

(a) an issue in respect of which the corporation has complied with subsection 165(1.11) in the notice, or

(b) an issue described in subsection 165(1.14) where the corporation did not, because of subsection 165(7), serve a notice of objection to the assessment that gave rise to the issue

and, in the case of an issue described in paragraph 169(2.1)(a), the corporation may so appeal only with respect to the relief sought in respect of the issue as specified by the corporation in the notice.

l'article 165, portant que le ministre a ratifié la cotisation ou procédé à une nouvelle cotisation.

(2.1) Malgré les paragraphes (1) et (2), la société qui était une grande société au cours d'une année d'imposition, au sens du paragraphe 225.1(8) et qui signifie un avis d'opposition à une cotisation établie en vertu de la présente partie pour l'année ne peut interjeter appel devant la Cour canadienne de l'impôt pour faire annuler ou modifier la cotisation qu'à l'égard des questions suivantes :

a) une question relativement à laquelle elle s'est conformée au paragraphe 165(1.11) dans l'avis, mais seulement à l'égard du redressement, tel qu'il est exposé dans l'avis, qu'elle demande relativement à cette question;

b) une question visée au paragraphe 165(1.14), dans le cas où elle n'a pas, à cause du paragraphe 165(7), signifier d'avis d'opposition à la cotisation qui a donné lieu à la question.

[9] In the circumstances of this case, in order to determine whether the appeals for the relevant taxation years ought to be quashed as moved for by the Respondent, it must be determined whether 941's Notices of Objection comply with the requirements of subsection 165(1.11), namely a) whether the Notices reasonably describe each issue to be decided; b) whether they specify the relief sought in respect of each issue expressed as a change in a balance of the items in dispute; and c) whether they provide the facts and reasons relied on in respect of each issue.

IV. Analysis

[10] The evidence in this motion was introduced by way of affidavits filed by the parties, as well as a transcript of a cross-examination on affidavit.

[11] The Respondent filed the following three affidavits with several exhibits attached in support of its motion:

- Affidavit of Barbara Wamburu, Appeals Officer, who had carriage of 941's objection for the 2019, 2020, 2021 and 2022 taxation years (*Wamburu Affidavit*);
- Affidavit of Camille Ewanchyshyn, Paralegal, who conducted a corporate search for a related corporation; and
- Affidavit of Youssef Ezzat, Litigation Officer, who had charge of 941's records for the 2019, 2020, 2021 and 2022 taxation years (*Ezzat Affidavit*).

[12] The Appellant filed the following documents in support of its response to the motion:

- Transcript of the cross-examination on the *Wamburu Affidavit*; and
- Affidavit of Colleen Millitaire, Legal Assistant, attaching a letter from the Canada Revenue Agency (CRA) as Exhibit A (although referred to as an audit proposal letter, the Appellant's Counsel agreed that it was misnomered and it was actually a final audit letter) (*Millitaire Affidavit*).

[13] The Notices of Objection filed by the Appellant on June 28, 2024 for each of the relevant taxation years are identical and read as follows (*Wamburu Affidavit*, Exhibit A):

> The taxpayer objects to the Minister's reassessment. The Minister's reassessment errs in fact and law. The taxpayer's return was correct as filed.

[14] The Notices of Reassessment issued on April 17, 2024 for each of the relevant taxation years were attached to the Notices of Objection. A review of the Notices of Reassessment indicates the amount of federal tax reassessed and the adjustments to interest and penalties but reveals no information about the items or amounts in dispute. It does, however, state that the corporation is identified as a large corporation. (See *Wamburu Affidavit*, Exhibit A).

[15] On November 28, 2024, the Appeals Officer, Ms. Wamburu, wrote to the Appellant stating that Audit had reassessed 941 for amounts for which the Appellant had not provided sufficient information to support its claims (*Wamburu Affidavit*, Exhibit C). The Appeals Officer stated she needed additional information and provided a detailed list of what she required, referring to source documents and explanations. She also wrote, "[i]dentify the specific amount(s) you are objecting to, the specific reasons for your objection to these amounts, as well as source documents and the provisions you are relying on to support your position." The Appellant had 30 days to respond.

[16] The Appellant did not provide a written response to the November 28, 2024 letter. However, on December 27, 2024, during a telephone conversation, the Appellant's Counsel informed the Appeals Officer that they were going directly to the Tax Court *(Wamburu Affidavit*, Exhibit B). On December 30, 2024, the Appellant filed its Notice of Appeal with the Court and sent a copy to the CRA (*Wamburu Affidavit*, para 13; Exhibit D).

[17] The Respondent submits that 941's Notices of Objection do not meet any of the requirements of subsection 165(1.11) of the Act. Counsel expressed the view that in simply stating that "the taxpayer's return is correct as filed", 941 has not reasonably described any issue to be decided as required by paragraph 165(1.11)(a). Counsel added that in providing a conclusory assertion that "the Minister's reassessment errs in fact and law", 941 did not provide any facts or reasons relied upon as required by paragraph 165(1.11)(c).

[18] With respect to the requirements of paragraph 165(1.11)(a) of the Act, namely that the issues need to be reasonably or sufficiently described (the latter adverb being the word used in the French version of the text), the Respondent referred to the pronouncements of Justice Webb in *Bakorp Management Ltd. v R*, 2014 FCA 104 at para 28 [*Bakorp*], wherein he stated that a general description of an issue as the correct amount of tax owing would not be sufficient.

[19] However, Counsel for the Respondent acknowledged that, in *Ford*, *supra* at para 53, Justice Boyle, as he then was, asserted that "a court can be expected to seek to find and identify the issue described in the objection having regard to the contents of the objection read as a whole, including references therein to the taxpayer's filings and to the issues in the reassessment, and having regard to the quantification of the issue therein." I note that Justice Boyle's assertion presumes that there *was* an *issue described in the objection* and that the Court would be seeking to determine whether it was reasonably or sufficiently described. In this case, in my view, there is no issue described in the objection. Looking at the Notices of Objection and the Notices of Reassessment alone does not give the Minister, this Court, or anyone for that matter, the faintest idea of what is at issue. In my respectful view, that cannot be what the legislator intended when enacting the large corporation rules in 1995.

[20] Having said that, Counsel for the Respondent added that, recognizing that the Notice of Objection has to be read in context with the underlying audit and the underlying tax disputes, it is possible that this Court could find that paragraphs 165(1.11)(a) and (b) of the Act are satisfied although she was not conceding that point (see *Transcript* at 17). She acknowledged that the November 28, 2024 letter indicates that the Minister had an idea of what was in issue but noted that the Minister was requesting further information, in particular the facts and reasons relied on in support of the Appellant's position. The Respondent was adamant that the Notices, even read as a whole with the audit and the November 28, 2024 letter cannot possibly satisfy paragraph 165(1.11)(c) because the Appellant did not provide any facts and reasons relied on and the Minister would have to speculate on the reasons relied on.

[21] Early in his submissions, the Appellant's Counsel referred to the "original objection" and the "perfected objection". In response to queries from the Court, he explained that the *original objection* was the actual Notice of Objection filed in June 2024 and described earlier in these reasons. The *perfected objection*, on the other hand, was the Notice of Appeal filed with the Court in December 2024. This was, in his view, provided for by subsection 165(1.12) of the Act. I will come back to this later but I must say I have great difficulty accepting that in determining whether a

notice of objection complies with subsection 165(1.11) in a manner that will allow a taxpayer to appeal to this Court, I ought to look at the notice of appeal to this Court, all of which seems completely circular.

[22] The Appellant's Counsel acknowledged that the Notices of Objection were sparse which he explained was due to the Appellant's intention to appeal directly to the Court and not engage with the appeals process at all. He was referring to a taxpayer's right to appeal after 90 days have elapsed following service of the notice of objection without waiting for the Minister's response as provided by paragraph 169(1)(b) of the Act.

[23] The Appellant referred the Court to the purpose of the large corporation rules quoting from the decision in *R v Potash Corporation of Saskatchewan Inc.*, 2003 FCA 471 at para 4 [*Potash*], wherein the Federal Court of Appeal considered an extract from a paper by R.M. Beith presented at the 1994 Annual Conference of the Canadian Tax Foundation. In the extract from that paper, Beith asserts that the large corporation rules were enacted "to discourage large corporations from engaging in a full reconstruction of their income tax returns for a particular year, after the objection or appeal process had started, based on developing interpretations and the outcome of court decisions in litigation involving other taxpayers" (*Potash*, *supra* at para 4). Beith goes on to say that "[o]ne of the reasons for the legislation is to identify disputed issues much sooner so that a taxation year's ultimate tax liability can be determined in a timely way" (*Potash*, *supra* at para 4).

[24] The Appellant submits that the Respondent's motion is contrary to established jurisprudence of this Court and contrary to a textual, contextual and purposive interpretation of the large corporation rules (*Transcript* at 27). The Appellant argued that in this case, there is no full reconstruction of the corporation's tax returns and 941 is not attempting to have its taxation years kept open so that they can raise new issues based on emerging interpretations and the outcome of court decisions challenged by other taxpayers (see *Transcript* at 47-49).

[25] When asked whether he agreed that when looking only at the notices of objection and its three sentences with the attached notices of reassessment which show the changes in the federal taxes owed, one would not know what is in dispute, Counsel for the Appellant replied "if that's all you're looking at, I would agree that you don't know what's in dispute" (*Transcript* at 44).

[26] The Appellant argued that the Court must consider the entire context, the totality of the correspondence, to determine if the Notices of Objection meet the

requirements of the large corporation rules and referred to the case law, in particular, the decision in *Ford*, *supra*, in support of its position. I would pause here to note that in reading the decision in *Ford*, I find that the Court was considering a notice of objection that contained a significant amount of information, unlike the Notices before the Court in this case. In *Ford*, the Court was being asked to determine whether the issues raised in the notice of appeal were the same as those that were reasonably and sufficiently described in the *notice of objection* (*Ford*, *supra* at para 58). Justice Boyle spent a considerable portion of his analysis on his review of the *content of the Notice of Objection* and the description of the issues contained therein.

[27] The Appellant also relied on the decision in *Royal Bank of Canada v R*, 2024 TCC 125 at para 29, wherein Justice Smith wrote that in order to determine if a taxpayer has complied with the parallel large corporation rules found in the *Excise Tax Act*, RSC 1985, c E-15 (ETA), "it is necessary to consider the entire context". I note that in that case, the Crown took the position that an argument about the method to be used to determine the appropriate allocation of ITCs was not properly before the Court as the corporate appellant had failed to identify it in its Notice of Appeal. Justice Smith found that the notice of objection set out a description of the "pre-approved method" such that the "method argument" was reasonably described and that the extensive reference to the pre-approved method was sufficient to meet the requirements of the large corporation rules. Again, it appears the Court was considering a notice of objection that contained significant information, in that case, about the issue of the entitlement to ITCs and the appropriate method for determining their amount.

[28] In this case, there really is no content in the Notices of Objection that can be the subject of a robust analysis conducted to determine whether the issues are reasonable described, the relief sought clearly expressed, and the facts and reasons relied on articulated such as can be found in the cases relied on by the Appellant.

[29] When asked what the Court would have to look at to come to a conclusion that 941 met the requirements of the large corporation rules, Counsel for the Appellant replied that if the Court considered the Notices of Objection to which the Notices of Reassessment were attached and the March 28, 2024 final audit letter (*Millitaire Affidavit*, Exhibit A), it should find that the Minister knew what were the items and the amounts in dispute.

[30] The Appellant submits that the March 28, 2024 final audit letter "sets out quite succinctly the amounts and the items at issue in the reassessments for the 2019 and 2020 tax years which form the vast majority of the adjustments that are at issue now

at the Tax Court level" (*Transcript* at 35). I note that parties agree that, although this letter does not refer to the 2021 and 2022 taxation years, it does include an attachment that refers to the consequential adjustments made to those two taxation years. The Appellant argued that given the audit, given the Notices of Reassessment indicating the tax reassessed, given the Notices of Objection stating that the returns are correct as filed, the Minister knew what was the nature and the quantum of the dispute such that the Notices of Objection were sufficient to comply with the large corporation rules.

[31] With respect to providing the facts and reasons relied on as required by paragraph 165(1.11)(c) of the Act, the Appellant submitted that, for the types of adjustments at issue, the facts and reasons were obvious. The Appellant further argued that paragraph 165(1.11)(c) should be given less weight because 941 had used the direct appeal process but provided no real basis to support this position.

[32] The Appellant argued that this was a unique case for two reasons. Firstly, while 941 was a large corporation in 2020, 2021 and 2022, it was not a large corporation in 2019, and secondly, it was unique because of its use of the direct appeal process.

[33] I fail to see how changing status from *not being*, to *being*, a large corporation is unique and more importantly how that should affect a corporation's new obligations in light of its change in status. I note that by the time 941 was objecting to its reassessments for the relevant taxation years in June 2024, it had been a large corporation for about 4 years. In filing its returns for the relevant taxation years, 941 filed Schedule 33, entitled "Taxable Capital Employed in Canada – Large Corporations" and reported that its taxable capital employed in Canada was in excess of 10 million dollars (*Ezzat Affidavit*, Exhibits L, M, N). 941 knew that it was reporting as a large corporation as defined by subsection 225.1(8) of the Act. In addition, in each of the Notices of Reassessment issued on April 17, 2024, the Minister states "[w]e identified your corporation as a large corporation under subsection 225.1(8) of the Income Tax Act" (*Wamburu Affidavit*, Exhibit A). When filing its Notices of Objection through its Counsel in June 2024, 941 knew that it was a large corporation and ought to have known that this status imposed special requirements regarding the content of the Notices of Objection.

[34] As mentioned earlier, Counsel for the Appellant also submitted that the case was unique because 941 had always intended to appeal directly to this Court. He submitted that because 941 was bypassing the CRA Appeals Division, the facts and

reasons under paragraph 165(1.11)(c) are not as crucial and that less weight needed to be given to that paragraph in the circumstances (see *Transcript* at 59).

[35] I am not persuaded that less weight should be placed on the requirement in paragraph 165(1.11)(c) because 941 was bypassing the appeals process. I fail to see how skipping the CRA Appeals Division could excuse 941 from the requirements of subsection 165(1.11). Nowhere in the legislation do I see anything suggesting that the requirements of subsection 165(1.11) do not apply to corporations who appeal to this Court after the expiration of a period of 90 days following the service of the notice of objection without waiting for the Minister's decision on the objection. I can find nothing in section 169 to support such an interpretation. To the contrary, subsection 169(2.1) restricts the right to appeal, directly or not, if the requirements of subsection 165(1.11) are not met.

[36] Counsel then argued that the late compliance rule under subsection 165(1.12) of the Act had been complied with by 941 since the Minister had made a request in writing for further information when it sent the November 28, 2024 letter (*Wamburu Affidavit*, Exhibit C) and 941 had replied.

[37] I note that subsection 165(1.12) of the Act allowed 941 to rectify the omissions in its Notices of Objection with respect to paragraphs 165(1.11)(b) and (c) but not (a). But more importantly, the late compliance rule contemplates that the taxpayer will provide a response in writing to the Chief of Appeals within 60 days of the Minister's request for information. Counsel submitted that the Notice of Appeal filed with the Court and then sent to the Appeals Officer was such a response. With respect, I cannot accept that in determining whether the Notices of Objection filed by 941 complied with the large corporation rules which in turn determines its right of appeal under subsection 169(2.1), the Court must consider the Notice of Appeal filed with the Court. I understand this to be what the Appellant referred to as the "perfected objection" earlier in his submissions to the Court. In my respectful view, a notice of appeal cannot serve to cure the deficiencies in a notice of objection in an attempt to show compliance with the large corporation rules. I reiterate that I have great difficulty accepting that in determining whether a notice of objection complies with the rules in a manner that will allow a taxpayer to appeal to this Court, I ought to look at the notice of appeal to this Court.

[38] Counsel submitted that failure to consider 941's Notice of Appeal resulted in it "losing on a technicality" suggesting that if 941 had sent a draft of its Notice of Appeal to the Appeals Officer before filing it with the Court, it would have satisfied the requirements of subsection 165(1.12). Counsel stated, "[w]e wouldn't be here if

we had, basically, put the notice of appeal contents into the notice of objection" (*Transcript* at 42). But, and without commenting on the content of the Notice of Appeal, that is not what 941 did. It filed Notices of Objection bereft of any description of the issues, any mention of the quantum of the items disputed and any facts and reasons relied on in respect of each issue. And it did not respond to the Appeals Officer's request for information following the filing of the Notices of Objection.

[39] At the hearing, Counsel for the Appellant insisted on the importance of a purposive interpretation of the large corporation rules referring to the oft-quoted extract from Beith's article in *Potash*, *supra*. Counsel submitted that, "[t]his is not a case of an Appellant belatedly raising a new alternative means of achieving success (like the cases which prompted the invocation of section 165(1.11)). This case is a simple matter of clearly defined areas of assessment which the Appellant clearly opposed from the outset" (Appellant's *Written Submissions* at para 11).

[40] This Court and the Federal Court of Appeal have acknowledged the general purpose of the large corporation rules as described in *Potash, supra* (see *Ford, supra* at para 22 and *Bakorp*, *supra* at para 26). However, in *Ford*, the Court was called upon to determine if an issue that *was described* in the notice of objection was reasonably or sufficiently described (see paras 3, 11, 53) and in *Bakorp*, the Court was called upon to determine if there was a reasonable description of an issue and the relief sought to assist in determining whether the issue and relief sought as raised in the appeal were the same as that raised in the objection (see paras 15, 34, 36, 42, 43).

[41] In *Bakorp*, *supra* at para 25, Justice Webb asserted that in *Canada Trustco Mortgage Co. v Canada*, 2005 SCC 54 at para 10 [*Trustco*], the Supreme Court had given guidance on the issue of interpretation wherein it stated as follows:

> It has been long established as a matter of statutory interpretation that the "words of an Act are to be read in their entire context in their grammatical and ordinary sense harmoniously with the scheme of the Act, the object of the Act, and the intention of Parliament": see *65302 British Columbia Ltd. v. R.*, [1999] 3 S.C.R. 804 (S.C.C.), at para. 50. The interpretation of a statutory provision must be made according to a textual, contextual and purposive analysis to find a meaning harmonious with the Act as a whole. When the words of a provision are precise and unequivocal, the ordinary meaning of the words play a dominant role in the interpretive process. On the other hand, where the words can support more than one reasonable meaning, the ordinary meaning of the words plays a lesser role. The relative effects of ordinary meaning, context and purpose on the interpretive process

> may vary, but in all cases the court must seek to read the provisions of an Act as a harmonious whole.

[42] I note that the textual, contextual, purposive (TCP) approach to interpretation of tax legislation has long been confirmed by the Supreme Court of Canada and followed by lower courts. I observe that in conducting a TCP analysis, different judges have taken different approaches, sometimes preferring to first find whether there is ambiguity in the language of a provision, other times dispensing with this first step. Having said this, once engaged in a TCP analysis, and in considering the three elements of the analysis, judges have accorded varying weight to each element, sometimes giving more weight to the text, other times looking more to context and purpose to choose between alternative interpretations of a provision.

[43] In this case, I am not persuaded that there is that much disagreement between the parties on the interpretation of subsection 165(1.11) of the Act. Both parties acknowledge the pronouncements of the Courts on the purpose of the large corporation rules as well as the Courts' assertion that in determining whether these rules have been complied with, it is necessary to consider the notice of objection as a whole, although they disagree on how that applies to the circumstances of this case.

[44] With the quote from *Trustco* in mind, in *Bakorp*, *supra*, Justice Webb went on to interpret the meaning of "issue" and "relief sought" and quoted with approval previous judicial pronouncements stating that, although not required to describe an issue exactly, a large corporation must describe it reasonably (at para 27 quoting from *Potash*, *supra*) and further, that general descriptions of an issue as the correct amount of tax owing would not be sufficient (at para 28 quoting from *Canadian Imperial Bank of Commerce v R*, 2013 TCC 170). In my view, the Courts have recognized and turned their mind to the purpose of the large corporation rules when determining whether an issue described in the notice of objection met the legislative requirements applicable to large corporations and in particular, when interpreting terms that have a certain built-in elasticity such as "reasonably" in the expression "reasonably describe each issue to be decided" and "suffisante" in the French text. In so doing, Courts have found that in conducting this exercise, it was appropriate to consider the context in which the objection was made and more specifically, that Courts can consider "the objection read as a whole, including references therein to the taxpayer's filings and to the issues in the reassessment, and having regard to the quantification of the issue therein" (see *Ford*, *supra* at para 53, referring to *Bakorp*, *supra*).

[45] However, in this case, there is no content in the Notices of Objection that can be the subject of a robust, purposive analysis to determine if the requirements of subsection 165(1.11) of the Act have been met. I am unable to accept that in imposing constraints on large corporations for the acknowledged purposes, the intention of the legislator was to accept that the 3-line Notices of Objection stating that 941 was objecting, that the reassessments were erroneous and that the returns were correct were sufficient to meet the requirements of the legislation. It cannot be that the legislator intended that the Minister ought to have to take these Notices of Objection, bereft of any real information about the dispute, and start looking at what the Appellant called "the totality of the correspondence" to get a sense of the issues to be decided, the quantum of those items and the facts and reasons relied on to support their position. I am prepared to accept that in determining whether a taxpayer has met the requirements of subsection 165(1.11) of the Act, the Court can look beyond the content of the Notices of Objection but there must be content beyond which to look. In this case there is none.

[46] As suggested by Justice Boyle in *Ford*, *supra* at para 53, "it is possible that a Notice of Objection will not comply with the requirement to reasonably or sufficiently describe any issue or question, with the result that no issue whatsoever could be raised on appeal to the Court". This is such a case. Even if one were to accept, and I do not in light of the Notices of Objection being devoid of any serious attempt at describing the issues, that the Minister should look at the March 28, 2024 final audit letter wherein it could find the disputed items and amounts based on the conclusions of the auditor who examined 941's returns, it sheds no light on the facts and reasons relied on to explain why 941 disputes those items. In addition, as submitted by the Respondent, in that letter, the auditor called into question the previous representations of the Appellant (which were not before the Court). 941 did nothing to address the Minister's concerns as expressed in that letter.

[47] In my view, and as argued by the Respondent, finding that the impugned Notices of Objection filed by 941 satisfy the requirements of subsection 165(1.11) of the Act would be akin to not imposing any requirements on a large corporation other than to object (see *Bakorp*, *supra* at para 34). It would, to borrow the words of the Federal Court of Appeal in *Potash*, *supra* at para 24, render the large corporation rules meaningless, defeating the purpose of their enactment. As was the case in *Potash*, this may be a harsh result but finding otherwise would completely gut the large corporation rules and allow large corporations to basically circumvent them.

V. Conclusion

[48] Based on all the foregoing, I find that the Notices of Objection filed by 941 for its 2020, 2021 and 2022 taxation years do not meet the requirements of subsection 165(1.11) of the Act. Hence, pursuant to subsection 169(2.1) of the Act, there are no issues in respect of which 941 can appeal to this Court for the relevant taxation years. The Respondent's motion is granted, with costs to the Respondent, and the appeals for the 2020, 2021 and 2022 taxation years are quashed.

Signed this 14th day of April 2026.

"Gabrielle St-Hilaire"

St-Hilaire C.J.

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